

*Showing transparency: Our change, the demands placed on us by change, and our solutions. / 5*

Insights.

About the future.

About change. About us./

Annual Report

08/09



ThyssenKrupp

## ThyssenKrupp overview /

- 01/ Our figures
- 02/ The Group in brief
- 03/ ThyssenKrupp worldwide
- 04/ Organizational structure in transition
- 05/ The new organizational structure
- 06/ Our business areas
- 07/ Our new face
- 08/ Financial dates

## Annual Report

# 08/09

*All you need to know about us and  
what has changed can be found here.*

## ThyssenKrupp overview /

- 01/ Our figures
- 02/ The Group in brief
- 03/ ThyssenKrupp worldwide
- 04/ Organizational structure in transition
- 05/ The new organizational structure
- 06/ Our business areas
- 07/ Our new face
- 08/ Financial dates

## Annual Report

# 08/09

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## Our figures /

01

		2007/2008	2008/2009	Change	Change in %
Order intake	million €	55,205	35,970	(19,235)	(35)
Sales	million €	53,426	40,563	(12,863)	(24)
EBITDA	million €	4,976	192	(4,784)	(96)
EBIT	million €	3,572	(1,663)	(5,235)	—
Earnings before taxes (EBT)	million €	3,128	(2,364)	(5,492)	—
Net income/(loss)	million €	2,276	(1,873)	(4,149)	—
Earnings per share (EPS)	€	4.59	(4.01)	(8.60)	—
Distribution	million €	603	139*	(464)	(77)
Dividend per share	€	1.30	0.30*	(1)	(77)
ROCE	%	18.3	(8,1)	(26.4)	—
ThyssenKrupp Value Added (TKVA)	million €	1,916	(3,419)	(5,335)	—
Operating cash flows	million €	3,679	3,699	20	1
Cash flows from disposals	million €	329	199	(130)	(40)
Cash flows from investments	million €	(4,227)	(4,236)	(9)	—
Free cash flow	million €	(219)	(338)	(119)	54
Net financial debt	million €	1,584	2,059	475	30
Total equity	million €	11,489	9,696	(1,793)	(16)
Gearing	%	13.8	21.2	7.4	—
Employees (September 30)		199,374	187,495	(11,879)	(6)
Germany		85,097	81,229	(3,868)	(5)
Abroad		114,277	106,266	(8,011)	(7)

\* Proposal to the Annual General Meeting

## The Group in brief /

Driven by ideas and innovation, ThyssenKrupp is an integrated materials and technology group offering solutions for sustainable progress worldwide and answers to many future questions, both commercial and technical. Our committed and skilled employees are meeting the challenges of the markets: High-performance materials and plants, components and systems form a mix of products and services for customers in over 80 countries. The Group managed by ThyssenKrupp AG directly or indirectly owns more than 850 companies and equity investments. Two thirds of our 2,500 production sites, offices and service bases are located outside Germany.

As an international group, we speak many languages: More than half of our employees and two thirds of our customers are located outside Germany. Key locations are to be found above all in our neighboring European countries. But we also see significant opportunities in North America, Asia and the emerging nations of other regions. Dynamism, performance and a willingness to improve on tried and tested solutions are features characterizing the work of our plants and branches around the world. For example, our ThyssenKrupp best value enhancement program has now produced more than 10,000 projects with many new ideas to strengthen the Group and its basis for the future.

SALES	EMPLOYEES	THYSSENKRUPP BEST PROJECTS
Worldwide	Worldwide	Worldwide
€40.6 billion	187,495	10,238
100 %	100 %	100 %
EU	EU	EU
€25.2 billion	119,481	7,167
62 %	63 %	70 %
Germany	Germany	Germany
€13.0 billion	81,229	4,623
32 %	43 %	45 %

## Organizational structure in transition /

Up to September 30, 2009 the Group's operating business was organized in five segments: Steel, Stainless, Technologies, Elevator and Services. The segments were each led by a holding company and decided independently on their market and customer operations.

To strengthen the Group for the economic challenges in the years ahead, we introduced a new organizational structure effective October 01, 2009. "With more decentralized operational management and more centralized strategic management, we will be able to respond more quickly to new market developments and customer requirements in the future," said Executive Board Chairman Dr. Ekkehard Schulz of the new structure.

### ORGANIZATIONAL STRUCTURE until September 30, 2009

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#### Holding company

ThyssenKrupp AG
-----------------

#### Segments

Steel	Stainless	Technologies	Elevator	Services
-------	-----------	--------------	----------	----------

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At October 01, 2009 the operations of the former segments were combined in eight business areas, which together form two divisions – Materials and Technologies. The reorganization strengthens ThyssenKrupp's focus on its two strategic competency areas as an integrated materials and technology Group. The new organizational structure will allow us to cooperate quickly and intensively within the Group and increase internal and external transparency. We will be able to operate closer to the market, implement operational and strategic measures more directly, sustainably reduce costs and make the Group fit for the future.

## ORGANIZATIONAL STRUCTURE since October 01, 2009

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### Corporate headquarters

ThyssenKrupp AG

### Business areas

#### Materials division

Steel  
Europe

Steel  
Americas

Stainless  
Global

Materials  
Services

#### Technologies division

Elevator  
Technology

Plant  
Technology

Components  
Technology

Marine  
Systems

## Our business areas /

Eight business areas in two divisions focus the Group's capabilities, activities and products in materials and technologies. They integrate similar business models and geographically related business activities. The business areas are led by management boards which are responsible for operational control and ongoing business development in close consultation with the Executive Board of ThyssenKrupp AG. This link will allow more direct alignment with the overall interests of the Group and strengthen the Company for the economic challenges in the years ahead.

### MATERIALS DIVISION

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#### Steel Europe

- Premium carbon steel flat products
- From intelligent material solutions to finished parts

#### Steel Americas

- High-quality steel products for the American market
- Steelmaking and processing plants in Brazil and the USA

#### Stainless Global

- Leading global producer of stainless steel
- Supplier of high-performance materials such as nickel alloys and titanium

#### Materials Services

- Worldwide materials services
- Integrated supply-chain management as full service offering

### TECHNOLOGIES DIVISION

---

#### Elevator Technologies

- Global supplier of mobility solutions
- Elevators, escalators, moving walks, passenger boarding bridges and stair lifts

#### Plant Technology

- Leading international supplier of specialty and large-scale plant construction solutions
- Plants and processes for greater environmental protection and sustainable development

#### Components Technology

- Components for the automotive, construction and engineering sectors
- Innovative specialist with broad and successful product range

#### Marine Systems

- Specialist with outstanding products and strong innovative capabilities
  - From fuel cell technology for submarines to sophisticated research vessels
-

The change in our Group structure is also reflected in a revised company image. In parallel with the implementation of the reorganization, the Group has also introduced a new corporate design. Ten years after the merger, the logo and logotype have been combined in a compact, distinctive and attractive form. The new brand will draw employees and companies closer together. It stands for the quality of the Group's products and services and is an expression of the unity and strength with which we intend to shape the future.

### CORPORATE MARK

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Important dates can also be found in our online financial calendar:

[www.thyssenkrupp.com/en/investor/finanzkalender.html](http://www.thyssenkrupp.com/en/investor/finanzkalender.html)

If you'd like to be kept up to date with news about ThyssenKrupp, subscribe to our newsletter at

[www.thyssenkrupp.com/en/newsletter/index.html](http://www.thyssenkrupp.com/en/newsletter/index.html)

## DATES

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January 21, 2010	Annual General Meeting
January 22, 2010	Payment of dividend for the 2008/2009 fiscal year
February 12, 2010	Interim report 1st quarter 2009/2010 (October to December) Conference call with analysts and investors
May 12, 2010	Interim report 1st half 2009/2010 (October to March) Conference call with analysts and investors
August 13, 2010	Interim report 9 months 2009/2010 (October to June) Conference call with analysts and investors
November 30, 2010	Annual Press conference Analysts' and investors' conference
January 21, 2011	Annual General Meeting

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**ThyssenKrupp AG**

August-Thyssen-Strasse 1  
40211 Düsseldorf, Germany  
[www.thyssenkrupp.com](http://www.thyssenkrupp.com)



Change is a fundamental principle of our world. It brings opportunities, but it also brings risks, sometimes even crises. Embracing change, regularly reviewing and recalibrating our own standards, is thus a key business success factor. /

We too are changing, making ourselves stronger for the future. In this, we are pursuing our long-term strategy of using ThyssenKrupp's innovation and problem-solving capabilities to generate new potential. /

We're working constantly to optimize our structures, our actions and our possibilities. We're focusing our strengths on our key competency areas and creating the conditions to make us more efficient and at the same time more transparent, internally and externally. /

To move forward strategically. To respond faster to market demands. To continue delivering value in the future. For customers, partners, employees, investors and society. For people. /

Insights.

About the future. About change. About us.

*More information in "ThyssenKrupp overview" and in the magazine from p. 9.*







Insights.

About the future.

About change. About us./

Annual Report

08/09



*Dear Shareholders,*

In my letter to you a year ago I was able to give you only a vague outlook for the 2008/2009 fiscal year: the global economy was in the grip of a deep financial and economic crisis, the impact and duration of which could not be reliably estimated. We updated you with more details in the course of the year in our interim reports. Today I would like to answer a few key questions which are of importance to everyone with an interest in ThyssenKrupp:

- How did ThyssenKrupp cope in the exceptional year 2008/2009?
- What did we do to counteract the crisis?
- Where does your Company stand today?
- How do we assess the Group's outlook?

#### REVIEW OF FISCAL 2008/2009

The global financial and economic crisis hit ThyssenKrupp hard. In 2008/2009 order intake fell by 35% to €36.0 billion, and sales by 24% to €40.6 billion. For the first time since the merger of Thyssen and Krupp in 1999 we ended the fiscal year with a loss: The Group's earnings before taxes amounted to €(2.4) billion; alongside the economic downturn, key factors included nonrecurring items in the form of restructuring expenditures, impairment charges and project costs for our new plants in Brazil and the USA. Only the Elevator segment remained profitable in 2008/2009. Steel, Stainless, Technologies and Services were sucked into the crisis and were unable to prevent losses.

#### EXTENSIVE ACTION PROGRAM TO COUNTERACT THE CRISIS

I do not wish to examine in detail how the crisis came about; the facts are well known. What began at the start of 2007 as a normal economic slowdown turned into the most severe global recession in recent history due to the effects of the financial crisis.

A crisis like this compels all companies to take decisive action. ThyssenKrupp responded quickly and introduced both operating and structural measures, which began to show initial success even during the past fiscal year:

- The Groupwide program ThyssenKrupp PLuS is aimed at improving earnings and liquidity and reducing costs and borrowing requirements. With a range of measures we succeeded in cutting our costs by considerably more than €1 billion before the end of fiscal 2008/2009. It is particularly important to us that around half the measures will have a sustainable impact – i.e. they will continue to yield savings in the future.
- By reducing inventories and optimizing our receivables management, we cut our net working capital by well over €3 billion as of September 30, 2009, and thus significantly improved our liquidity position.

- In addition, we analyzed all investment projects for possible reductions and postponements. No exceptions were made even for our major projects in the steel area. We succeeded in scaling back our capital expenditures in 2008/2009 by well over €1 billion from the level originally planned.
- We also made progress with the necessary restructuring of individual areas such as the shipyards and automotive activities. The portfolio optimization process was likewise continued, e.g. with the sale of ThyssenKrupp Industrieservice to WISAG.
- The Group's administrative expenses of around €2.5 billion per year are to be reduced by 20% on a sustainable basis. The reorganization of the Group, implemented October 01, 2009, will play a major role in this.

#### THYSSENKRUPP TODAY

ThyssenKrupp began the new fiscal year with considerable problems – clearly reflected in last year's loss – and a long list of things to do, but also with optimism and self-confidence.

Our measures are taking effect and will make the Group tougher and more competitive in the future; we will continue to do everything possible to efficiently implement our cost-reduction and restructuring programs. Together with the cost reductions already achieved, we will achieve a sustainable improvement in our cost base of €1.5 to €2 billion from 2010/2011. And despite all the continuing risks the economy is starting to pick up slowly in many areas. Our customers are placing more orders, even if a return to the level of the good years is still some time away. Short-time working has been significantly reduced.

The reorganization enables us to act with greater speed and flexibility on the global markets; it also makes internal decision-making processes faster and more transparent. Operational management of the Group is more decentralized and strategic management more centralized. Since the beginning of the new fiscal year, our operations have been combined in eight business areas which are tied directly to corporate headquarters; the former segment management tier has been eliminated. Initial experience in various parts of the Group has been positive and speaks clearly in favor of the new organizational structure.

Overall in the past fiscal year we created a solid platform to emerge from the crisis stronger and – as soon as the economy rebounds – return to the success of previous years. Especially important to me was the fact that we decided all the key measures in agreement with the employee representatives, after in some cases heated discussion. Competitive strength, viability for the future and social responsibility must not be mutually exclusive. At ThyssenKrupp we have shown that they can be reconciled even in difficult times.



Against this background we are maintaining our policy of dividend continuity in 2008/2009. In January 2010, the Executive Board and Supervisory Board will propose to the Annual General Meeting the payment of a dividend of €0.30 per share for the past fiscal year. We feel it is important to safeguard the long-term loyalty of our stockholders and the long-term attractiveness of our stock. This also means that in good years we pay out less than we could – and less than some would wish – but in bad years – within reason – we do not cancel the dividend altogether.

#### OUTLOOK WITH SUBDUED OPTIMISM

The worst of the global economic recession seems to have passed and a slow economic recovery is expected for the coming year. Global GDP is forecast to grow again in 2010 – albeit only slightly, by 2.7%. Unfortunately, there is not yet sufficient impetus for a self-sustaining upturn and full recovery of our main sales markets. Against this background we expect sales to stabilize and earnings to improve significantly in the 2009/2010 fiscal year. We expect to return a profit before taxes – excluding nonrecurring items such as disposal gains and restructuring expenses – in the low three-digit million euro range.

This Annual Report contains more information on the impact of the financial and economic crisis on our customer sectors as well as on the business situation and main events in the reporting period and our expectations for the future. As required by the relevant rules, we report on the 2008/2009 fiscal year on the basis of the segment structure in place in that year. But we also describe the Group's new organizational structure and examine its main features and strategic advantages. Our outlook for 2009/2010 is based on the new business areas. I hope you find the report informative.

As you can see, your Company has come through an extremely difficult year; a no less demanding year lies ahead. But we are confident that we can successfully master the current challenges. We are making good progress, and our efforts are recognized by our business partners and the capital market. I hope that with this Annual Report I can convince you that ThyssenKrupp's stock is and will remain a worthwhile long-term investment.

Yours sincerely,



Dr.-Ing. Ekkehard D. Schulz  
Chairman of the Executive Board  
Düsseldorf, November 2009



Magazine

for the Annual Report 2008-2009  
of ThyssenKrupp AG

08/09  
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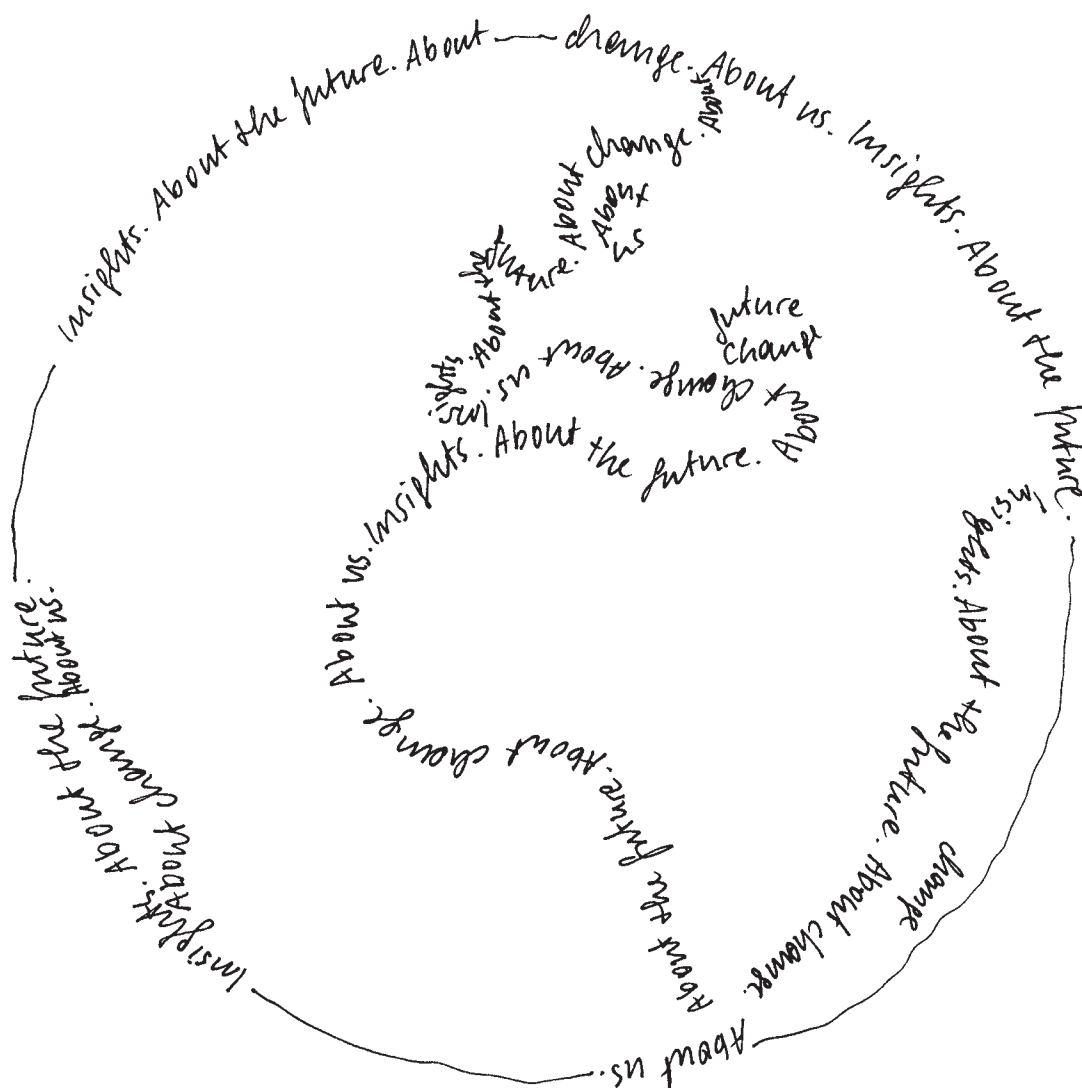
About the  
future.  
About change.  
About us.

The world is in a constant state of flux. Ideas are born, tested, rejected or taken further. Some of them fall on fertile ground. Opportunities are seized, something new starts to grow. Change is all around us. And inside us. In people's minds as blueprints of their imagination. And as building blocks for the future. Change is part of our lives. All the time. Everywhere. One example is the reorganization of our Group, supported visually by our new corporate design. You can read more about it in "ThyssenKrupp overview". Further examples of change and our solutions to future questions are presented on the following pages. We hope you enjoy finding out about them.

## A changing world needs solutions. /

Finding the right answers to change requires the expertise to recognize where change is worthwhile. It requires the courage to defend ideas that may be unpopular. And it requires the strength to stay the long and strenuous course. If everything goes well, these efforts will be rewarded.

Rethinking things. Having the will to alter tried and tested solutions for good reason. Neither task is easy. Both require strong personalities who not only have good ideas but are prepared to stand up for them and win over others. And who are prepared to do everything to turn a good idea into reality. People like this can be found all over. In the magazine for this annual report we would like to present four of them.



Change creates  
ideas. Our ideas  
are creating  
change.

#### Customer requirements in transition /

Prof. Dr.-Ing. Dr.-Ing. E.h. Werner Sobek,  
engineer and architect / page 14

How ThyssenKrupp is helping build the future / page 16

#### Technology in transition /

Prof. Dr. Wolfgang Bleck, researcher into highly  
innovative materials, RWTH Aachen / page 20

How ThyssenKrupp is driving technologies forward / page 22

#### Commitment in transition /

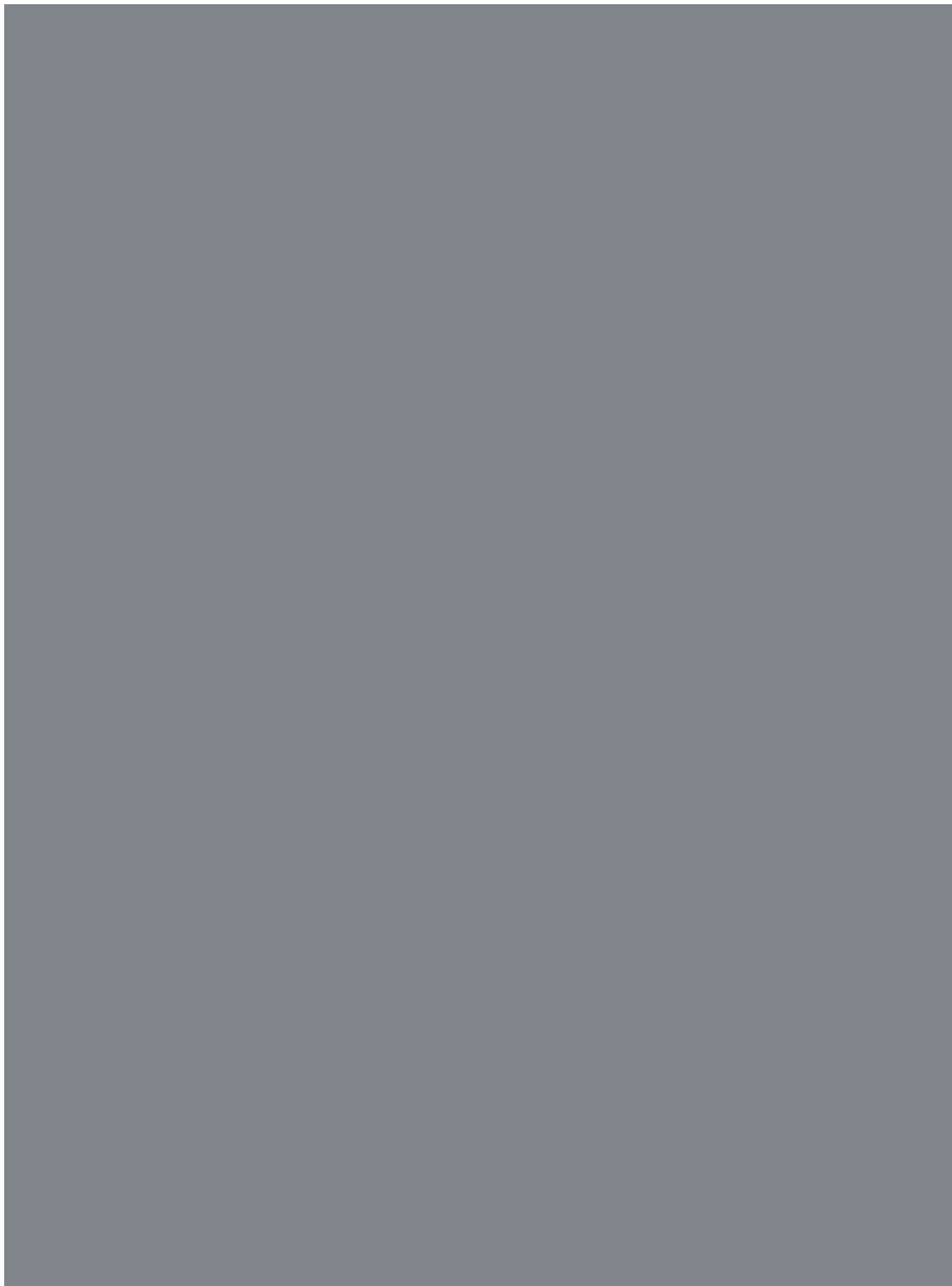
Daniela Kattwinkel, sales engineering and product management  
student at the Ruhr University Bochum / page 26

Where ThyssenKrupp is taking the initiative / page 28

#### Sustainability in transition /

Prof. Dr. Joachim Fetzer, professor of business and corporate ethics,  
University of Applied Sciences, FH Würzburg-Schweinfurt / page 32

How ThyssenKrupp is practicing sustainability / page 34



# How will we build the future? /

Customer requirements in transition /

Insight /  
Change begins in the mind

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Customer requirements in transition:  
Prof. Dr.-Ing. Dr.-Ing. E.h. Werner Sobek,  
engineer and architect



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How ThyssenKrupp is helping build the future –  
just a few of many examples

4/∞

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**Today, more than half the world's population is already living in cities. By 2050 the figure will have risen to around 75 percent.** / If we are to prevent the destruction of nature through urban expansion and overexploitation, we need new, intelligent concepts for cities. For this, architecture must develop a radically different, positive relationship with the natural environment and its users. High-density, highly integrated cities are key to reducing the use of land, resources and energy. And that calls for new solutions. Sophisticated transportation concepts ensure mobility in huge buildings. And with wind turbines and solar cells integrated in their exterior design, skyscrapers become power plants serving their own needs and those of their surroundings.

### How can transportation flows in skyscrapers be improved? /

In the TWIN elevator system developed by ThyssenKrupp, two computer-controlled cabs travel independently in the same shaft. That reduces shaft requirements by up to a third and significantly increases passenger capacities.

### How can 60 floors be served? /

In the Moscow Federation Tower - at 340 meters currently the highest skyscraper in Europe - TWIN elevators cover up to 7 meters per second.

### How can high-rises generate energy? /

For example by building wind turbines into the exterior or using steel facade elements developed by ThyssenKrupp with integrated solar cells.

### What do elevators and aircraft have in common? /

To handle high speeds and big differences in height, elevators also benefit from pressurization systems.

High-speed passenger transportation in the Federation Tower in Moscow presented a whole new set of challenges to planners and technicians.





Technology in transition /

Insight /  
Change begins in the mind

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What  
will we  
invent  
today? /

Technology in transition:  
Prof. Dr. Wolfgang Bleck, researcher into highly  
innovative materials, RWTH Aachen

*W. Bleck*  
.....



How ThyssenKrupp is driving technologies forward –  
just a few of many examples

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**Companies all over the world are seeking tailored solutions for specific applications.** / Realizing such innovations frequently depends on new materials with precisely defined properties. With the knowledge we have today of the microscopic lattice structures of steel and the many ways of influencing them, we can customize many properties to meet specific requirements. This has resulted in a huge range of special steels, and there are still many more to come. As our work is based on real industry requirements, it is also a reflection of social expectations and global trends. Saving energy, conserving resources and reducing emissions are currently the major questions to which answers are being sought. We can supply them.



### How can power plants be made more efficient? /

One promising approach is to significantly increase the temperature in the boiler to make better use of energy. As there was no material capable of withstanding these temperatures, we invented an innovative, high-temperature-resistant nickel alloy.

### How can cars be made lighter? /

By using intelligent multi-phase steels in the body and chassis: During stamping in the auto plant these materials gain such strength that they can be used to make lighter, thin-walled components. That cuts fuel consumption and protects the climate. Naturally without sacrificing safety.

### How can seawater desalination be made more efficient? /

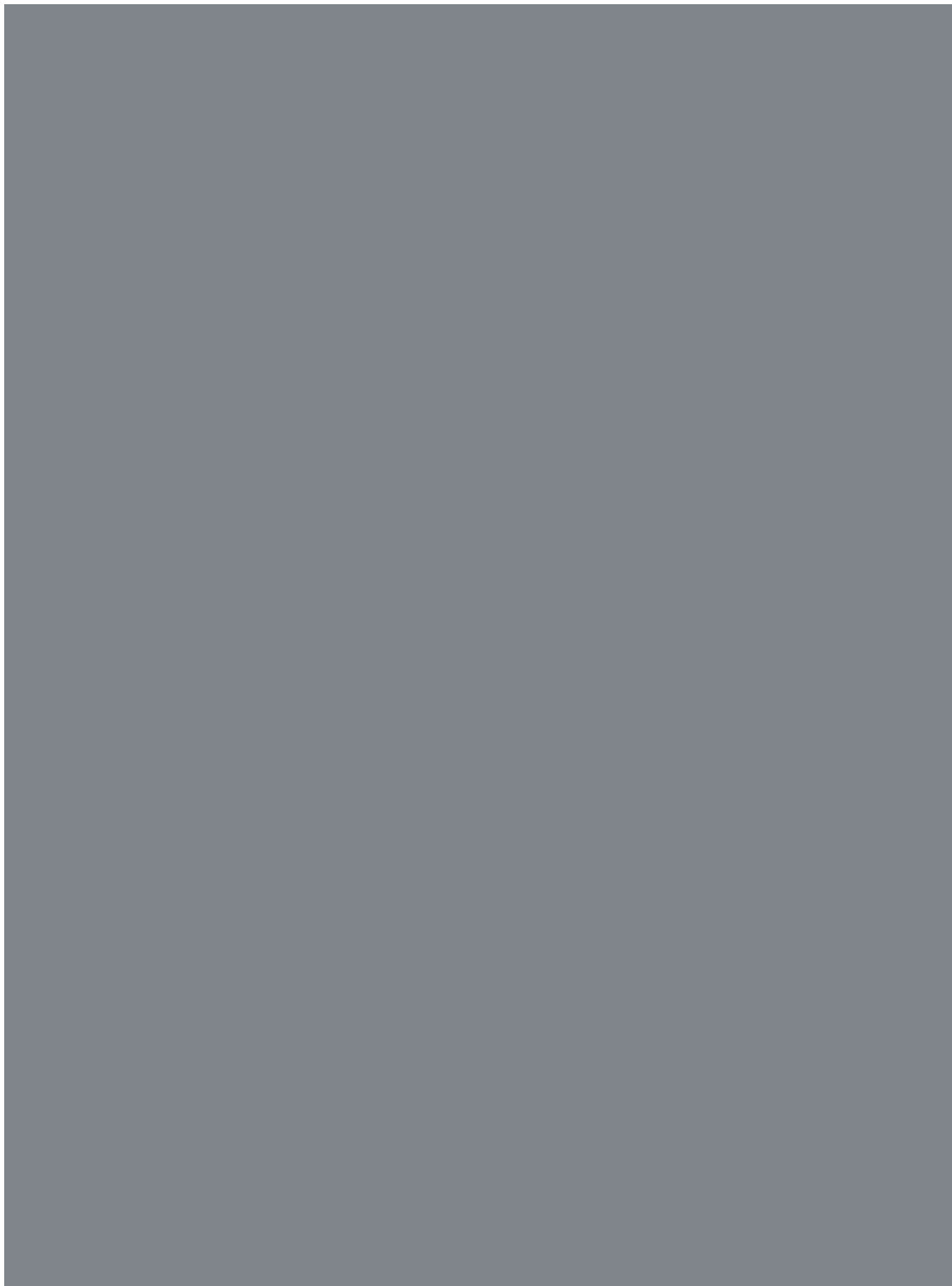
Heat-exchanger tubes made from a specially developed material can withstand the aggressive salt water in seawater desalination plants for a long time while also increasing efficiency.

### How can bridges be made stronger? /

Intricate bridge designs are every engineer's dream. To build them they need special steels that offer high strength and safety with low cross-sections.

A white car chassis is shown in a factory setting, likely during an assembly process. The chassis is suspended by a mechanical arm or conveyor system. The background is blurred, showing industrial equipment and structures.

With InCar, ThyssenKrupp offers car manufacturers innovative solutions for future body, chassis and powertrain designs.



As we  
grow, does  
our respon-  
sibility  
grow too? /

Commitment in transition /

Insight /  
Change begins in the mind

3 / 4

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Commitment in transition:  
Daniela Kattwinkel, sales engineering and  
product management student at Ruhr University Bochum

  
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Where ThyssenKrupp is taking the initiative –  
just a few examples of many

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**Nowadays, companies must see themselves as a part of society.** / The younger generation in particular have a lot of questions, as they are the ones who will be most affected by current developments. Education and training, competitiveness and jobs, the availability of resources and reducing emissions are just a few examples. Companies are also expected to provide answers to these questions – beyond their actual business activities. How can the effects of global changes in working conditions be used to positive effect? How can targeted support for education and the transfer of knowledge help guide the necessary change? These are just two areas where companies have become aware of their social responsibilities and are taking a proactive approach.



### How do we show commitment? /

ThyssenKrupp bears responsibility for its own economic, social and ecological environment. Open dialogue and respect in all our dealings are an important basis. In this way, we make an active contribution to meeting many of society's challenges and support a wide range of non-profit projects, organizations and initiatives in the areas of culture, science, education and sport and for social, charitable and humanitarian activities.

### How can we provide more education? /

Education and innovation are important areas for the future. We want to help get the next generation fit for the challenges of the market. That's why we lend our support to projects which teach key skills to children and young people.

### How do we promote excellence? /

To give young people attractive prospects for the future, we work with numerous universities in Germany and abroad, award scholarships to gifted students and promote dialogue between education, research and industry.

### How do we provide impetus that benefits many? /

Our initiative "Discovering future technology" promotes dialogue on technology across all areas of society and all age groups. Our key target group are young people, for whom we stage popular events to awaken their interest in technology.



The IdeasBox teaches young people how products are devised, designed, produced and marketed.





Sustainability in transition /

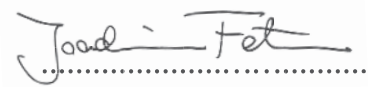
Insight /  
Change begins in the mind

4/4

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How can  
we grow  
better in  
the future? /

Sustainability in transition:  
Prof. Dr. Joachim Fetzer, professor for business  
and corporate ethics, University of Applied Sciences,  
FH Würzburg-Schweinfurt

A handwritten signature in black ink, reading "Joachim Fetzer", written over a horizontal dotted line.

As a lecturer in business ethics, **Prof. Dr. Joachim Fetzter** works with the minds of the future. Their challenge: to shape the continuous changes in markets, technologies and organizational structures through a consistent approach, to take their own positions and link them with situational and trend analyses. In the future, companies will need good employees, but also strong personalities – they will need differentiated compliance programs, but must also promote integrity and trust. As chairman of the German Business Ethics Network, as a guest speaker and as an advisor to the minds of today, Fetzter explains how businesses can start working on this now.

How ThyssenKrupp is practicing sustainability –  
just a few examples of many

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**The current crisis shows what damage can be done worldwide by short-termism.** / Business success can only be sustained if companies take a responsible attitude to society and the environment. We need a return to a more long-term approach, to more long-term thinking. To be able to grow better in the future, we must strike a balance between growth, prosperity, quality of life and use of resources. The mega-trends of our time – whether it's global climate protection, energy and water supply, demographic change or overcoming worldwide poverty – make it necessary to search jointly for solutions with a global perspective.

### How can we reduce emissions? /

When it comes to reducing CO<sub>2</sub>, ThyssenKrupp's production processes are already operating at the technical limits. As further savings are not possible using the technologies available, we have intensified our research and development efforts to find new approaches.

### How can we generate more energy? /

Energy-saving elevators from ThyssenKrupp are fitted with regenerative drives. They convert energy generated when braking the cabs into electricity which is fed back to the power supply. The energy consumption of the elevators is significantly reduced.

### How can we produce things without leaving a trace? /

ThyssenKrupp's production facilities around the world implement the company's own strict environmental guidelines. The recycling of process water and highly effective dust collection systems are just two examples. The Shanghai Krupp Stainless plant alone has received two prestigious awards for successful active environmental protection: the Shanghai Advanced Health Business Unit Award and the Shanghai Municipal Water Saving Business Unit Award.

Outlook / Change is our constant companion. But it never ceases to fascinate us with a constant stream of new stimuli. We will continue to take inspiration from change, to drive it forward and to do everything we can to make sustainable use of the opportunities it provides. So that we can be certain of meeting the expectations placed in us as a company and a responsible corporate citizen.

Newsletter / We hope this magazine captured your interest. The content is also available on the internet at [www.thyssenkrupp.com/fr/08\\_09/en](http://www.thyssenkrupp.com/fr/08_09/en). If you would like to find out more, subscribe to our newsletter at [www.thyssenkrupp.com/en/newsletter](http://www.thyssenkrupp.com/en/newsletter).



c1 /	ThyssenKrupp overview: Our figures, The Group in brief, ThyssenKrupp worldwide, Organizational structure in transition, The new organizational structure, Our business areas, Our new face, Financial dates
05 /	Letter to stockholders

## Magazine

09 /	Insights About the future. About change. About us.
37 /	Contents

## 01 /

P. 39 – 70

## 02 /

P. 71 – 174

## Facts and figures

### To our stockholders

41 /	Executive Board and Supervisory Board
46 /	Report by the Supervisory Board
53 /	Corporate governance at ThyssenKrupp
66 /	ThyssenKrupp stock

### Management Report on the Group

73 /	Areas of business and organizational structure
79 /	New Group structure
82 /	Business management – goals and strategy
93 /	Group review
112 /	Segment review
130 /	Financial position
136 /	Responsibility and commitment
139 /	Sustainability and environmental protection
142 /	Innovations
148 /	Employees
155 /	Risk report
166 /	Subsequent events, opportunities and outlook

### Consolidated Financial Statements

177 /	Consolidated statement of income
178 /	Consolidated balance sheet
179 /	Consolidated cash flow statement
180 /	Consolidated statement of recognized income and expense
181 /	Notes to the consolidated financial statements
263 /	Auditors' report
264 /	Responsibility statement

### Additional information

267 /	Multi-year overview
269 /	Other directorships held by Executive Board members
270 /	Other directorships held by Supervisory Board members
272 /	Index
274 /	Glossary
275 /	List of abbreviations
276 /	Contact and 2010/2011 dates

## 03 /

P. 175 – 264

## 04 /

P. 265 – 276

**Change has many facets and enables many solutions.** / We present some of them on four section dividers in this annual report. As appetizers which may surprise you and will hopefully make you stop and think.

*Starting on the right hand page.*

# 01/

## To our stockholders

- 41 / Executive Board and Supervisory Board
- 46 / Report by the Supervisory Board
- 53 / Corporate governance at ThyssenKrupp
- 66 / ThyssenKrupp stock

A look at the facts /

Architecture in transition

*Height of the tallest skyscrapers of their time.*

*1931: 449 m Empire State Building, New York*

*1974: 527 m Willis Tower, Chicago*

*2009: 818 m Burj Dubai, Dubai*

*Conclusion: Rising real estate prices in big cities and the changing needs of tenants and users are pushing buildings to ever new heights. / →*

.....

## 01/

**To our stockholders**

ThyssenKrupp has always attached great importance to good corporate governance. This requires close and trusting cooperation between the Executive Board and the Supervisory Board in the interest of the Company and with a view to sustainably increasing the Company's value. The following section provides more information about the two boards, the corporate governance practiced in the Group and the performance of ThyssenKrupp's stock in fiscal 2008 / 2009.

A look at one of our solutions /  
Architecture in transition

→/ 22 TWIN elevators from ThyssenKrupp will cover up to 7 meters per second in the Moscow Federation Tower. With the same number of shafts the system offers significantly higher passenger capacities than conventional elevators.

To find out about further solutions, go to  
[www.thyssenkrupp.com](http://www.thyssenkrupp.com)

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# Executive Board and Supervisory Board

Under Germany's two-tier corporate governance system, stock corporations have two boards with clearly separated functions: The executive board is responsible for managing the company; the supervisory board oversees and advises the executive board. Both work together closely in the interest of the company. On the following pages we present our Executive Board and Supervisory Board in more detail.

## Executive Board

### Dr.-Ing. Ekkehard D. Schulz /

Chairman, born 1941, Executive Board Member since 1991, appointed until January 21, 2011, responsible for the Corporate Centers Communications, Strategy & Technology, Executives Management, Internal Auditing, Legal & Compliance and for the areas Energy and Environment and the ThyssenKrupp Academy

### Dr. Ulrich Middelman /

Vice Chairman, born 1945, Executive Board Member since 1992, appointed until January 21, 2010, responsible for the corporate programs Reorganization and ThyssenKrupp PLuS

### Dr. Olaf Berlien /

also Executive Board Chairman of ThyssenKrupp Elevator AG, born 1962, Executive Board Member since 2002, appointed until March 31, 2012, responsible for the Technologies division; until September 30, 2009 Executive Board Chairman of ThyssenKrupp Technologies AG and from April 01, 2009 Executive Board Chairman of ThyssenKrupp Elevator AG

### Edwin Eichler /

also Executive Board Chairman of ThyssenKrupp Steel Europe AG, born 1958, Executive Board Member since 2002, appointed until September 30, 2012, responsible for the Materials division; until September 30, 2009 Executive Board Chairman of ThyssenKrupp Services AG, in addition until March 31, 2009 Executive Board Chairman of ThyssenKrupp Elevator AG and from April 01, 2009 until September 30, 2009 Executive Board Chairman of ThyssenKrupp Steel AG and ThyssenKrupp Stainless AG.

### Dr. Alan Hippe /

born 1967, Executive Board Member since April 01, 2009, appointed until March 31, 2014, responsible for the Corporate Centers Accounting & Financial Reporting, Controlling, Corporate Finance, Investor Relations, Materials Management, Mergers & Acquisitions, Taxes & Customs and for Business Services and Risk and Insurance Services

### Ralph Labonte /

born 1953, Executive Board Member since 2003, appointed until December 31, 2012, responsible for the Corporate Centers Human Resources, Information Management and for Services and Real Estate

Jürgen H. Fechter, until March 31, 2009 also Executive Board Chairman of ThyssenKrupp Stainless AG, and Dr.-Ing. Karl-Ulrich Köhler, until March 31, 2009 also Executive Board Chairman of ThyssenKrupp Steel AG, resigned from the Executive Board at the close of March 31, 2009, Dr.-Ing. Wolfram Mörsdorf, until April 14, 2009 also Vice Chairman of the Executive Board of ThyssenKrupp Technologies AG, resigned from the Executive Board at the close of April 14, 2009.

Insights.  
About the future.  
About change.  
About us./



Seated from left / Dr.-Ing. Ekkehard D. Schulz / Dr. Ulrich Middelmann  
Standing from left / Dr. Olaf Berlien / Edwin Eichler / Dr. Alan Hippe / Ralph Labonte

## Supervisory Board

Prof. Dr. h.c. mult. Berthold Beitz, Essen	Honorary Chairman, Chairman of the Board of Trustees of the Alfried Krupp von Bohlen und Halbach Foundation
Prof. Dr. Günter Vogelsang, Düsseldorf	Honorary Chairman
Dr. Gerhard Cromme, Essen	Chairman, former Chairman of the Executive Board of ThyssenKrupp AG
Bertin Eichler, Frankfurt/Main	Vice Chairman, Member of the Executive Committee of the IG Metall trade union
Markus Bistram, Dinslaken (until September 15, 2009)	Member of the Management Board of the Materials Services business area of ThyssenKrupp AG
Theo Frielinghaus, Ahlen	Engineering technician, Chairman of the Works Council of Polysius AG
Markus Grolms, Bochum (since October 14, 2009)	Trade union secretary at the Düsseldorf branch office of IG Metall
Heinrich Hentschel, Emden (until January 23, 2009)	Technical clerk/Hydrostatics, Member of the Works Council of TKMS Blohm+Voss Nordseewerke GmbH
Susanne Herberger, Dresden (since January 23, 2009)	Engineer (FH) - information technology, Chairwoman of the General Works Council of ThyssenKrupp Aufzüge Deutschland GmbH
Prof. Jürgen Hubbert, Sindelfingen	Former Member of the Executive Board of DaimlerChrysler AG
Klaus Ix, Siek (until January 23, 2009)	Fitter, former Chairman of the Works Council of ThyssenKrupp Fahrtreppen GmbH
Bernd Kalwa, Krefeld (since January 23, 2009)	Lathe operator, Chairman of the General Works Council of ThyssenKrupp Nirosta GmbH
Hüseyin Kavvesoglu, Maxdorf (until January 23, 2009)	Foreman, former Chairman of the Works Council Union ThyssenKrupp Services
Dr. Martin Kohlhaussen, Bad Homburg	Former Chairman of the Supervisory Board of Commerzbank AG
Dr. Heinz Kriwet, Düsseldorf	Former Chairman of the Executive Board of Thyssen AG
Prof. Dr. Ulrich Lehner, Düsseldorf	Former Chairman of the Management Board of Henkel KGaA
Dr.-Ing. Klaus T. Müller, Dortmund (until January 23, 2009)	Team coordinator, quality management and process technology at ThyssenKrupp Steel Europe AG
Prof. Dr. Bernhard Pellens, Bochum	Professor of Business Studies and International Accounting, Ruhr University Bochum



Dr. Heinrich v. Pierer, Erlangen (until November 15, 2008)	Former Chairman of the Supervisory Board of Siemens AG
Peter Remmler, Wolfsburg (since January 23, 2009)	Wholesale and export trader, Chairman of the Works Council of ThyssenKrupp Schulte GmbH (Braunschweig)
Dr. Kersten v. Schenck, Bad Homburg	Attorney and notary public
Peter Scherrer, Brussels	General secretary of the European Metalworkers' Federation
Thomas Schlenz, Duisburg	Shift foreman, Chairman of the Group Works Council of ThyssenKrupp AG
Dr. Henning Schulte-Noelle, Munich	Chairman of the Supervisory Board of Allianz SE
Wilhelm Segerath, Duisburg	Automotive bodymaker, Chairman of the General Works Council of ThyssenKrupp Steel Europe AG and Chairman of the Works Council Union ThyssenKrupp Steel Europe
Christian Streiff, Paris	Former President of PSA Peugeot Citroën S.A.
Jürgen R. Thumann, Düsseldorf (since November 16, 2008)	Chairman of the Advisory Board of Heitkamp & Thumann KG
Klaus Wiercimok, Erkrath (since January 23, 2009)	Attorney, Head of the Materials Services department at Corporate Center Legal & Compliance of ThyssenKrupp AG

## Supervisory Board Committees

Executive Committee	Dr. Gerhard Cromme (Chair), Bertin Eichler, Thomas Schlenz, Dr. Henning Schulte-Noelle
Mediation Committee under Art. 27 par. 3 Codetermination Act	Dr. Gerhard Cromme (Chair), Bertin Eichler, Thomas Schlenz, Dr. Henning Schulte-Noelle
Personnel Committee	Dr. Gerhard Cromme (Chair), Bertin Eichler, Thomas Schlenz, Dr. Henning Schulte-Noelle
Audit Committee	Dr. Martin Kohlhaussen (Chair), Dr. Gerhard Cromme, Bertin Eichler, Prof. Dr. Bernhard Pellens, Thomas Schlenz, Wilhelm Segerath
Strategy, Finance and Investment Committee	Dr. Gerhard Cromme (Chair), Markus Bistram (until September 15, 2009), Bertin Eichler, Theo Frielinghaus, Susanne Herberger, Bernd Kalwa, Dr. Heinz Kriwet, Prof. Dr. Ulrich Lehner, Dr. Kersten v. Schenck
Nomination Committee	Dr. Gerhard Cromme (Chair), Dr. Martin Kohlhaussen, Dr. Henning Schulte-Noelle

# Report by the Supervisory Board

In this report the Supervisory Board gives an account of its work in the 2008/2009 fiscal year. Central topics of the discussions with the Executive Board were the effects of the global financial and economic crisis on the ThyssenKrupp Group, the major investment projects of the steel business in Brazil and the USA, and the reorganization of the Group.



Dr. Gerhard Cromme / Chairman of the Supervisory Board

### Monitoring and advice in continuous dialogue with the Executive Board

In the 2008/2009 fiscal year, the Supervisory Board continued to perform with great care the monitoring and advisory functions for which it is responsible under the law and the Articles of Association. Numerous issues and transactions requiring approval were discussed and decided upon in the individual meetings of the Supervisory Board.

**i**

The reorganization of the Group and the effects of the financial crisis were discussed frequently.

We regularly advised the Executive Board on the management of the Company and continuously observed and supervised its conduct of business. The Supervisory Board was involved intensively from an early stage in all decisions of significance for the Company. Our cooperation with the Executive Board was characterized by an intensive and open exchange. In written and verbal reports, the Executive Board furnished us with regular, up-to-date and comprehensive information on all aspects of relevance to the Company, above all on the development of the business and financial situation and its effects on the employment situation, on investment projects and ongoing investments, and on fundamental issues of corporate planning and strategy. Against the background of the global financial and economic crisis we paid particular attention to the current earnings situation including the risk situation and risk management, as well as to the reorganization of the Group and the progress of the two major investment projects in Brazil and the USA. The Executive Board discussed and agreed the Company's strategic alignment with us. Where the actual course of business deviated from plans and targets, the Executive Board submitted detailed explanations in written or verbal form. Together with the Executive Board we discussed intensively the reasons for the deviations, enabling appropriate measures to be initiated.

All events of importance to the Company were discussed in detail by the committees and the full Supervisory Board on the basis of reports by the Executive Board. Where required by law and the Articles of Association, the Supervisory Board voted on the reports and resolution proposals of the Executive Board after detailed examination and discussion. We were also in regular contact with the Executive Board outside the Supervisory Board and committee meetings. We informed ourselves about major developments and decisions, and supported the Executive Board in an advisory capacity. In addition, I as Supervisory Board Chairman discussed the perspectives of the individual Group segments as well as the new Group structure and the effects of the global financial and economic crisis on ThyssenKrupp in separate meetings with the Executive Board. The stockholder and the employee representatives each held separate meetings before the Supervisory Board meetings to discuss key items on the agenda.

The Supervisory Board dealt at length with the business situation, the operational and strategic development of the Company and its areas of business, and the reorganization of the Group at four regular meetings and one extraordinary meeting in fiscal year 2008/2009. The periods of office of the employee representatives expired at the end of the Annual General Meeting on January 23, 2009. Directly after the Annual General Meeting a constituent meeting of the Supervisory Board was held with the new employee representatives, who had previously been elected at the delegates' meeting on December 09, 2008.

By means of written reports, the Executive Board informed the Supervisory Board immediately and in full, also between meetings, about particular events of major importance for assessing the Company's situation and development as well as for its management. Based on detailed documents, the Executive Board duly presented transactions requiring approval for resolution. No new transactions requiring approval were defined by the Supervisory Board in the reporting year. In consultation with the Supervisory Board Chairman resolutions were passed by written vote in cases where this was required by the situation. Conflicts of interest of Executive Board and Supervisory Board members, which must

be disclosed to the Supervisory Board immediately and reported to the Annual General Meeting, did not occur in the year under review.

The average attendance at Supervisory Board meetings in the reporting year was 96%. No Supervisory Board member took part in fewer than half of the meetings. All of the committee meetings in the reporting year were fully attended.

#### Efficient work in the Supervisory Board committees

To carry out its functions, the Supervisory Board has set up a total of six committees, which effectively support the work of the full meetings. The committees prepare the resolutions of the Supervisory Board as well as the issues to be dealt with at the full meetings. Where legally permissible, in individual cases decision-making powers of the Supervisory Board were delegated to committees. This approach has proven very successful. All committees are chaired by the Supervisory Board Chairman, with the exception of the Audit Committee. Reports on the content and results of each committee meeting were given at the following full-session meetings. The Supervisory Board therefore had a comprehensive information base to deal with the respective issues. The compositions of the individual committees are shown on page 45.

The Executive Committee (Praesidium) met seven times in the reporting period. Between meetings, I maintained close contact with the Executive Committee members and discussed projects of particular importance to the Group. The main subjects of discussion in the Executive Committee were preparation of the full Supervisory Board meetings, the effects of the global financial and economic crisis on the Group, the reorganization of the Group, the progress reports on the construction of the plants in Brazil and the USA, and preparation of the efficiency review of the Supervisory Board.

The Personnel Committee, which prepares the personnel decisions of the Supervisory Board and is responsible for other Executive Board matters, met five times. Until the amendment of the Rules of Procedure for the Supervisory Board on September 04, 2009, it was also its responsibility to resolve in place of the Supervisory Board on the conclusion, amendment and ending of employment contracts with the members of the Executive Board and to determine an annual bonus. Major topics of discussion in the reporting year were the cancellation of the appointments of Mr. Jürgen H. Fechter and Dr. Karl-Ulrich Köhler as Executive Board members of ThyssenKrupp AG, the separation agreements with the two gentlemen, as well as the appointment of Dr. Alan Hippe as a member of the Executive Board of ThyssenKrupp AG and the associated change in the distribution of responsibilities of the Executive Board. Furthermore, the Personnel Committee recommended to the full Supervisory Board that in view of the current earnings situation no bonus should be paid to the members of the Executive Board of ThyssenKrupp AG for fiscal year 2008/2009. In addition, it gave its approval for the acceptance of external directorships by individual Executive Board members and the retention of the law firm Clifford Chance, to which Supervisory Board member Dr. Kersten v. Schenck belonged as a partner until June 30, 2009 and for which he now works in an 'of counsel' capacity following his retirement as partner.

Once again in the past fiscal year it was not necessary to convene the Mediation Committee in accordance with Art. 27 par. 3 German Codetermination Act (MitbestG).

The Audit Committee met four times. The meetings were regularly attended by the financial-statement auditors, the Chairman of the Executive Board, the Vice Chairman of the Executive Board and the Chief Financial Officer. The committee mainly dealt with the parent-company and consolidated financial statements, the audit reports of the financial statement auditors as well as the development of the risk management system and the compliance program. The Audit Committee also discussed the



Details: Page 45



It was not necessary to convene the Supervisory Board Mediation Committee in 2008/2009.

interim reports to be published. Another topic of discussion were the effects on the Group of the new Accounting Law Modernization Act. In its November 2008 meeting the committee was informed in detail about the Group's compliance activities. The auditors reported in detail on all findings and occurrences of significance to the work of the Supervisory Board that had arisen in the course of the audit of the annual financial statements and the audit review of the interim reports.

The Audit Committee also dealt with the engagement of the financial-statement auditors and submitted a proposal to the full Supervisory Board for the election of the auditors for fiscal year 2008/2009. After the election by the Annual General Meeting, the Audit Committee engaged the auditors to audit the parent-company and consolidated financial statements of ThyssenKrupp AG and to carry out audit reviews of the interim reports. In addition, the compensation for the auditors was resolved. In this connection the auditors' statement of independence in accordance with Section 7.2.1 of the German Corporate Governance Code was obtained and the qualification of the auditors monitored. Further areas dealt with included the award of non-audit-related contracts to the financial-statement auditors. The Audit Committee kept itself regularly informed about the status of the major steel and stainless investment projects in Brazil and the USA and discussed these projects in detail. One major topic in this connection was the progress of work on the coke plant in Brazil. The effects of the global financial crisis, especially with regard to the Group's refinancing possibilities, were also discussed regularly and in detail in the Audit Committee. The committee also dealt with the results of the Group's internal auditing and with regular reports on legal risks, satisfying itself in this way of the Company's compliance with the law.

The Strategy, Finance and Investment Committee met three times in the reporting year, dealing with the strategic development and the reorganization of the Group and the individual segments. It also discussed the corporate and investment planning and prepared the relevant resolutions of the Supervisory Board. The two investment projects in Brazil and the USA were also addressed in detail by this committee.

The Nomination Committee, formed in September 2007, began work in the reporting year discussing proposals for the forthcoming election of stockholder representatives at the Annual General Meeting on January 21, 2010. It established criteria on the basis of which it subsequently selected candidates and recommended them to the full Supervisory Board for nomination.



The Supervisory Board  
Nomination Committee began  
work.

### Meetings and resolutions of the Supervisory Board

Subjects of regular discussions in the full Supervisory Board meetings were the effects of the global financial and economic crisis on ThyssenKrupp, the sales, earnings and employment situation of the Group and its segments, the financial and ratings situation, and all major acquisition and disposal projects. The major investment projects in Brazil and the USA and the new organizational structure of the Group were also discussed in several meetings.

In the meeting on November 27, 2008 we focused primarily on the parent-company and consolidated financial statements for the year ended September 30, 2008 – including the Executive Board's proposal for the appropriation of net income – and the corporate plan for fiscal 2008/2009. On the basis of a detailed report by the Executive Board we also discussed the strategic development of the Group and the effects of the financial and economic crisis. The previously mentioned investment projects in Brazil and the USA were widely discussed. After detailed deliberation we approved the increase in the investment budgets for both projects. The Supervisory Board also noted with assent

the bonuses for fiscal year 2007/2008 for the individual Executive Board members determined by the Personnel Committee on the basis of the current bonus policy, and adopted the agenda for the Annual General Meeting of ThyssenKrupp AG on January 23, 2009 together with the proposals for resolution. We also gave our approval for the sale of the shares in Dufer S.A. held by ThyssenKrupp Services and the acquisition of the outstanding minority shareholding in ThyssenKrupp Röhm Kunststoffe GmbH. Another subject of discussion was a progress report on the new ThyssenKrupp Quarter in Essen. In the absence of the Executive Board, the Supervisory Board dealt with the efficiency review of the Supervisory Board which had previously been prepared by the Executive Committee.

In the meeting on January 23, 2009, immediately before the Annual General Meeting, the Executive Board informed us primarily about the current situation of the Group. We also used the meeting to prepare the Annual General Meeting afterwards. Executive Board matters were also addressed. After discussing the appointment of Dr. Alan Hippe to the Executive Board of ThyssenKrupp AG at this meeting, the corresponding resolution was passed by written procedure at the end of January.

Immediately after the Annual General Meeting on January 23, 2009 a constituent meeting of the Supervisory Board was held in which Dr. Gerhard Cromme was confirmed as Chairman of the Supervisory Board and Mr. Bertin Eichler was again elected Vice Chairman of the Supervisory Board. New members from the employee representative side were appointed to the committees.

In an extraordinary Supervisory Board meeting held on March 27, 2009 against the background of the global economic crisis we discussed with the Executive Board the position of the Group, the ratings situation and the status of the major projects in Brazil and the USA. A major topic of this meeting was the plan presented by the Executive Board to reorganize the Group, which we discussed in detail. Following previous discussions in the Personnel Committee, the Supervisory Board also dealt with Executive Board personnel matters and adopted a new organization chart for the Executive Board.

We used the meeting on May 13, 2009, following the regular report on the state of the Group, to discuss with the Executive Board in particular the revised plan for the reorganization of the Group. The Executive Board also gave a detailed report on the ThyssenKrupp PLuS program to reduce net working capital and secure earnings. The financial position of the Group and the ratings situation were other subjects of discussion, as were the plans of the Executive Board to delay investment projects. We discussed individual action programs to increase efficiency in the segments and addressed the situation of the shipyards and the Group's automotive suppliers. Another subject of discussion was the progress of the work on the ThyssenKrupp Quarter. In addition, we approved the purchase of land in Madrid as part of the European Manufacturing Concept of the Elevator segment. In the absence of the Executive Board, the Supervisory Board discussed and resolved an amendment to the bonus policy for the Executive Board.

Important topics of our discussions in the meeting on September 04, 2009 were the report by the Executive Board on the state of the Group, progress reports on the construction of the new steelmaking and processing plants in Brazil and the USA, and the adoption of the new Group organizational structure and a new organization chart for the Executive Board. In connection with the reorganization the Executive Board informed us about the future alignment of the two divisions Materials and Technologies. In this meeting we also approved the increase in the stake held by the Brazilian company Vale S.A. in ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. In addition, acting on the proposal of the Personnel Committee the Supervisory Board resolved in view of the current earnings situation not to pay a bonus to the members of the Executive Board for fiscal year 2008/2009.



An extraordinary Supervisory Board meeting was held on March 27, 2009.



Details: Pages 53-65



ThyssenKrupp continues to comply with all recommendations of the German Corporate Governance Code.

### Corporate governance and Declaration of Conformity

The Supervisory Board again continuously monitored the further development of corporate governance standards in the reporting year. The Executive Board – also on behalf of the Supervisory Board – reports on corporate governance at ThyssenKrupp in the corporate governance report on pages 53-65 in accordance with section 3.10 of the German Corporate Governance Code. We discussed the implementation of the Code at ThyssenKrupp in depth in the Supervisory Board meeting on September 04, 2009, focusing in particular on the amendments made to the Code by the Government Commission on the German Corporate Governance Code in its meeting on June 18, 2009. In implementation of new legal requirements and the new recommendations of the Code, we dealt with the compensation system for the Executive Board in the absence of the Executive Board and resolved amendments to the Rules of Procedure for the Supervisory Board and the Audit Committee. The Supervisory Board also determined that it includes what it considers an adequate number of independent members.

At October 01, 2009 the Executive Board and Supervisory Board jointly issued an updated Declaration of Conformity in accordance with Art. 161 of the German Stock Corporation Act (AktG) and made it permanently available to stockholders on the Company website. ThyssenKrupp AG complies with all recommendations of the Code as amended on June 18, 2009, published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger) on August 05, 2009. The Company also complies with all the Code's suggestions.

### Audit of the parent-company and consolidated financial statements

The parent-company financial statements for the period October 01, 2008 to September 30, 2009, prepared by the Executive Board in accordance with HGB (German GAAP) rules, and the management report of ThyssenKrupp AG were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin. The audit contract had been awarded by the Audit Committee of the Supervisory Board in accordance with the resolution of the Annual General Meeting on January 23, 2009. The auditors issued an unqualified audit opinion. In accordance with Art. 315a HGB, the consolidated financial statements of ThyssenKrupp AG for the fiscal year from October 01, 2008 to September 30, 2009 and the management report on the Group were prepared on the basis of IFRS, the accounting standards applicable in the European Union. The consolidated financial statements and the management report on the Group were also given an unqualified audit opinion.

The Audit Committee had selected the following key audit area for the reporting period: determination of the elements of the internal control system in the ThyssenKrupp Group's accounting relevant to the preparation of the consolidated financial statements. The report on this as well as the other audit reports and financial statement documentation were sent to all Supervisory Board members in good time. They were discussed at length in the Audit Committee meeting on November 13, 2009 and in the Supervisory Board meeting on November 26, 2009. In both meetings the auditors reported on the main results of the audits and were available to answer questions and provide supplementary information. The Chairman of the Audit Committee reported in detail at the full Supervisory Board meeting on the Audit Committee's discussion of the parent-company and consolidated financial statements. Following our own examination and discussion of the parent-company financial statements, the consolidated financial statements, the management report and the management report on the Group, we approved the result of the audit and, in the meeting on November 26, 2009, approved the parent-company and consolidated financial statements drawn up by the Executive Board

as recommended by the Audit Committee. The parent-company financial statements are thus adopted. After examining and weighing all arguments, we concurred with the proposal of the Executive Board for the appropriation of net income in order to maintain the dividend continuity of recent years. We regard the proposed dividend as appropriate.

#### **Composition of the Supervisory Board and Executive Board**

As already mentioned in the previous Annual Report, Dr. Heinrich v. Pierer resigned his seat on the Supervisory Board at the close of November 15, 2008. As his replacement, the Alfried Krupp von Bohlen und Halbach Foundation designated Mr. Jürgen R. Thumann to the Supervisory Board effective November 16, 2008. Mr. Heinrich Hentschel, Mr. Klaus Ix, Mr. Hüseyin Kavvesoglu and Dr. Klaus T. Müller stepped down from the Supervisory Board at the close of the Annual General Meeting on January 23, 2009. Ms. Susanne Herberger, Mr. Bernd Kalwa, Mr. Peter Remmler and Mr. Klaus Wiercimok were elected to the Supervisory Board by the delegates' meeting on December 09, 2008. As successor to Mr. Markus Bistram, who resigned his seat on the Supervisory Board at the close of September 15, 2009, Mr. Markus Grolms was appointed as member of the Supervisory Board by court resolution with effect from October 14, 2009. We thanked the departed Supervisory Board members for their work and their constructive support for the Company and the Executive Board in the past years.

Mr. Jürgen H. Fechter and Dr. Karl-Ulrich Köhler left the Executive Board at the close of March 31, 2009, and Dr. Wolfram Mörsdorf at the close of April 14, 2009. Dr. Alan Hippe was appointed to the Executive Board of ThyssenKrupp AG with effect from April 01, 2009. We thanked the departed Executive Board members for their long-standing work for the Group.

The Supervisory Board expresses thanks and recognition to the management, employees and employee representatives of all Group companies for their personal commitment and efforts in a difficult environment.

The Supervisory Board



Dr. Gerhard Cromme  
Chairman  
Düsseldorf, November 26, 2009



# Corporate governance at ThyssenKrupp

Corporate governance at ThyssenKrupp is focused on responsible long-term value creation and is based on the German Corporate Governance Code. We comply with all recommendations and suggestions of the Code, which was most recently amended on June 18, 2009. Details are provided in the following report.

## Corporate Governance Report

The Executive Board – also on behalf of the Supervisory Board – reports in the following on corporate governance at ThyssenKrupp in accordance with section 3.10 of the German Corporate Governance Code:

ThyssenKrupp has always attached great importance to corporate governance. The Executive Board and Supervisory Board are committed to securing the future of the Company and sustainable value creation through responsible corporate governance geared to the long term.

We are convinced that good and transparent corporate governance meeting the requirements of recognized international and national standards is a key factor in business success. Corporate governance is therefore part of how we see ourselves and embraces all areas of the Company. We aim to justify on a sustained basis the trust placed in us by investors, financial markets, business partners, employees and the general public, and continually enhance corporate governance in the Group.

Detailed information on this subject is also available on our website. The current Declaration of Conformity and previous Declarations of Conformity can also be accessed online.

### Unqualified Declaration of Conformity again

ThyssenKrupp AG has been complying with all recommendations of the German Corporate Governance Code for years. In the reporting year, the Executive Board and Supervisory Board once again intensively discussed the requirements of the Code, especially the amendments adopted by the Government Commission on the German Corporate Governance Code on June 18, 2009 regarding the composition of the supervisory board and management board compensation. Based on these discussions, on October 01, 2009 the Executive Board and Supervisory Board issued the Declaration of Conformity in accordance with Art. 161 par. 1 of the Stock Corporation Act (AktG), stating that ThyssenKrupp AG complies with all the recommendations of the German Corporate Governance Code as amended on June 18, 2009. The Company also continues to comply with all suggestions of the Code.

**1**

Good corporate governance is a major success factor for ThyssenKrupp.

ThyssenKrupp also conforms with the new provisions added to the Code concerning D&O insurance for Executive Board and Supervisory Board members and moving from the Executive Board to the Supervisory Board. The new Code recommendations regarding diversity in the composition of Executive Board and Supervisory Board are likewise complied with. Also, stronger emphasis is given to the aspect of independence.

The Code is also implemented at our exchange-listed subsidiary Eisen- und Hüttenwerke AG, taking into account the particularities of its membership in the Group. Individual variances are presented and explained in the Company's Declaration of Conformity of October 01, 2009.

### **Transparency for stockholders and the general public**

Stockholders, analysts, stockholder associations, the media and interested members of the public are kept regularly informed about important recurring dates, such as the date of the Annual General Meeting or the publication dates for our quarterly reports, by a financial calendar which is published in the Annual Report, the quarterly reports and on the Company's website. Our active investor relations work also keeps us in close contact with our stockholders. For example, we hold regular meetings with analysts and institutional investors. An intensive dialogue takes place at analysts' and investors' conferences and in regular conference calls. Separate conference calls are held on topical issues. All the presentations we prepare for these events and also for road shows and investors' meetings are freely accessible on the internet. Video and audio recordings of key events can also be replayed on our website. The venues and dates of road shows and investors' meetings are also available online.

The Annual General Meeting of ThyssenKrupp is always prepared with the aim of providing stockholders with all relevant information at an early stage. In particular we post the Annual Report for the past fiscal year on our website soon after the Supervisory Board meeting at which the annual financial statements are adopted. The invitation to the Annual General Meeting including the agenda and an explanation of the conditions for participation and, for the 2010 Annual General Meeting, of the rights of stockholders is generally issued one-and-a-half months before the date of the Annual General Meeting. All documents and information on the Annual General Meeting are also made available on our website. In addition, there is a facility to address questions to members of our Investor Relations department via an infoline or electronically. We publish the attendance figure and voting results on our website directly after the Annual General Meeting.

Stockholders can exercise their voting rights at the Annual General Meeting in person or by proxy, for which they can authorize a representative of their choice or a company-nominated proxy acting on their instructions. Proxy voting instructions can also be issued to the company-nominated proxy via the internet before and during the Annual General Meeting up to the end of the general debate. Stockholders unable to attend the Annual General Meeting and interested members of the public can view the meeting in full on the internet. The Act Implementing the Shareholders' Rights Directive (ARUG) of July 30, 2009 also creates the legal basis for the exercise of voting rights by postal vote and the exercise of all or individual rights by way of online attendance, even if stockholders are unable to be present at the place of the Annual General Meeting or do not want to authorize someone to vote



The Company's Annual General Meeting is streamed live and in full on the internet.

for them. Regarding implementation of the ARUG Act, the Executive Board and Supervisory Board will propose to the Annual General Meeting that provision be made for this in the Articles of Association.

#### **Cooperation between Executive Board and Supervisory Board in the interest of the Company**

The Executive Board and Supervisory Board work together closely in the interest of the Company. Their common goal is to ensure the continued existence of the Company and the sustainable creation of value.



Independent counseling and oversight of the Executive Board by the Supervisory Board is ensured at ThyssenKrupp.

In accordance with statutory requirements ThyssenKrupp AG has a two-tier governance system characterized by a clear separation of management and supervisory functions. Acting in the Company's interest the Executive Board is responsible for managing the Company, developing the Company's strategy, agreeing this strategy with the Supervisory Board and implementing it. The Supervisory Board oversees and advises the Executive Board and is directly involved in decisions that are of fundamental importance for the Company. The Supervisory Board is made up of employee representatives, members elected by the Annual General Meeting, and members designated by the Alfried Krupp von Bohlen und Halbach Foundation. Under the right of designation resolved by the Annual General Meeting of ThyssenKrupp AG in January 2007, the Foundation may designate up to three members to the Supervisory Board, subject to the provisions of the Articles of Association. The designated Supervisory Board members also perform their duties exclusively in the interest of ThyssenKrupp. The Supervisory Board appoints the Executive Board members. Fundamental decisions require its approval.

In accordance with the recommendation of the German Corporate Governance Code, with Dr. Cromme and Dr. Kriwet the Supervisory Board of ThyssenKrupp AG includes no more than two former Executive Board members. In addition, the Supervisory Board verifies the independence of its members. For this, it has established principles for assessing independence which are in line with the requirements of the Code. According to these principles, the majority of the current Supervisory Board members can be regarded as independent, so independent counseling and oversight of the Executive Board is ensured.

The Executive Board provides the Supervisory Board with regular detailed updates on business policy and all issues of relevance to the Company related to planning, business development, the risk situation and the risk management system. Variances between the actual course of business and the Company's plans and targets are explained and the reasons provided. The Executive Board's reports also include the subject of compliance, i.e. the measures in place to ensure adherence to statutory provisions and the Group's internal policies. Under the Articles of Association of ThyssenKrupp AG, important transactions require the approval of the Supervisory Board.

The Company has taken out directors and officers (D&O) liability insurance with an appropriate deductible for all members of the Executive Board. This will be adapted to the requirements of the Law on the Appropriateness of Management Board Remuneration in good time. In accordance with a new recommendation of the German Corporate Governance Code, D&O insurance with an appropriate deductible has also been agreed for the members of the Supervisory Board effective October 01, 2009.



The stockholder representatives on the Supervisory Board will be re-elected at the 2010 Annual General Meeting.

Again this year, the only case of a consultancy or other service contract between members of the Supervisory Board and the Company related to Dr. v. Schenck, who is a member of our Company's Supervisory Board and was until June 30, 2009 a partner in the international law firm Clifford Chance. Since his retirement as partner he works in an 'of counsel' capacity for this law firm. To the extent that Clifford Chance provided legal advice to the Company in 2008/2009, the engagement was approved by the Supervisory Board Personnel Committee. Conflicts of interest of Executive or Supervisory Board members, which must be disclosed immediately to the Supervisory Board, did not occur.

The period of office of the stockholder representatives elected to the Supervisory Board of ThyssenKrupp AG by the Annual General Meeting ends at the close of the Annual General Meeting on January 21, 2010. The Nomination Committee has submitted proposals for the election of new Supervisory Board members by the Annual General Meeting. In accordance with the German Corporate Governance Code the criteria of independence and diversity were also taken into account and weighed in the interest of the Company. The periods of office of the employee representatives on the Supervisory Board end at the close of the Annual General Meeting resolving on the ratification of the acts of the Supervisory Board in fiscal year 2012/2013.

#### **Appropriate control and risk management system**

Good corporate governance involves dealing responsibly with risks. The Executive Board ensures appropriate management and control of risks in the Company. Against the background of the financial and economic crisis, particular attention must be paid to financial risks such as liquidity and default risks. Systematic risk management performed as part of our value-based Group management approach ensures that risks are identified and assessed at an early stage and that risk positions are optimized. The Executive Board keeps the Supervisory Board informed about existing risks and their development. The Audit Committee of the Supervisory Board regularly concerns itself with monitoring of the accounting process, the effectiveness of the internal control, risk management and internal auditing systems as well as monitoring of the auditing of the financial statements. The internal control, risk management and internal auditing systems are continuously evolved and adapted to changing conditions. With the integration of central risk management in the Corporate Center Controlling of ThyssenKrupp AG as part of the reorganization of the Group we expect that planning and reporting processes will improve still further. More details of our control and risk management system can be found on pages 155-156.



Details: Pages 155-156

#### **Compliance as a key management duty of the Executive Board**

Compliance, in the sense of measures to ensure adherence to statutory provisions and internal Company policies and observance of these measures by the Group companies, is a key management duty at ThyssenKrupp. A compliance program was introduced directly after the merger of predecessor companies Thyssen and Krupp in 1999. It has been regularly reviewed and revised as necessary ever since, most recently in October 2009. The Groupwide compliance activities focus on antitrust law and anticorruption policies. The compliance program contains far-reaching measures to ensure adherence to corruption and antitrust regulations and the Group policies based on them.



A Groupwide e-learning program helps sensitize employees to corruption and antitrust issues.

The Executive Board of ThyssenKrupp AG has unequivocally expressed its rejection of antitrust violations and corruption in the ThyssenKrupp Compliance Commitment. Antitrust violations and corruption are not tolerated in any way and result in sanctions against the persons concerned. All employees are requested to cooperate actively in their areas of responsibility in implementing the compliance program. The Compliance Commitment is supplemented by various Group policy statements and publications which explain the underlying statutory provisions in more detail.

A compliance unit has been set up to develop, manage and implement the program. Key tasks are performed by full-time compliance officers. For example they hold regular training sessions to inform employees about the relevant statutory provisions and internal policies and are available to answer individual questions. More than 6,500 employees have received training worldwide. Particular emphasis was placed on training in countries which may have higher compliance risks. Classroom training sessions are supplemented by Groupwide interactive e-learning programs, which have been completed by approximately 28,000 (anticorruption) and 22,000 (antitrust) employees. As a further compliance element, ThyssenKrupp has introduced a whistleblower hotline. It is run for us by an external law firm. The whistleblower hotline is available to employees of the Group and also third parties to report possible infringements of laws or policies at ThyssenKrupp companies. Here again, the focus is on antitrust violations and corruption. The hotline can be contacted from anywhere in the world and is toll-free.

Further compliance measures relate among other things to capital market law and adherence to the corresponding Group policy. The statutory provisions prohibiting insider dealing are supplemented by an insider policy, which sets out principles for trading in securities of the Company for directors and employees and ensures the requisite transparency. The Group has a long-established clearing office for ad hoc disclosures in which representatives of various specialist departments carry out assessments to identify any matters subject to ad hoc reporting requirements, with a view to ensuring potential inside information is handled in compliance with the law. All persons who need access to inside information to perform their work at ThyssenKrupp AG are entered in an insider register.



All interested parties can find up-to-date information about the Group at [www.thyssenkrupp.com](http://www.thyssenkrupp.com).

### High transparency through comprehensive information

To maximize transparency and ensure equal opportunities for everyone, the aim of our corporate communications is to make information available equally to all target groups as soon as possible. Stockholders and potential investors have constant access to the latest developments at the Group on our website, where all press releases and stock exchange (ad hoc) announcements made by ThyssenKrupp AG are published in German and English. The Company's Articles of Association and the Rules of Procedure for the Executive Board, Supervisory Board and Audit Committee can also be viewed on our website, as can the consolidated financial statements, interim reports and details of how ThyssenKrupp implements the recommendations and suggestions of the German Corporate Governance Code.

All stockholders and interested parties can subscribe to an electronic newsletter on the website which reports news from the Group.

### Directors' dealings

According to Art. 15a of the Securities Trading Act (WpHG) the members of the Executive Board and Supervisory Board or persons close to them are obligated to disclose the purchase and sale of ThyssenKrupp AG shares and related financial instruments whenever the value of such transactions amounts to €5,000 or more within a calendar year. For the 2008/2009 fiscal year, ThyssenKrupp AG was notified of the following transactions, which – as in the previous year – are also published on our website:

#### DIRECTORS' DEALINGS 2008/2009

Date Place	Name	Function	Financial instrument	Type of transaction	No. of shares	Price per share *)	Transaction volume
10-01-2008 XETRA	Dr.-Ing. Ekkehard D. Schulz	Executive Board member	ThyssenKrupp share	Purchase	2,439	€20.50	€49,999.50
10-02-2008 XETRA	Dr.-Ing. Ekkehard D. Schulz	Executive Board member	ThyssenKrupp share	Purchase	2,500	€20.00	€50,000.00
10-06-2008 XETRA	Dr. Ulrich Middelmann	Executive Board member	ThyssenKrupp share	Purchase	5,360	€18.67	€100,071.36
10-06-2008 XETRA	Dr.-Ing. Karl-Ulrich Köhler	Executive Board member	ThyssenKrupp share	Purchase	7,800	€18.81	€146,689.14
10-06-2008 XETRA	Dr.-Ing. Ekkehard D. Schulz	Executive Board member	ThyssenKrupp share	Purchase	2,630	€18.99	€49,943.70
10-13-2008 XETRA	Ralph Labonte	Executive Board member	ThyssenKrupp share	Purchase	5,700	€17.47	€99,554.00
10-16-2008 XETRA	Dr.-Ing. Klaus T. Müller	Supervisory Board member	ThyssenKrupp share	Purchase	1,700	€16.08	€27,343.73
10-23-2008 XETRA	Dr. Ulrich Middelmann	Executive Board member	ThyssenKrupp share	Purchase	14,200	€14.08	€199,936.00
10-23-2008 XETRA	Jürgen H. Fechter	Executive Board member	ThyssenKrupp share	Purchase	30,000	€14.65	€439,372.50
10-23-2008 XETRA	Dr.-Ing. Ekkehard D. Schulz	Executive Board member	ThyssenKrupp share	Purchase	6,670	€14.95	€99,689.82
10-24-2008 XETRA	Dr. Olaf Berlien	Executive Board member	ThyssenKrupp share	Purchase	7,250	€13.86	€100,484.99

\*) rounded average price

At September 30, 2009 the total volume of shares in ThyssenKrupp AG held by all Executive and Supervisory Board members was less than 1% of the shares issued by the Company.

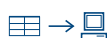
Information on other directorships held by Executive Board and Supervisory Board members on supervisory boards or comparable corporate bodies in Germany and elsewhere is contained on pages 269-271. No member of the Executive Board has more than three supervisory board seats at listed companies outside the Group. Details of related party transactions are given in the Notes to the Consolidated Financial Statements on pages 230-231.

### Financial-statement audit by KPMG

In line with European Union requirements, ThyssenKrupp draws up its consolidated financial statements and quarterly financial statements in accordance with the International Financial Reporting Standards (IFRS). The statutory parent-company financial statements of ThyssenKrupp AG, on which the dividend payment is based, are drawn up in accordance with German GAAP (HGB). For the reporting period we again agreed with the auditors KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin that the Chairman of the Audit Committee would be informed immediately of any possible grounds for exclusion or bias arising during the audit insofar as they are not immediately eliminated, and that the auditors would report immediately on any findings and occurrences during the audit which have a significant



Details: Pages 230-231  
and 269-271



Download the tables at:  
[www.thyssenkrupp.com/en/investor/meldeplicht/download.html](http://www.thyssenkrupp.com/en/investor/meldeplicht/download.html)

bearing on the duties of the Supervisory Board. It was also agreed that the auditors would inform the Supervisory Board or make a note in the audit report of any facts ascertained during their examination which conflict with the Declaration of Conformity issued under Art. 161 Stock Corporation Act (AktG) by the Executive Board and Supervisory Board.

## Compensation report

The following compensation report forms part of the management report (see p. 75). Among other things it describes in detail the compensation system for the Executive Board.

### Performance-based compensation for the Executive Board

For years we have regarded the transparent and clear presentation of Executive Board compensation as a key element of good corporate governance. The overall compensation paid to Executive Board members comprises the following compensation components: the fixed compensation, the bonus, the Mid Term Incentive plan (MTI) as well as additional benefits (non-cash) and pension plans.

In accordance with the Act on the Appropriateness of Executive Board Remuneration (VorstAG), which came into force on August 05, 2009, and a corresponding provision in the Rules of Procedure for the Supervisory Board, the full Supervisory Board is responsible for determining individual Executive Board compensation following preparation by the Personnel Committee. The German Corporate Governance Code as amended in June 2008 recommends that the full Supervisory Board not only discuss and review the structure of the compensation system but also resolve on the compensation system for the Executive Board including major contractual elements. For this reason, in its meeting on September 05, 2008 the Supervisory Board acting on the proposal of its Personnel Committee resolved the compensation system for the Executive Board including major contractual elements, and at the same time determined to review it regularly.

This was done most recently in the meeting on September 04, 2009. In its review the Supervisory Board established that the compensation system already largely corresponds with the parameters introduced by the VorstAG.

To ensure full conformity with the new legal bases the Supervisory Board further resolved that the compensation system be reviewed again in its details and amended as necessary. This review will require an appropriate amount of time. Discussions must be held both internally and externally with a large number of competent parties. The results of such a thorough review, which must take into account the interests of the stockholders, the Company, and its Executive Board members, were therefore not available when the compensation report was drawn up. A progress report will be given in the Annual General Meeting.

In its meeting on November 26, 2009 the Supervisory Board resolved that the compensation system for the Executive Board be presented for approval at the Annual General Meeting on January 21, 2010. Should the compensation system be amended in fiscal year 2009/2010, it will be presented for approval again at the 2011 Annual General Meeting.

**[1]**

The compensation system for the Executive Board will be presented to the 2010 Annual General Meeting for approval.

### Compensation system for the Executive Board of ThyssenKrupp AG

In the compensation system currently applying, criteria for the appropriateness of Executive Board compensation include the duties of the individual Executive Board member, his/her personal performance, the business situation, the success and prospects of the Company and also the prevailing level of compensation at peer companies and the compensation structure applying in the



Company. The performance-related components, consisting of bonus and MTI, contain elements that are measured over several years. They therefore set long-term incentives and focus the compensation structure on the sustainable development of the Company.

Executive Board member contracts concluded since the start of the reporting year make provision for a severance payment in the event of the premature termination of Executive Board activity without cause. Severance payments are limited to a maximum of two years' compensation including benefits (severance payment cap), and compensate no more than the remaining term of office. A promise of payments in the event of premature termination of Executive Board activity resulting from a change of control does not exist.

Regarding the various compensation components: Compensation for Executive Board members comprises non-performance-related and performance-related components. The non-performance-related components are the fixed compensation, additional benefits and pension plans, while the performance-related components are divided into the bonus and the MTI as a component with a long-term incentive effect. In the case of the fixed compensation, the bonus and the MTI the Executive Board Chairman receives a supplement of 65%.

The fixed compensation for an ordinary Executive Board member is €585,000 p. a. and is paid out as basic non-performance-related compensation in monthly installments as a salary. As from the beginning of the reporting year a review takes place regularly every two years. The next review will therefore take place at October 01, 2010.

The Executive Board members also receive additional non-cash benefits mainly comprising the tax value of real property, related incidental costs, insurance premiums and the use of Company cars for private purposes. The Executive Board members are responsible for paying tax on these additional benefits as compensation components. In principle they are available in the same way to all Executive Board members; they vary in amount according to the personal situation of the individual member.

The first element of the performance-related compensation is the bonus. In accordance with the bonus policy resolved by the Supervisory Board, the bonus amount is based equally on the development of the Group's EBT (earnings before taxes) and ROCE (return on capital employed). This means that the bonus as a performance incentive is linked to the performance indicators used in the Group. For example, if EBT is €2 billion and ROCE is 14.5%, the bonus is €1 million. Individual performance can be recognized in an amount up to 20%. Extraordinary events are ignored in determining the bonus. The bonus is paid out to the individual Executive Board members two weeks after its establishment by the Supervisory Board, generally in mid-November.

In addition to the bonus, Executive Board members receive compensation under the MTI as a variable compensation component with a long-term incentive effect. For a certain initial value, which for an ordinary Executive Board member amounts to €150,000, fictional shares are granted. These so-called stock rights are not stock options. The number of stock rights issued to an Executive Board member is determined by the average stock price in the 1st quarter of the performance period. These stock rights are recognized as part of compensation at their value at grant date, calculated in accordance with international accounting standards. More information on the MTI can be found on page 210. The number of issued stock rights under the MTI is then adjusted at the end of the respective performance period. The basis for this is a comparison of average ThyssenKrupp Value Added (TKVA) in the three-year performance period – beginning October 01 of the fiscal year in which the stock rights were granted – with the average TKVA of the preceding three fiscal years. For every €50 million change in TKVA, the number of stock rights changes by 10%. More information on TKVA can be found on pages 86-89 of the Annual Report. At the end of the performance period the stock rights awarded



Executive Board bonuses are based on the performance of the key indicators EBT and ROCE.



Details: Page 210



Details: Pages 86-89





Details: Pages 86-89

are paid out on the basis of the average price of ThyssenKrupp shares in the first three months after the end of the performance period. Payments under the MTI are limited to €1.5 million for an ordinary Executive Board member.

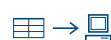
Pensions are paid to former Executive Board members who have either reached pension age, become permanently incapacitated for work or whose employment contract taking into account other income has been prematurely terminated or not renewed. Under the amended provisions now applied, pensions are only paid upon premature termination or non-renewal of employment contracts if the Executive Board member is at least in his/her second five-year period of office and is older than 55. The pension of an Executive Board member is based on a percentage of the final fixed salary component he/she received prior to termination of his/her employment contract. This percentage increases with the duration of the Executive Board member's appointment. In general it is 30% from the start of the first five-year period of appointment, 50% from the start of the second and 60% from the start of the third; the pension of the Executive Board Chairman is 65%. Current pensions are adjusted annually in line with the consumer price index. Under the surviving dependants' benefits plan, a widow receives 60% of the pension (previously 75%) and each dependant child (generally up to the age of 18, maximum age 25 years, in justified exceptional cases up to the age of 27) 20%, up to a maximum of 100% of the pension amount.

### Total compensation granted in fiscal year 2008/2009

The following table shows the breakdown of compensation and pensions for individual Executive Board members in the 2008/2009 fiscal year. The prior-year figures are shown in square brackets:

#### EXECUTIVE BOARD COMPENSATION 2008/2009 in €'000s

	Annual income			MTI rights granted in fiscal year		Total	Income from share-based compensation in the fiscal year	Pensions	
	Fixed salary	Additional benefits	Bonus	Number	Value at grant date			Annual pension when payable	Allocation to pension accrual in fiscal year
Dr.-Ing. Ekkehard D. Schulz Chairman	966 [875]	120 [145]	— [2,442]	15,645 [6,014]	207 [179]	1,293 [3,641]	(641) [( 580)]	628 [569]	602 [592]
Dr. Ulrich Middelman Vice Chairman	732 [663]	173 [194]	— [1,850]	11,852 [4,556]	157 [136]	1,062 [2,843]	(485) [(439)]	439 [398]	640 [572]
Dr. Olaf Berlien	585 [530]	95 [115]	— [1,776]	9,482 [3,645]	125 [108]	805 [2,529]	(388) [(352)]	293 [265]	289 [323]
Edwin Eichler	585 [530]	82 [94]	— [1,776]	9,482 [3,645]	125 [108]	792 [2,508]	(388) [(352)]	293 [265]	405 [468]
Jürgen H. Fechter (until March 31, 2009)	293 [530]	46 [119]	— [1,184]	9,482 [3,645]	125 [108]	464 [1,941]	(388) [(277)]	293 [159]	164 [273]
Dr. Alan Hippe (from April 01, 2009)	293 [—]	63 [—]	— [—]	4,741 [—]	63 [—]	419 [—]	— [—]	176 [—]	113 [—]
Dr.-Ing. Karl-Ulrich Köhler (until March 31, 2009)	293 [530]	41 [100]	— [1,184]	9,482 [3,645]	125 [108]	459 [1,922]	(388) [(302)]	293 [159]	251 [353]
Ralph Labonte	585 [530]	93 [101]	— [1,480]	9,482 [3,645]	125 [108]	803 [2,219]	(388) [(352)]	293 [265]	501 [441]
Dr.-Ing. Wolfram Mörsdorf (until April 14, 2009)	341 [530]	37 [113]	— [1,480]	5,136 [3,645]	68 [108]	446 [2,231]	(388) [(352)]	293 [265]	315 [558]
<b>Total</b>	<b>4,673</b> <b>[4,718]</b>	<b>750</b> <b>[981]</b>	<b>[—]</b> <b>[13,172]</b>	<b>84,784</b> <b>[32,440]</b>	<b>1,120</b> <b>[963]</b>	<b>6,543</b> <b>[19,834]</b>	<b>(3,454)</b> <b>[(3,006)]</b>	<b>3,001</b> <b>[2,345]</b>	<b>3,280</b> <b>[3,580]</b>



Download the tables at:  
[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)



The Executive Board of ThyssenKrupp AG will receive no bonus for fiscal year 2008/2009.

In view of the significant drop in earnings in fiscal year 2008/2009 the Supervisory Board has decided, in line with the bonus policy, not to pay a bonus to the members of the Executive Board of ThyssenKrupp AG.

Total compensation paid to active members of the Executive Board for their work in fiscal year 2008/2009 amounted to €6.5 million (prior year: €19.8 million).

In the year under review, allocations to the pension accruals for active Executive Board members amounted to €3,280,000 (prior year: €3,580,000). The amount for 2008/2009 comprises service costs of €879,000 (prior year: €1,502,000) and interest costs in the amount of €2,401,000 (prior year €2,078,000). Under a no longer valid agreement, two Executive Board members will continue to receive a chauffeur-driven car and specific insurance benefits for a period of five years after entering into retirement on account of their having served on the Executive Board for over ten years. The Company has recognized pension liabilities for the future pension entitlements on the basis of IFRS.

Agreements were reached with Mr. Fechter and Dr. Köhler on the premature amicable termination of their appointments as members of the Executive Board and the cancellation of their contracts of employment at March 31, 2009. In accordance with the severance payment cap included in their contracts of employment, the severance payment due to the two gentlemen was a maximum of two years' compensation. Both gentlemen remained available to the Group in an advisory capacity for six months, i.e. until September 30, 2009, for which they received an advisory fee of €10,000 per month each. In accordance with the general rules for Executive Board members, the pension when payable for both gentlemen was set at 50% of their fixed salary.

No further payments have been promised to any Executive Board members in the event that they leave their post. In the reporting year, no members of the Executive Board received payments or corresponding promises from third parties in connection with their Executive Board positions. As in previous years, no loans or advance payments were granted to members of the Executive Board, nor were any guarantees or other commitments entered into in their favor.

The 4th installment of the MTI was paid out in 2008/2009. The value of this installment was based on the increase in the average TKVA in the three-year performance period 2005/2006 – 2007/2008 against the average TKVA in the three fiscal years 2002/2003 – 2004/2005. In the stated performance period, average TKVA increased significantly from €406 million to €1,845 million; the share price fell from €17.26 at the grant date to €15.82 at the end of the three-year performance period. On this basis, the Executive Board members received the following payments under the 4th installment of the MTI (prior-year figures in brackets): Dr. Schulz €880,000 (€2,715,000), Dr. Middelmann €667,000 (€2,057,000), Dr. Berlien, Mr. Eichler, Mr. Labonte and Dr. Mörsdorf each €533,000 (€1,645,000), Dr. Köhler €533,000 (€1,097,000) and Mr. Fechter €533,000 (€823,000). In addition, the Executive Board members were granted new stock rights at the beginning of January 2009 under the 7th installment of the MTI. Under the 5th to 7th installments of the MTI the Executive Board members also have a total of 161,875 stock rights which have been awarded but are not yet payable.

Total compensation paid to former members of the Executive Board and their surviving dependants amounted to €24.4 million (prior year: €13.7 million). In accordance with IFRS an amount of €173.5 million (prior year: €142.3 million) was accrued for pension obligations benefiting former Executive Board members and their surviving dependants.

### Share-based compensation for further executives

Alongside the Executive Board, further selected executives of the Group receive part of their remuneration in the form of share-based compensation. This relates to the MTI and also to a program for the purchase of ThyssenKrupp shares at a discount.

Beginning with the 2nd installment of the MTI, which was issued in August 2004, the group of employees eligible to receive stock rights was expanded on modified terms to include the executive board members of the segment holding companies and other selected executive employees. Due to the decline in TKVA, the MTI for this group of beneficiaries resulted in income from the reversal of the accrued liability for not-yet payable stock rights in the amount of €15.6 million (prior year: expense of €0.2 million).

In addition, there exists for selected executives of the Group who are not beneficiaries of the MTI a discount share purchase plan. The model, first implemented in fiscal year 2005/2006, supplements the variable compensation related to individual company performance with a Group-related element which integrates the central performance indicator TKVA into the incentive system. The aim of this share- and value-based compensation component is to promote concentration on the Group's targets and strengthen executives' identity with the Company.

On expiry of the performance period, beneficiaries are offered the chance to purchase ThyssenKrupp shares up to a fixed euro amount at a discount, which is paid by the employer. The remaining amount is the contribution to be paid by participants. The discount amount depends on the (Group) TKVA over the performance period and can be up to 80%. These shares are subject to a three-year blocking period.

Implementation of the plan resolved for 2007/2008 was postponed to fiscal year 2009/2010. The discount share purchase plan resulted in expense of €3.0 million in the reporting year (prior year: €13.5 million). The plan was not implemented in fiscal year 2008/2009. The Executive Board of ThyssenKrupp AG decides every year on whether to renew the plan.

### Appropriate Supervisory Board compensation

The compensation of the Supervisory Board is regulated in Art. 14 of the Articles of Association of ThyssenKrupp AG. It is based on the duties and responsibilities of the Supervisory Board members and on the business situation and performance of the Group.

In addition to reimbursement of their expenses and a meeting attendance fee of €500, Supervisory Board members receive compensation comprising three elements: a fixed component of €50,000 and two performance-related elements. The first is a bonus of €300 for each €0.01 by which the dividend paid out to stockholders for the past fiscal year exceeds €0.10 per share. On top of this, there is an annual compensation, based on the long-term performance of the Company, of €2,000 for each €100 million by which average earnings before taxes (EBT) in the last three fiscal years exceeds €1 billion.

The Chairman receives three times the above fixed compensation, bonus and long-term performance-based component, and the Vice Chairman double these amounts. In accordance with the German Corporate Governance Code, chairmanship and membership of the Supervisory Board committees are compensated separately. Supervisory Board members who only serve on the Supervisory Board for part of the fiscal year receive a proportionally reduced compensation amount. If a Supervisory Board member does not attend a meeting of the full Supervisory Board or a committee meeting, his/her compensation is reduced proportionally.

**i**

Supervisory Board compensation comprises a fixed amount and two performance-related components.

On the basis of the proposed dividend, members of the Supervisory Board will receive total compensation, including meeting attendance fees, of €1.9 million (prior year: €3.6 million). The individual Supervisory Board members will receive the amounts listed in the following table for the year under review; the corresponding amounts for the previous year are shown in square brackets:

**SUPERVISORY BOARD COMPENSATION IN 2008/2009 in €**

	Fixed compensation	Bonus	Long-term compensation component	Compensation for committee work	Meeting attendance fees	Total
Dr. Gerhard Cromme, Chairman	150,000 [150,000]	18,000 [108,000]	21,879 [121,620]	63,293 [126,540]	10,500 [7,000]	263,672 [513,160]
Bertin Eichler, Vice Chairman	100,000 [91,667]	12,000 [66,000]	14,586 [74,323]	58,350 [94,905]	9,500 [4,500]	194,436 [331,395]
Markus Bistram (until Sept. 15, 2009)	47,945 [50,000]	5,753 [36,000]	7,193 [40,540]	14,597 [31,635]	4,500 [3,000]	79,988 [161,175]
Theo Frielinghaus	50,000 [50,000]	6,000 [36,000]	6,661 [23,525]	15,665 [27,381]	4,500 [3,000]	82,826 [139,906]
Heinrich Hentschel (until Jan. 23, 2009)	15,753 [50,000]	1,890 [36,000]	5,629 [40,540]	— [—]	1,000 [2,000]	24,272 [128,540]
Susanne Herberger (from Jan. 23, 2009)	34,384 [—]	4,126 [—]	1,670 [—]	— [—]	2,000 [—]	42,180 [—]
Prof. Jürgen Hubbert	50,000 [45,833]	6,000 [33,000]	7,293 [37,162]	— [—]	3,000 [1,500]	66,293 [117,495]
Klaus Ix (until Jan. 23, 2009)	15,753 [50,000]	1,890 [36,000]	5,629 [40,540]	1,833 [31,635]	1,500 [4,000]	26,605 [162,175]
Bernd Kalwa (from Jan. 23, 2009)	34,384 [—]	4,126 [—]	1,670 [—]	6,908 [—]	3,000 [—]	50,088 [—]
Hüseyin Kavvesoglu (until Jan. 23, 2009)	15,753 [45,833]	1,890 [33,000]	5,629 [37,162]	1,833 [28,999]	1,500 [3,000]	26,605 [147,994]
Dr. Martin Kohlhaussen	50,000 [50,000]	6,000 [36,000]	7,293 [40,540]	31,647 [63,270]	5,500 [4,000]	100,440 [193,810]
Dr. Heinz Kriwet	50,000 [50,000]	6,000 [36,000]	7,293 [40,540]	15,823 [31,635]	4,500 [3,000]	83,616 [161,175]
Prof. Dr. Ulrich Lehner	50,000 [32,184]	6,000 [23,172]	4,139 [8,714]	12,687 [—]	4,000 [500]	76,826 [64,570]
Dr.-Ing. Klaus T. Müller (until Jan. 23, 2009)	15,753 [50,000]	1,890 [36,000]	5,629 [40,540]	— [—]	1,000 [2,000]	24,272 [128,540]
Prof. Dr. Bernhard Pellens	50,000 [50,000]	6,000 [36,000]	7,293 [40,540]	15,823 [31,635]	5,000 [4,000]	84,116 [162,175]
Dr. Heinrich v. Pierer (until Nov. 15, 2008)	6,301 [45,833]	756 [33,000]	5,170 [37,162]	385 [31,635]	— [2,500]	12,612 [150,130]
Peter Remmler	34,384 [—]	4,126 [—]	1,670 [—]	— [—]	2,000 [—]	42,180 [—]
Dr. Kersten v. Schenck	50,000 [50,000]	6,000 [36,000]	7,293 [40,540]	15,823 [31,635]	4,500 [3,000]	83,616 [161,175]
Peter Scherrer	44,444 [50,000]	5,333 [36,000]	6,483 [40,540]	— [—]	2,000 [2,000]	58,260 [128,540]
Thomas Schlenz	50,000 [50,000]	6,000 [36,000]	7,293 [40,540]	47,469 [94,905]	8,500 [6,000]	119,262 [227,445]
Dr. Henning Schulte-Noelle	47,222 [50,000]	5,667 [36,000]	6,888 [40,540]	31,646 [63,270]	6,500 [4,000]	97,923 [193,810]
Wilhelm Segerath	50,000 [50,000]	6,000 [36,000]	7,293 [40,540]	15,866 [31,635]	5,000 [3,000]	84,159 [161,175]
Christian Streiff	44,444 [50,000]	5,333 [36,000]	6,483 [40,540]	— [—]	2,000 [2,000]	58,260 [128,540]
Jürgen R. Thumann (from Nov. 16, 2008)	43,699 [—]	5,244 [—]	2,123 [—]	— [—]	3,000 [—]	54,066 [—]
Prof. Dr. Gang Wan (until Jan. 18, 2008)	— [13,775]	— [9,918]	— [28,482]	— [—]	— [500]	— [52,675]
Klaus Wiercimok (from Jan. 23, 2009)	34,384 [—]	4,126 [—]	1,670 [—]	— [—]	2,000 [—]	42,180 [—]
<b>Total</b>	<b>1,134,603</b> <b>[1,125,125]</b>	<b>136,150</b> <b>[810,090]</b>	<b>161,852</b> <b>[895,170]</b>	<b>349,648</b> <b>[720,715]</b>	<b>96,500</b> <b>[64,500]</b>	<b>1,878,753</b> <b>[3,615,600]</b>



Members of the Supervisory Board of ThyssenKrupp AG will additionally receive compensation of €124,206 (prior year: €223,458) for supervisory board directorships at Group subsidiaries in fiscal 2008/2009. The individual members of the Supervisory Board will receive the amounts shown in the following table:

**COMPENSATION FROM SUPERVISORY BOARD DIRECTORSHIPS WITHIN THE GROUP in €**

	2007/2008	2008/2009
Markus Bistram (until Sept. 15, 2009)	87,690	40,109
Theo Frielinghaus	37,718	23,559
Susanne Herberger (from Jan 23, 2009)	—	16,003
Klaus Ix (until Jan. 23, 2009)	32,250	7,524
Bernd Kalwa (from Jan. 23, 2009)	—	12,315
Hüseyin Kavvesoglu (until Jan. 23, 2009)	35,050	6,586
Thomas Schlenz	30,750	17,000
Klaus Wiercimok (from Jan. 23, 2009)	—	1,110
<b>Total</b>	<b>223,458</b>	<b>124,206</b>

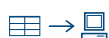
Beyond this, as in the previous year Supervisory Board members received no further compensation or benefits in the reporting year for personal services rendered, in particular advisory and mediatory services, with the following exception. The law firm Clifford Chance, in which Supervisory Board member Dr. v. Schenck was a partner until June 30, 2009, and for which he now works in an 'of counsel' capacity, received a total of €79,737 (prior year €89,235) for consultancy services for subsidiaries of ThyssenKrupp in the past fiscal year. As in previous years, no loans or advance payments were granted to members of the Supervisory Board, nor were any guarantees or other commitments entered into in their favor.

Former Supervisory Board members who left the Supervisory Board prior to October 01, 2008 will receive a proportion of the long-term compensation component in the total amount of €3,773 (prior year: €15,683) for the time they served on the Supervisory Board. The breakdown is shown in the following table:

**LONG-TERM COMPENSATION COMPONENT in €**

for former Supervisory Board members who resigned before October 01 of the respective fiscal year

	2007/2008	2008/2009
Wolfgang Boczek (until Nov. 30, 2005)	2,256	—
Gerold Vogel (until Dec. 31, 2006)	13,427	612
Prof. Dr. Gang Wan (until Jan. 18, 2008)	—	3,161
<b>Total</b>	<b>15,683</b>	<b>3,773</b>



# ThyssenKrupp stock

The performance of ThyssenKrupp's stock in the first half of fiscal 2008/2009 was dominated by the effects of the financial crisis and the associated economic downturn. However, from the start of the second half of the reporting year the stock rallied again and outperformed the DAX and DJ STOXX indices. This section provides detailed information on our key data, stock performance, stockholder structure and investor relations activities.

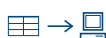
## KEY DATA OF THYSSENKRUPP STOCK

		2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Capital stock	million €	1,317	1,317	1,317	1,317	1,317
Number of shares (total)	million shares	514,5	514,5	514,5	514,5	514,5
Stock exchange value end September	million €	8,936	13,670	22,977	10,819	12,106
Closing price end September	€	17.37	26.57	44.66	21.03	23.53
High	€	17.39	29.09	46.14	46.63	25.05
Low	€	13.89	16.62	26.19	20.78	12.11
Dividend	€	0.80 <sup>1)</sup>	1.00	1.30	1.30	0.30 <sup>2)</sup>
Dividend total	million €	412 <sup>1)</sup>	489	635	603	139 <sup>2)</sup>
Dividend yield	%	4.6 <sup>1)</sup>	3.8	2.9	6.2	1.3 <sup>2)</sup>
EPS	€	2.08	3.24	4.30	4.59	(4.01)
Number of shares (outstanding <sup>3)</sup> )	million shares	498.6	507.7	488.8	477.8	463.5
Trading volume (daily average)	million shares	3.3	4.5	3.8	4.3	4.8

<sup>1)</sup> including special dividend of €0.10 <sup>2)</sup> proposal to the Annual General Meeting <sup>3)</sup> weighted average

## Trend reversal in stock performance

The performance of ThyssenKrupp's stock in the 1st quarter of 2008/2009 was heavily influenced by negative news from the finance sector, which culminated in the crash of the Lehman Brothers investment bank. On November 20, 2008 ThyssenKrupp's share price fell to a fiscal-year low of €12.11. A sustainable recovery also proved unachievable in the 2nd quarter, too great was investors' uncertainty over the economic outlook in the wake of the financial crisis. By the end of March 2009, after temporary rebounds, the share price dropped back to its level of November 2008. However, in the following two



Download the tables at:  
[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

i

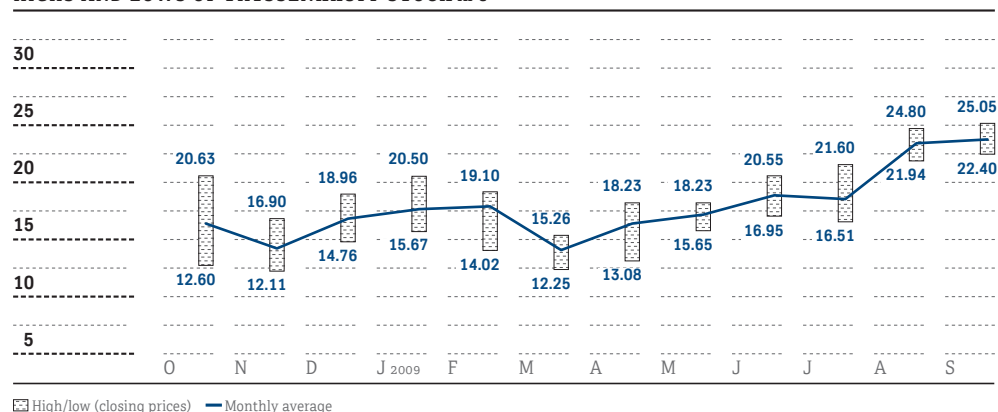
ThyssenKrupp's share price reached a high of €25.05 in 2008/2009.

quarters our stock rallied again and achieved significant gains. The measures introduced to increase efficiency, restructure the Group, and optimize its portfolio were recognized by the capital market with higher assessments of our stock. From April 2009 ThyssenKrupp's stock continuously extended its lead over the DAX and DJ STOXX indices. On September 17, 2009 the share price reached a fiscal-year high of €25.05. On September 30, 2009 it closed at €23.53, up 11.9% from a year earlier. In the same period the DAX and DJ STOXX indices lost 2.7% and 1.9%, respectively. Further details of the stock's performance are shown in the following charts.

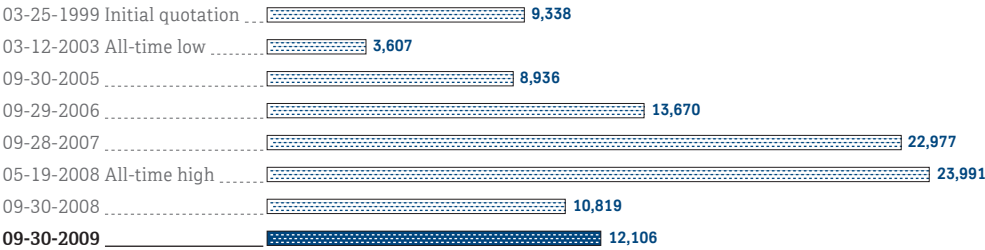
**PERFORMANCE OF THYSSENKRUPP STOCK IN COMPARISON, indexed,**  
Sept. 30, 2008 to Sept. 30, 2009, in %



**HIGHS AND LOWS OF THYSSENKRUPP STOCK in €**



MARKET CAPITALIZATION OF THYSSENKRUPP AG in million €



Market capitalization improved compared with the prior year, amounting to around €12.1 billion at the end of the fiscal year on September 30, 2009.

Stock listing focused on Germany

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

THYSSENKRUPP STOCK MASTER DATA

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

The stock was delisted from the London Stock Exchange on March 06, 2009. The main reason for this delisting was the continued very low level of trading. The majority of trading in ThyssenKrupp stock is carried out via the extremely liquid XETRA trading system in Frankfurt/Main.

1.2 billion ThyssenKrupp shares were traded on the Xetra trading system and the German stock exchanges in fiscal 2008/2009. The slight increase from the previous year is attributable to the effects of the financial crisis. In October 2008 the number of ThyssenKrupp shares traded reached an all-time high of 180 million, the daily volume amounting to almost 8 million. In the reporting year the average daily volume was 4.8 million shares. Trading in ThyssenKrupp stock accounted for around 2.2% of the total trading volume of the 30 DAX stocks.

The growing interest in index funds, particularly among private investors, is adding to the importance of belonging to a stock index. With listings in the DAX 30, the DJ STOXX, the DJ Germany Titans, the DJ Industrial Goods & Services Titans 30, the FT EuroTop 300 and various MSCI indices, our stock is included in major indices at national and international level. It is also included in the DivDAX, comprising the 15 DAX companies with the highest dividend yield.

**i**  
The average daily trading volume of ThyssenKrupp stock was 4.8 million shares in the reporting year.



### Earnings per share €(4.01)

Earnings per share (EPS) is calculated by dividing the net income attributable to the stockholders of ThyssenKrupp AG by the weighted average of shares outstanding in the fiscal year. In the year under review, the number of shares outstanding averaged 463.5 million.

### Dividend proposal of €0.30 per share

A proposal will be submitted to the Annual General Meeting on January 21, 2010 to pay a dividend of €0.30 per share for fiscal 2008/2009. Based on the stock price of €23.53 on September 30, 2009, the dividend yield is 1.3%.

#### THYSSENKRUPP AG DIVIDEND PAYMENT in €



\* incl. special dividend of €0.10 \*\* Proposal to the Annual General Meeting

### Capital stock unchanged

The capital stock remains unchanged at €1,317,091,952.64 and comprises 514,489,044 no-par value bearer shares. The shares are evidenced in global certificates. The right of stockholders to certification of their shares is excluded under the Company's Articles of Association. Under Art. 19 of the Articles of Association of ThyssenKrupp AG, each share grants one vote.

### Stockholder structure largely stable

In an analysis which we now conduct twice a year, we gain valuable information on the status of and changes to our stockholder structure. The regional distribution of our institutional investors, for example, provides the basis for the targeted planning and adjustment of our roadshow activities. At the end of September 2009, institutional investors in Germany formed the largest stockholder group with a share of 12.2% of the capital stock, followed by investors in the USA (9.9%), the UK (9.5%) and the rest of Europe (7.0%). Within the rest of Europe the most important countries for ThyssenKrupp are France (2.2%) and Switzerland (1.9%).

The Company's largest stockholder is the Alfried Krupp von Bohlen und Halbach Foundation, Essen, which holds 25.33% of the capital stock of ThyssenKrupp AG.

Following share buyback programs in the 2005/2006 and 2007/2008 fiscal years, ThyssenKrupp AG holds 51,015,552 treasury shares or around 9.9% of the capital stock. These shares carry neither voting nor dividend entitlements. At the end of the reporting year the number of outstanding shares was 463,473,492.

**i**

At the end of September 2009, institutional investors in Germany held a 12.2% share of the Company's capital stock.

Taking into account the share held by the Foundation and the treasury shares, the free float, which is generally taken into account in the weighting of ThyssenKrupp's stock in stock indices, is 64.75% of the capital stock.

### Investor Relations further optimized

In our investor relations work in the past fiscal year we responded directly to the changes on the international capital markets caused by the financial crisis. For example, we increased the frequency of our visits to the financial centers of importance to us, Frankfurt, London and New York. We significantly expanded our contacts with investors by participating in regional conferences.

Following the reorganization of the Group we will further optimize our dialogue with the capital market starting in the current fiscal year. In the new structure our former five segments have been replaced by eight business areas and we will report on the performance and key financials of these business areas. This increased transparency is aimed at providing a better understanding of the individual business models and the value drivers and gaining a fair valuation on the capital market. The process will be accompanied by our established shareholder targeting model. In this connection we expect our enhanced transparency to expand our investor base to include in particular investors focused on capital goods.

Furthermore we will maintain the high standards of our investor relations program. A firmly established part of this are conference calls on our interim reports and important strategic decisions. In addition, we cultivate personal contacts with capital market participants through our analysts' and investors' conferences, and organize field trips in association with brokers offering investors the opportunity to tour our production plants and talk to the Executive Board.

By providing a deeper insight into the operating business of individual areas of the Group, the ThyssenKrupp field days help analysts and investors gain an even better understanding of our business operations. To maintain our presence on the international capital markets, we conduct individual and group discussions at our regular roadshows and attend investor conferences.

Last but not least, a key component of our investor relations activities are our personal contacts with private investors. In addition to the main event of the Annual General Meeting, we gave a series of presentations to introduce the Group to private investors in the reporting year. The forums for this are generally organized in association with stockholder associations and regional banks.

If you would like to contact us or find out about dates in the 2009/2010 financial calendar, turn to the last page of this Annual Report or visit our website by clicking on Investor Relations at [www.thyssenkrupp.com](http://www.thyssenkrupp.com).



The ThyssenKrupp field days met with great interest from analysts and investors.



Further information at [www.thyssenkrupp.com/en/investor/index.html](http://www.thyssenkrupp.com/en/investor/index.html)

# 02 /

## Management report on the Group

73 /	Areas of business and organizational structure
79 /	New Group structure
82 /	Business management – goals and strategy
93 /	Group review
112 /	Segment review
130 /	Financial position
136 /	Responsibility and commitment
139 /	Sustainability and environmental protection
142 /	Innovations
148 /	Employees
155 /	Risk report
166 /	Subsequent events, opportunities and outlook

A look at the facts /  
Materials in transition

*Advances in the strength of steels for the auto industry.*

1983 :	Dual-phase steels	600 N/mm <sup>2</sup>
2000 :	Multi-phase steels	1,200 N/mm <sup>2</sup>
2009 :	Hot-stamped coated steels	1,500 N/mm <sup>2</sup>

*Conclusion : In recent years, changes in customer demands have led to significant advances in steel strengths. /→*

.....

# 02 /

## Management report on the Group

The global financial and economic crisis hit the business of the ThyssenKrupp Group hard. Order intake and sales fell sharply in 2008 / 2009; for the first time since the merger in 1999, the Group reported negative earnings before taxes. Employee numbers also declined. All segments were affected with the exception of Elevator. This management report on the Group provides details of our business performance in the past fiscal year, our measures to combat the crisis and our expectations for the future.

A look at one of our solutions /  
Materials in transition

→ / *Synergies for automotive innovation: With Inlucar, ThyssenKrupp offers 35 advanced solutions for body, powertrain and chassis. Inlucar stands for greater climate protection, lower costs and improved functions. The project utilizes the full automotive capabilities of the Group. Under Inlucar, companies from different business areas work together on an interdisciplinary basis.*

*To find out about further solutions, go to:  
[www.thyssenkrupp.com](http://www.thyssenkrupp.com)*

.....

# Areas of business and organizational structure

Innovative capabilities, an efficient organizational structure and a forward-looking business strategy – these are the strengths of ThyssenKrupp in the international marketplace. As one of the world's biggest materials and technology groups, we aim to be as flexible as our customers. Even in difficult economic times our ideas and initiatives for technological and commercial progress open up new roads – for our business partners and ourselves.

## Capabilities

Tailored materials of all kinds and a comprehensive range of high-end technological goods, backed by a broad portfolio of services, characterize the capabilities that ThyssenKrupp offers customers throughout the world. Whether it's steel for auto bodies, a petrochemical complex or slewing bearings for wind turbines – our employees have a lot to offer. They work in over 80 countries across the globe and speak our customers' language. Meeting customer needs for superior products and services is key to all our activities.

## Change to organizational structure

Until September 30, 2009 the Group's operations were organized into five segments: Steel, Stainless, Technologies, Elevator and Services. The segments were run by their own holding companies and decided independently on their activities on the market. The segments consisted of individual business units, organized by product areas or markets. This Annual Report on fiscal 2008/2009 is based on this structure.

### GROUP STRUCTURE until September 30, 2009

#### Holding company

ThyssenKrupp AG

#### Segments

Steel	Stainless	Technologies	Elevator	Services
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In light of the severe consequences of the financial and economic crisis for the Group, the Executive Board took a critical look at the structure of the Group and decided to modify it. On September 04, 2009 the Supervisory Board of ThyssenKrupp AG approved the plan for the new Group organizational structure, which was subsequently implemented at the beginning of the new fiscal year on October 01, 2009. As a result of the reorganization, operational management is now more decentralized while strategic management is more centralized, allowing the Group to respond even faster to new market developments and customer needs.

**GROUP STRUCTURE** since October 01, 2009

**Corporate headquarters**

ThyssenKrupp AG
-----------------

**Business areas**

Materials division				Technologies division			
Steel Europe	Steel Americas	Stainless Global	Materials Services	Elevator Technology	Plant Technology	Components Technology	Marine Systems


Instead of the five previous segments, the Group’s activities are now combined in eight business areas, bracketed together strategically in two divisions – Materials and Technologies. ThyssenKrupp AG as corporate headquarters performs the strategic management function, while the business areas and the associated Group companies operate on the market independently. Standardized Groupwide services will be the responsibility of the Business Services companies, whose services are available to all Group companies. More information on the new organizational structure is contained on pages 79-81.

Founded in 1999, ThyssenKrupp AG is a stock corporation under German law. It is dual domiciled in Duisburg and Essen; most of its head office functions are located in Düsseldorf. In 2010 the corporate headquarters will move to the new ThyssenKrupp Quarter in Essen; the first part of this architecturally challenging campus will be completed in mid-2010. The Group has its own offices or Group representatives in Berlin, Brussels, Beijing and another 29 locations throughout the world, supporting customers and Group companies close to the markets.

ThyssenKrupp AG owns, directly or indirectly, more than 850 companies and equity interests worldwide. Two thirds of the Group’s 2,500 production sites, offices and service bases are located outside Germany. Our largest site is Duisburg with just under 19,000 employees ahead of São Paulo, Brazil, with over 8,000 and Dover, USA, with more than 7,000 employees. More details on our shareholdings are provided on pages 239-262; for more information on our employees, turn to pages 148-154.

**Management responsibility in the Group**

The Executive Board of ThyssenKrupp AG defines the Group’s strategy for business development, is responsible for Groupwide corporate functions and directs the business areas; until the end of September 2009 these were the five segments mentioned above. Value management plays an important role in optimizing the worth of the business. In addition, the Executive Board organizational chart sets outs the responsibilities of individual members for specific world regions. Members’ personal

 Details: Pages 79-81

 Details: Pages 148-154 and 239-262

knowledge of products, markets and customers and their expertise in central corporate functions ensure efficient and professional management of the Group.

One key task of the Executive Board is to develop outstanding young talent for top management positions. High potentials are gradually given increasing responsibility and trained to take on more challenging tasks. For more information on management development at ThyssenKrupp, turn to pages 153-154.



Details: Pages 153-154

## Compensation report

The Compensation Report is contained in the Corporate Governance Report on pages 59-65 and forms part of the management report on the Group



Details: Pages 59-65

## Disclosure of takeover provisions

The following information, valid September 30, 2009, is presented in accordance with Art. 315 par. 4 of the German Commercial Code (HGB).

### Composition of capital stock

The capital stock of ThyssenKrupp AG remains unchanged at €1,317,091,952.64 and consists of 514,489,044 no-par value bearer shares. Each share carries the same rights and grants one vote at the Annual General Meeting.

### Shareholdings exceeding 10% of the voting rights

There is one direct shareholding in the Company which exceeds 10% of the voting rights: The Alfried Krupp von Bohlen und Halbach Foundation, Essen has informed ThyssenKrupp AG that effective September 30, 2009 it holds around 25.33% of the voting rights of ThyssenKrupp AG.

### Appointment and dismissal of Executive Board members, amendments to the Articles of Association

The appointment and dismissal of members of the Executive Board of ThyssenKrupp AG is subject to Arts 84, 85 German Stock Corporation Act (AktG) and Art. 31 Codetermination Act (MitbestG) in conjunction with Art. 6 of the Articles of Association. Amendments to the Articles of Association are subject to the approval of the Annual General Meeting with a majority of at least three quarters of the capital stock represented; Arts 179 ff. AktG apply. Under Art. 11 par. 9 of the Articles of Association, the Supervisory Board is authorized to resolve amendments to the Articles of Association which relate only to their wording. The Supervisory Board is also authorized to amend Art. 5 of the Articles of Association (Capital Stock and Shares) depending on the use of authorized capital. If the authorized capital has not been used or has been only partly used by January 18, 2012, the Supervisory Board may also amend the wording of Art. 5.

### Authorization of the Executive Board to issue shares

Under Art. 5 par. 5 of the Articles of Association, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the Company's capital stock on one or more occasions on or before January 18, 2012 by up to €500 million by issuing up to 195,312,500 new no-par value bearer shares in exchange for cash and/or contributions in kind (authorized capital).

It may exclude stockholders' subscription rights with the approval of the Supervisory Board in the following cases:

- for fractional amounts occurring as a result of the subscription ratio;
- to grant subscription rights for new shares to the holders of conversion and/or option rights or conversion obligations outstanding at the time the authorized capital is utilized in respect of convertible bonds and/or options already issued or to be issued in the future by the Company or its subsidiaries to the extent to which they would be eligible as stockholders after exercising the conversion and/or option rights or after fulfillment of the conversion obligations;
- if the issue price of the new shares is not significantly lower than the stock market price of shares already quoted on the stock market at the time the final issue price is determined and the shares issued do not exceed altogether 10% of the capital stock either at the time this authorization becomes effective or at the time it is exercised;
- in the event of capital increases in exchange for contributions in kind.

The sale of treasury stock shall be counted against the 10% capital limit insofar as it takes place during the term of this authorization to the exclusion of subscription rights pursuant to Art. 186 par. 3 sentence 4 AktG. Shares issued to service bonds with conversion and/or option rights and conversion obligations shall likewise be counted against the 10% capital limit insofar as the bonds are issued during the term of this authorization to the exclusion of subscription rights analogously applying Art. 186 par. 3 sentence 4 AktG. The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further content and the terms and conditions of the share issue.



The authorization to repurchase treasury stock granted by the 2009 Annual General Meeting applies until July 22, 2010.

#### **Authorization of the Executive Board to repurchase stock**

By resolution of the Annual General Meeting of January 23, 2009 the Company was authorized until July 22, 2010 to repurchase treasury stock up to a total of 10% of the current capital stock of €1,317,091,952.64. The authorization may be exercised in whole or in installments, once or several times, in pursuit of one or several purposes by the Company or by third parties for the account of the Company. At the discretion of the Executive Board, the buy-back may be effected on the open market or by means of a public offer or a public invitation to tender or by means of equity derivatives (put or call options or a combination of both). The countervalue per share paid by the Company (excluding incidental costs) may not be more than 5% higher or lower than the price determined on the day of trading by the opening auction in the Xetra trading system (or a comparable successor system).

If the shares are repurchased by means of a public offer or invitation to tender, the purchase price or the limits of the price range per share (excluding incidental costs) may not be more than 10% higher or lower than the average closing price in the Xetra trading system (or a comparable successor system) on the three trading days before the date of the public announcement of the offer or invitation to tender.



If, after announcement of a public offer or invitation to tender, the relevant price is subject to significant changes, the offer or invitation may be amended. In this case the price is based on the average price over the three days of trading before the public announcement of an amendment. The public offer or invitation to tender may specify further conditions. If the offer is over-subscribed or, in the case of an invitation to tender, not all of several equal offers can be accepted, they must be accepted on a quota basis. Priority may be given to small lots of up to 100 shares per stockholder.

If the shares are repurchased by means of equity derivatives, the options may only be honored with shares purchased under observance of the principle of equal treatment. The term of the options must end on July 22, 2010 at the latest. Any right of stockholders to conclude such option transactions with the Company shall be excluded, applying Art. 186 par. 3 sentence 4 AktG.

The Executive Board is authorized to use the repurchased stock for all legally permissible purposes. In particular it may cancel the shares, sell them by means other than on the open market or by offer to stockholders or sell them in exchange for a contribution in kind and use them to discharge conversion rights in respect of convertible bonds issued by the Company or the Company's subsidiaries. In the latter three cases, the stockholders' subscription rights are excluded. The Supervisory Board may determine that measures of the Executive Board under this authorization are subject to its approval.

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The repurchased stock can be used for all legally permissible purposes.

By resolution of the Annual General Meeting of January 23, 2009, the Executive Board was authorized up to January 22, 2014 to carry out the following measures with the approval of the Supervisory Board:

- to issue bearer bonds in the total par value of up to €2 billion and to grant the bond holders the right to convert the bonds into a total of up to 50 million bearer shares of ThyssenKrupp AG with an arithmetical share in the Company's capital stock of up to €128 million (convertible bonds);
- to exclude the stockholders' subscription rights to convertible bonds if this is necessary (1) for fractional amounts occurring as a result of the subscription ratio, (2) insofar as the convertible bonds are issued against cash payment and the issue price for the convertible bonds is not significantly lower than the theoretical fair value calculated according to recognized financial calculation methods, or (3) to grant holders of conversion rights from previous bond issues subscription rights in the amount to which they would be entitled upon exercising their conversion rights. The conversion price for treasury stock must not be lower than 80% of the average closing price in the Xetra trading system over the three days of trading before the date of the public announcement of the offer or acceptance of a tender. The Executive Board determines the conditions for conversion bonds.

### Key agreements subject to conditions

ThyssenKrupp AG is party to the following agreements that are subject to a change of control as a result of a takeover bid:

- The Company has concluded an agreement with a banking consortium on a committed credit facility in the amount of €2.5 billion. This agreement can be terminated with immediate effect and outstanding loans declared due if the Company becomes a subsidiary of another legal entity or natural person and this is requested by a group of banks representing more than 50% of the credit facility. Outstanding loans would then have to be repaid immediately; the credit facility would no longer be available for new loans.
- In fiscal year 2008/2009 the Company issued a new bond in the amount of €1 billion and completed a private placement of €100 million. It is also guarantor of further new bonds issued in 2008/2009 by its subsidiary ThyssenKrupp Finance Nederland B.V. in the total amount of €2 billion. A change of control, i.e. the acquisition by a third party of more than 50% of the capital stock or more than 50% of the voting shares of ThyssenKrupp AG, may under certain conditions lead to early redemption of the bonds including interest.
- The Company is party to a shareholders' agreement in respect of Atlas Elektronik GmbH (joint venture) under which the co-shareholder EADS Deutschland GmbH has a call option on specific assets and liabilities of the joint venture at fair value in the event that a competitor of the joint venture or of the co-shareholder directly or indirectly acquires a controlling interest in the Company. If the call option is exercised, ThyssenKrupp Technologies AG (today operating under the name ThyssenKrupp Technologies Beteiligungen GmbH) is entitled to purchase all the co-shareholder's shares in the joint venture at fair value plus 5% premium. If the call option is not exercised, the co-shareholder has a put option in respect of the shares in the joint venture at the specified purchase price conditions.

# New Group structure

Faster, leaner, strategically more centralized, operationally more decentralized – that's ThyssenKrupp in its new organizational structure. As of October 01, 2009 the five previous segments have been replaced by eight business areas in two divisions combining our strengths and capabilities as a materials and technology group.



Details: Pages 73-74

To strengthen the Group for the economic challenges in the years ahead, we introduced a new organizational structure effective October 01, 2009. A brief summary is provided in the section "Areas of business and organizational structure" on pages 73-74. In the following, we provide more details of the new Group structure with its key elements, objectives and advantages.

## Eight business areas

The materials and technology activities of the five previous segments Steel, Stainless, Technologies, Elevator and Services are now organized in eight business areas. They integrate similar business models and geographically related business activities. The business areas are combined in two divisions – Materials and Technologies – reflecting ThyssenKrupp's key competency areas. Materials includes the business areas Steel Europe, Steel Americas, Stainless Global and Materials Services. It focuses our materials capabilities and services along the value chain – purchasing, production, sales and services. The Technologies division is made up of the business areas Elevator Technology, Plant Technology, Components Technology and Marine Systems and brings together our technological capabilities. For more on the activities and strategic strengths of the individual business areas, please turn to the section "Business management – goals and strategy" on pages 82-85.



Details: Pages 82-85

THYSSENKRUPP GROUP

Corporate headquarters

ThyssenKrupp AG
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Business areas

Materials division	Technologies division
<div>Steel Europe ThyssenKrupp Steel Europe Processing</div>	<div>Elevator Technology Central / Eastern / Northern Europe Southern Europe / Africa / Middle East Americas Asia / Pacific Escalators / Passenger Boarding Bridges Accessibility</div>
<div>Steel Americas ThyssenKrupp CSA Siderúrgica do Atlântico ThyssenKrupp Steel USA</div>	
<div>Stainless Global ThyssenKrupp Nirosta ThyssenKrupp Acciai Speciali Terni ThyssenKrupp Mexinox Shanghai Krupp Stainless ThyssenKrupp Stainless USA ThyssenKrupp VDM ThyssenKrupp Stainless International</div>	<div>Plant Technology Uhde Polysius ThyssenKrupp Fördertechnik System Engineering ThyssenKrupp Transrapid</div>
<div>Materials Services Metals Services Special Services Industrial Services</div>	<div>Components Technology Presta Camshafts Forging group ThyssenKrupp Waupaca Rothe Erde Berco Presta Steering Bilstein group</div>
	<div>Marine Systems Naval Shipyards and Services</div>

Business services

ThyssenKrupp Business Services ThyssenKrupp IT Services
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Corporate headquarters

The new corporate headquarters strengthens the strategic and steering role of the Group management and allows the business areas to concentrate on their operating business.

Further elements of the new Group structure

The following factors are also key elements of the new Group structure:

- In the new structure, ThyssenKrupp remains an integrated materials and technology group and a value-based conglomerate. Our diversified set-up represents an important competitive advantage which we intend to retain.
- In the future, operational management of the Group will be more decentralized and strategic management more centralized. The responsible business areas and operating units will be strengthened through their direct ties to ThyssenKrupp AG. They will move closer to the corporate center, as the previous segment holding companies have been eliminated. Fewer units and fewer levels will speed up and improve cooperation in the Group.

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In the future, operational management of the Group will be more decentralized and strategic management more centralized.

- The reorganization will facilitate a stronger focusing of business activity and leaner and more efficient structures which will allow us to operate closer to the market and implement operational and strategic measures more directly.
- Dividing the Steel segment into the business areas Steel Europe and Steel Americas will give the Executive Board more direct access to our major projects in Brazil and North America.
- The division of the Technologies segment into the business areas Plant Technology, Components Technology and Marine Systems will allow more direct management of these units.
- The business areas will be led by management boards which, in close consultation with the Executive Board of ThyssenKrupp AG, will be responsible for operational control and ongoing business development. This close link will allow more direct alignment with the overall interests of the Group.

ThyssenKrupp Business Services and ThyssenKrupp IT Services are the service units which from October 01, 2009 will provide one-stop services for the entire Group, i.e. Group companies, business areas and corporate headquarters. These services will include standardized processes such as areas of accounting and IT as well as payroll.



We will report in detail on the performance and results of the business areas on a quarterly basis.

#### Greater transparency

Our new reporting structure with the eight business areas will greatly improve the external transparency of the overall Group. In the future the financial results of the eight business areas will also be reported externally. This will enable capital market players and interested third parties to better understand our activities and assess them more appropriately. The activities in our former Technologies segment are a good example: As figures for the individual business areas will now be reported separately, analysts, investors and the public will in the future receive detailed information on their business performance every quarter.

#### Sustainable reduction in administrative costs

The new Group structure will reduce administrative costs sustainably by up to €500 million a year. This is to be achieved over a period of two years. The savings are made up in roughly equal parts of material and personnel costs. For example, the Groupwide optimization of IT costs will lower our material costs. Our operating efficiency in the area of purchasing will improve significantly.

#### New corporate design

In parallel with the new organizational structure, the Group has also introduced a new corporate design. Ten years after the merger of Thyssen and Krupp, the logo and logotype have been combined in a compact, distinctive and attractive form. The Group's employees and companies will move closer together under a new logo that expresses unity and strength. We paid great attention to cost efficiency in the development and implementation of the new corporate design.

The new organizational structure increases the Group's effectiveness and efficiency, ensuring greater dynamism and flexibility with regard to customers and markets. Together we want to achieve the optimum for ThyssenKrupp, its stockholders and investors, its business partners and its employees.

# Business management – goals and strategy

ThyssenKrupp is facing up to the challenges of its markets and customers with strategic perspective and entrepreneurial dynamism. The reorganization makes us more flexible; our value-based management approach, the success of our cost-cutting measures and our value-enhancement program give us additional impetus.

## Capabilities and strategic perspectives

As an integrated materials and technology group, ThyssenKrupp offers intelligent and innovative products for sustainable progress worldwide. From the start of the new fiscal year, the Group's activities and know-how are focused in eight business areas and combined in the Materials and Technologies divisions, replacing the previous segments. We report in detail on our new organizational structure on pages 79-81.



Details: Pages 79-81

### Strategic strengths of the business areas

The Materials division focuses the Group's worldwide materials activities:

- The Steel Europe business area will drive forward our activities in premium carbon steel flat products, which extend from intelligent material solutions to finished parts. The product range includes custom tailored products made from steel sheets of different thickness, grade and finish. The ongoing development of new steel grades and products in joint R&D activities secures our strong position in this premium market.
- The Steel Americas business area is developing the American market for high-quality steel products. It includes the steelmaking and processing plants currently under construction in Brazil and the USA. We report on construction progress on the following pages
- As a world leading supplier of stainless steel, the Stainless Global business area specializes in stainless steel flat products and high-performance materials such as nickel alloys and titanium. The business area also includes the new stainless steel mill in Alabama, which is being built in close cooperation with Steel Americas. With an extensive network of production and sales companies and service centers, Stainless Global operates close to its customers around the world.

- Materials-related services, especially in Europe and the NAFTA region, are the core business of the Materials Services business area. We see good opportunities in integrated supply chain management: Carbon and stainless steel products as well as titanium, aluminum and plastics are delivered to customers on schedule, pre-processed as required.

The Technologies division brings together ThyssenKrupp's technological capabilities:

- With elevators, escalators, moving walks, passenger boarding bridges and stair lifts, the Elevator Technology business area keeps the world in motion. High quality, technological competencies and services such as maintenance and modernization secure the business area's market position and provide new opportunities for growth.
- The Plant Technology business area is a leading international supplier of chemical plants, refineries, cement plants and innovative solutions for the mining and handling of raw materials and minerals. The business area's plants and processes open up new possibilities for environmental protection and sustainable development.
- Specializing in innovative components for the automotive, construction and engineering sectors, the Components Technology business area has a broad and successful product range.
- The Marine Systems business area offers expertise, outstanding products and strong innovative capabilities in shipbuilding – from submarines with fuel cell technology to sophisticated research vessels.

#### Major projects continuing flexibly

We remain committed to implementing our strategic investments for the production and processing of flat carbon steel and stainless steel in Brazil and the USA. But we are responding flexibly to the changes in the economic framework conditions. The new plants for flat carbon steel are part of the Steel Americas business area, while the stainless production facility in the USA is part of Stainless Global.

#### Brazil: Vale increases shareholding

The ramp-up of the iron and steel mill in Brazil, which will produce 5 million metric tons of carbon steel slabs per year, has been rescheduled in line with falling demand expectations. The first production line with one blast furnace and one converter will start operation in mid 2010; as things stand today, the ramp-up of the second production line with the second blast furnace and the second converter is scheduled for 2011. We remain flexible in our planning to enable us to respond quickly to possible market changes.

The Brazilian iron ore producer Vale S.A. has increased its shareholding in ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. – our Brazilian steel mill subsidiary – from around 10% to just under 27% at a price of €965 million. This step confirms the value of our investment and our industrial strategy. At the same time it further strengthens the basis for a long-term strategic partnership between Vale and ThyssenKrupp.

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Our steel mill in Brazil will start production in mid 2010 with one blast furnace and one converter.

Construction work in Santa Cruz in the Brazilian state of Rio de Janeiro is in full swing. At the end of the fiscal year some 21,000 people were working on the site. The port terminal, materials handling facilities and sinter plant are almost complete. The power plant and blast furnaces will be technically complete at the beginning of 2010. The same applies to the ancillary facilities such as power distribution and water treatment and to other infrastructure facilities. Due to problems with supplier quality, reworking is necessary on the structural steel work in some areas. This is affecting the coke plant and the melt shop in particular.

At the end of September 2009 CSA in Brazil had around 1,400 employees. Further recruitment has been slowed in line with the later start-up date.

#### **Market entry in the USA stretched out**

Construction work on the new joint steel mill and processing plant of the Steel Americas and Stainless Global business areas near Mobile in Alabama/USA is also being adapted to the decline in steel demand. Construction of the carbon steel production lines is continuing as planned. The Mobile plant of Steel Americas will have hot rolling, cold rolling and coating facilities and will process slabs from the Brazilian mill into high-quality flat products. Hot-rolled capacity will be more than 5 million metric tons per year.

The project is largely on schedule, so we will be able to start production in the 2nd quarter of 2010. Until the Brazilian mill starts operations, the slabs will be imported from Germany. Given the fall in steel demand on the world market, we plan to extend the timetable for market entry, with production being ramped up over a longer period while retaining the flexibility to respond to changes in demand. At the end of the reporting year, around 4,500 people were working on the site.

In parallel with construction work we are preparing our market entry and sales plans for the ramp-up phase in line with the wishes of customers in the NAFTA region. For this, our sales experts are continuing to visit key customers in the target automotive and electrical sectors as well as steel service centers and the tube/pipe industry. Despite the changed situation on the world steel market, we are confident that our attractive product mix and our technological and logistical advantages over competitors will allow us to make a successful entry to the NAFTA markets.



Our stainless steel plant in the USA will start up in fall 2010 with reduced cold-rolled capacity.

#### **Flexible startup also planned for stainless steel**

As with the carbon steel operations, a flexible approach is being taken to our US stainless steel mill. Production will start in October 2010, initially with a reduced cold-rolled capacity of around 100,000 tons per year. The startup of the other units for stainless steel products will be spread out over a longer period, with flexible ramp-up possible at all times. That also applies to the startup of the melt shop, which was planned for early 2012 and may now be delayed by up to 24 months. Despite this, the scale of the overall project will be retained; once the US economy has recovered, the NAFTA market offers promising growth opportunities.

#### **Stand-alone plan for Stainless**

The Stainless Global business area will be developed strategically under a stand-alone plan. In the area of stainless steel we plan to consolidate and expand our position on our core European market. Our position as a global stainless producer will be strengthened by the gradual startup of our plant in the USA and the further development of the NAFTA market. In the area of nickel alloys and titanium, we will expand our capabilities in high-performance materials and build up a more customer-focused sales structure.



To achieve these objectives, Stainless Global is working intensively on programs and measures aimed at creating further flexibility in production processes, workflows and capital investments. This will enable the business area to respond swiftly to changes in demand and balance capacity utilization accordingly. Cost structures are also to be flexibilized further to make it easier to adjust to different market situations and enhance the business area's competitiveness.

#### **New course set for shipbuilding**

In the future, the Marine Systems business area will combine its sales activities for new-build submarines and surface vessels to better respond to customer needs and changing market conditions. We also aim to make our processes more efficient. To counter the overcapacities brought about by the fall in demand due to the financial crisis, Marine Systems and the wind turbine manufacturer SIAG Schaaf Industrie will pursue an innovative approach at the long-established Emden shipyard. This will focus on the manufacture of components for offshore wind turbines as a contribution to structural change in the region.

In October 2009, Marine Systems signed a memorandum of understanding with the Abu Dhabi MAR Group to establish a strategic partnership. The aim of the planned collaboration is to boost marketing opportunities for Blohm + Voss's naval surface vessels – frigates and corvettes – while securing shipbuilding employment in Germany.

#### **Improved cost base increases competitiveness**

At all levels of the Group we are working to implement our cost-reduction and restructuring programs efficiently. Together with the savings from the reorganization, the successes of the ThyssenKrupp PLuS program and the results of the restructurings, from 2010/2011 our cost base will be improved sustainably by €1.5 billion to €2 billion. This will strengthen the position of our Group on the world's markets.



Our measures will improve the Group's cost base sustainably.

## **Business management through value-based management**

The Group is managed and controlled using a value-based management system. Our objective is to systematically and continuously increase the value of the enterprise – through profitable growth and a focus on businesses which offer the best development opportunities in terms of competitiveness and performance. Key elements of this management system are an integrated control system, value-based performance indicators as well as extensive measures to achieve value-enhancing growth, enhance efficiency and optimize capital employed.

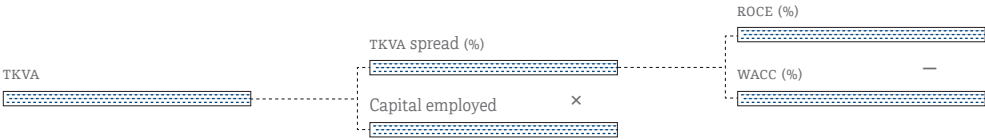
#### **Integrated control system secures Groupwide transparency**

With our integrated control system we steer and coordinate the activities of all areas of the Group. It supports the decentralization of operating responsibilities, guarantees Groupwide transparency and aims to increase the value of the Group by bridging operational and strategic gaps between the actual situation and a competitive target situation. High-quality systems for the reporting of actual and forecast figures link together strategic and operating elements; these reports are supplemented by regular action-based communications. All management processes are geared to the performance indicators of our value management system which are also used to calculate the variable components of management compensation.

ThyssenKrupp Value Added: central performance indicator

The central performance indicator for our value-based management system is ThyssenKrupp Value Added (TKVA), which measures the value added in a period at all levels of the Group. It is the difference between ROCE (return on capital employed) and WACC (weighted average cost of capital), multiplied by capital employed. Capital employed is defined as invested assets plus net working capital.

CALCULATION OF THYSSENKRUPP VALUE ADDED (TKVA)



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The Group is managed using value-based TKVA and liquidity-based free cash-flow.

In addition to TKVA as a value-based performance indicator, free cash flow is taken into consideration as a cash-based performance indicator to ensure that, especially in growth phases, the Group portfolio comprises a balanced mix of value drivers and cash providers.

An alternative method of calculating TKVA using absolute figures is as follows: earnings before interest and taxes (EBIT) minus cost of capital. Cost of capital represents the expected return on equity and debt. It corresponds to the product of WACC and average capital employed.

The weighted average cost of capital (WACC) is the minimum return demanded by our investors and creditors. It is calculated on a pre-tax basis and comprises the weighted average cost of equity and debt as well as the interest rate for pension provisions:

- The cost of equity of our Group is based on the return from a risk-free alternative investment plus a market risk premium and taking into account the specific risk of ThyssenKrupp in relation to the overall market. The weighted average cost of equity calculated on this basis corresponds to a weighted average cost after operating taxes. Since the cost of capital at ThyssenKrupp is calculated on a pre-tax basis, a tax adjustment is carried out.
- The cost of debt (cost of financial debt) is the interest on an alternative investment defined as risk-free plus a company-specific risk premium.
- The interest rate for pension accruals is calculated on the basis of the weighted five-year average discount rate for internally financed pension plans and healthcare obligations.

On the basis of the above factors, the weighted average cost of capital for the Group was 8.5% in fiscal 2008/2009. Specific WACC figures were established for the segments which reflected their respective risk structures. In the reporting year, the segment WACC figures were:

#### WACC FOR THE SEGMENTS 2008/2009 in %

Steel .....	9.0
Stainless .....	9.0
Technologies .....	9.0
Elevator .....	8.0
Services .....	8.5

We have defined the following WACC figures for the business areas introduced at October 01, 2009. The WACC for the Group remains 8.5%.

#### WACC FOR THE BUSINESS AREAS since October 2009 in %

Steel Europe .....	9.0
Steel Americas .....	9.0
Stainless Global .....	9.0
Materials Services .....	8.5
Elevator Technology .....	8.0
Plant Technology .....	9.0
Components Technology .....	9.0
Marine Systems .....	9.0

Since the business environment is constantly changing, the weighted average cost of capital is regularly reviewed and adjusted if necessary.

#### Levers of the value management system: Growth, efficiency capital employed

Three levers can be used to increase TKVA: value-enhancing growth, increases in operating efficiency and optimization of capital employed. A major contribution to value-enhancing growth and thus to increasing the value of the enterprise is made by investment projects which generate returns higher than their cost of capital. A key element in increasing operating efficiency is the ThyssenKrupp best value enhancement program, which is described in more detail on pages 90-92. Capital employed as the third lever to increase TKVA can be optimized by withdrawing from business activities in which, for example, the cost of capital cannot be earned. Alternatively, targeted programs can be implemented to release capital, e.g. programs to optimize net working capital, to reduce capital employed without reducing EBIT.



Details: Pages 90-92

The following tables show how TKVA and its components developed over the last two fiscal years:

#### COMPONENTS OF THYSSENKRUPP VALUE ADDED (TKVA)

COMPONENTS OF INVESTMENT IN NON-FINANCIAL ASSETS (TKVA)

2007/2008						
	EBIT* (million €)	Capital employed (million €)	ROCE (%)	WACC (%)	Spread (% points)	TKVA (million €)
Group	3,572	19,478	18.3	8.5	9.8	1,916
Thereof:						
Steel	1,700	7,697	22.1	9.0	13.1	1,007
Stainless	214	3,698	5.8	9.0	(3.2)	(119)
Technologies	678	2,693	27.6	9.0	18.6	502
Elevator	450	1,695	26.5	8.0	18.5	314
Services	834	3,834	21.7	8.5	13.2	508

2008/2009							
	EBIT* (million €)	Capital employed (million €)	ROCE (%)	WACC (%)	Spread (% points)	TKVA (million €)	Change TKVA (million €)
Group	(1,663)	20,662	(8.1)	8.5	(16.6)	(3,419)	(5,335)
Thereof:							
Steel	(250)	9,763	(2.6)	9.0	(11.6)	(1,129)	(2,136)
Stainless	(864)	3,240	(26.7)	9.0	(35.7)	(1,156)	(1,037)
Technologies	(836)	2,623	(31.1)	9.0	(40.1)	(1,051)	(1,553)
Elevator	568	1,554	36.5	8.0	28.5	443	129
Services	(187)	3,554	(5.3)	8.5	(13.8)	(490)	(998)

\* Earnings before taxes and interest income/expense

The ThyssenKrupp Group's earnings before interest and taxes decreased by €5,235 million to €(1,663) million in fiscal 2008/2009. The negative impact this had on ROCE was moderated slightly by the increase in capital employed. Average capital employed increased by €1,184 million to €20,662 million. The main reason for this was increased capital spending throughout the Group, especially on the major projects in Brazil and the USA; this was partly offset by a reduction in net working capital in the Steel, Stainless and Services segments. Consequently ROCE decreased to (8.1)% from 18.3% the year before. Due to the relevant WACC for the Group of 8.5%, TKVA fell by €5,335 million to €(3,419) million.

The Steel segment reported earnings before taxes and interest of €(250) million in fiscal 2008/2009, €1,950 million down from the year before. As capital employed increased in the same period, ROCE decreased from 22.1% to (2.6)%. As a result, the WACC of 9% was not met. In connection with a negative spread, TKVA decreased to €(1,129) million from €1,007 million in the prior year.

Earnings before interest and taxes in the Stainless segment decreased in the reporting year by €1,078 million to €(864) million. With capital employed €458 million lower at €3,240 million, ROCE fell from 5.8% a year earlier to (26.7)%. With the WACC of 9%, the spread was negative. As a result, TKVA decreased year-on-year by €1,037 million to €(1,156) million.



Download the tables at:  
[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

At Technologies, earnings before interest and taxes deteriorated by €1,514 million to €(836) million. With capital employed slightly lower, ROCE fell from 27.6% a year earlier to (31.1)%. With a negative spread, TKVA was €(1,051) million.

In the Elevator segment earnings before interest and taxes were €568 million, €118 million up from the previous year. Capital employed was down from €1,695 million a year earlier to €1,554 million. The growth in ROCE by 10 percentage points to 36.5% led to a rise in TKVA to €443 million, compared with €314 million the year before.

In the Services segment earnings before interest and taxes fell by €1,021 million to €(187) million. Capital employed decreased by €280 million to €3,554 million. As a result, ROCE was down from 21.7% to (5.3)%. At €(490) million, TKVA was significantly below the year-earlier figure of €508 million.

### Portfolio management uses performance indicators

The results of the analysis of the performance indicators feed directly into our portfolio management. This involves structural measures with a primarily strategic character. The Group's management decides which businesses are to be expanded to realize our TKVA targets, and which activities we should withdraw from in a timely and value-conserving way. We also develop new businesses by entering efficiently into promising new markets. All these measures create the basic requirements for the ability to pay dividends and for sustainable, value-enhancing growth in our core businesses.

### Value management training

A communication and training initiative launched in 2006 helps firmly anchor value management in the Group. To date, over 4,300 decision makers from all areas of the Group have attended training seminars. Most of them were held in Europe, but training has also been provided in China, the USA, Mexico, Brazil, Japan and South Korea.

## ThyssenKrupp PLuS

### Corporate program exceeded targets

While the reorganization will make the Group more competitive in the long term, our action program ThyssenKrupp PLuS has already achieved some notable short-term successes. The corporate program was launched at the beginning of the reporting year to provide a swift and firm response to the global recession. The focus was on improving earnings and liquidity in the short and medium term, reducing costs and financing requirements, and sustainably enhancing the Company's performance. The success of the program is already visible: We have met and even exceeded the targets we set for 2008/2009.

Overall, our measures reduced costs in the past fiscal year by over €1 billion – more than expected. We lowered production and administrative costs, optimized procurement and sales, reduced expense for outsourced services and systematically utilized opportunities for workforce flexibilization. Roughly half of these measures will have a sustainable effect; they not only reduced costs in fiscal 2008/2009 but will continue to make the Group more profitable in the years ahead.



Thanks to ThyssenKrupp PLuS we reduced our costs by well over €1 billion in 2008/2009.

Our liquidity situation also improved further; at September 30, 2009 we had reduced our net working capital by well over €3 billion. Alongside a substantial reduction in inventories, we in particular optimized receivables management in all areas of the Group.

In addition, all the Group's investment projects were reviewed. The major projects in America as well as the other investments in all segments were analyzed for possible cuts or postponements. As a result, our capital expenditures in the reporting year were reduced by well over €1 billion compared with our original plans. In taking these measures we took into account both the significant deterioration in economic expectations and our long-term strategic objectives.

In view of this success, the program will be continued in the new fiscal year; we will further pursue the measures already initiated and launch new ones.

## ThyssenKrupp best



Since its launch in 2001, ThyssenKrupp best has developed into a success story.

Increasing the value of the Company for our stockholders, enhancing our performance for our customers, and making our operating structures even more efficient – these were the goals of the almost 1,300 new ThyssenKrupp best projects launched in the past fiscal year. The Groupwide value-enhancement program has been supporting the continuous improvement process for eight years. The following modules form the basis for the program's success: management commitment, establishment in the Group's organization, involvement of employees, standardized and overarching controlling, the provision of methodological knowledge and the transfer of know-how. All employees can get involved, take part in projects and share their new-found knowledge with colleagues.

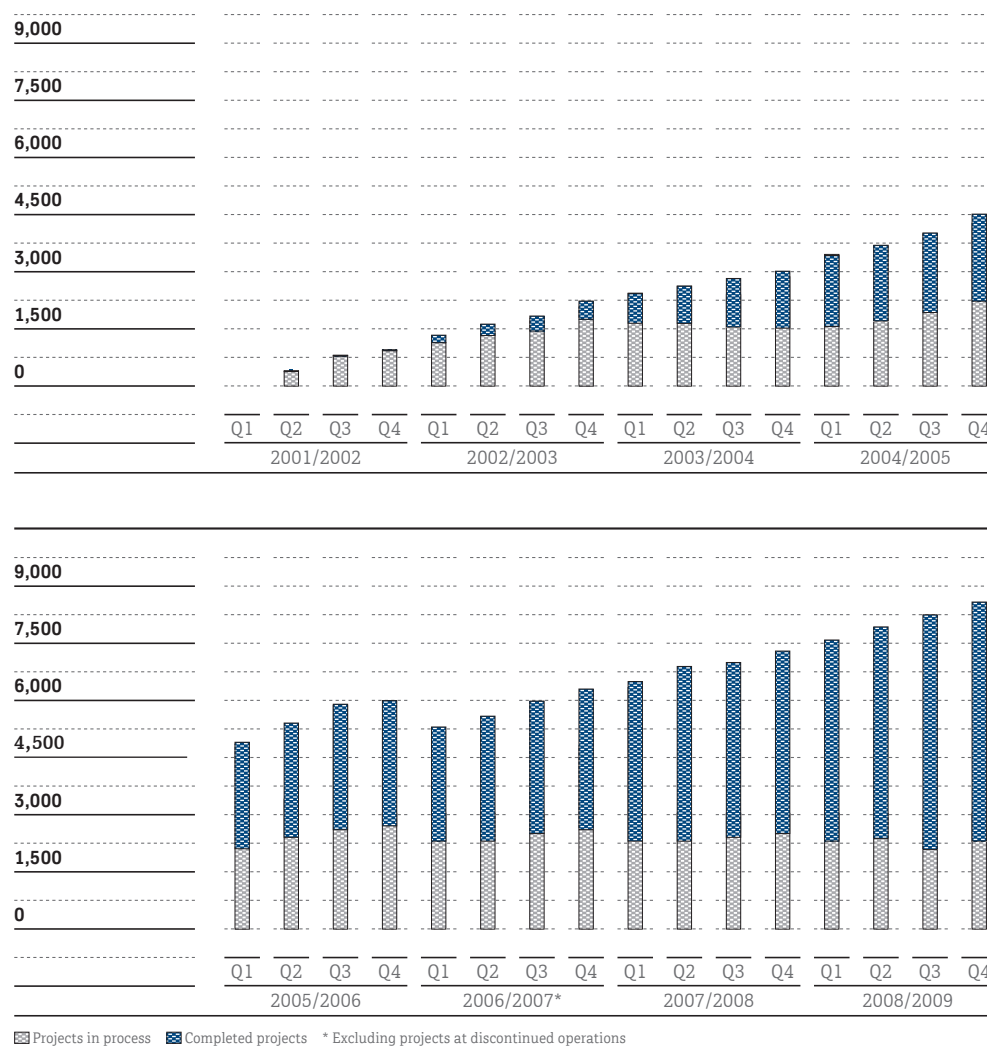
### Strong international participation

8,608 projects have been successfully initiated since the program was launched, plus another 1,630 projects at discontinued operations. During the reporting year, the 10,000th project was launched by a team in the Steel segment and added to the Groupwide best plaza database for knowledge transfer. The project addresses the insourcing of previously outsourced research and development services to reduce costs.

ThyssenKrupp best projects now exist at more than 400 locations in 51 countries. The majority – around 70% – were carried out in Europe, primarily Germany, France and Spain. Some 20% of projects took place on the American continent; ThyssenKrupp employees have now formed successful project teams in the USA, Canada, Mexico, Brazil and other South American countries. Value-enhancement projects were also launched in China, South Korea and other countries in the Asia-Pacific region (7%). The increase in the number of international projects was particularly encouraging. In 2008/2009 more than 50% of all projects were carried out by Group companies outside Germany.

The transfer of knowledge from one Group company to another is a key success factor of ThyssenKrupp best. Successful project ideas are taken up by teams in different segments and areas, revised and transferred to other companies. The direct sharing of information between companies is essential for this, so in addition to the program's central, internet-based platform best plaza, we also stage numerous events at which project participants can meet up. For example, we successfully continued the "Best Practice Fair" series in 2008/2009 with an event on the subject of "Continuous Improvement Process (CIP)/Kaizen".

#### THYSSENKRUPP BEST PROJECTS WORLDWIDE



### Initiatives focused on key areas

Both the Sales & Service initiative launched in 2007 and the purchasing initiative in progress since 2005 are contributing substantially to the success of ThyssenKrupp best. While the Sales & Service initiative focuses on products, customers, services, internal processes and organizational structures, the purchasing initiative strengthens purchasing throughout the Group on a lasting basis.

The Net Working Capital initiative launched in 2008/2009 has also started to reap success. Over 150 projects were launched throughout the Group, significantly reducing our net working capital. In fiscal 2009/2010 we will continue this initiative to further optimize capital employed in receivables, payables and inventories; we also want to anchor the importance of keeping net working capital to a minimum in the minds of our employees. In addition to enhancing value, this also makes an important contribution to freeing up cash.

### 2009 ThyssenKrupp best Award

In the reporting year, the now traditional ThyssenKrupp best Award was presented to three projects from the Steel, Technologies and Services segments. Projects were judged on the basis of methodology, implementation, scope, transferability to other Group companies and overall potential. First prize was awarded to a company from the Steel segment. The project team developed a method to avoid defects in continuously cast slabs through the use of specially shaped molds. The new molds significantly increase caster efficiency. An optimized integrated logistics chain was the goal of the “Fit for Flow” program initiated by employees from the Services segment, which won second prize. Third prize went to a project team from the Technologies segment which achieved substantial cost savings by systematically analyzing loss-making parts and subsequently introducing improvements.



First prize in this year's ThyssenKrupp best competition went to a Steel company.



# Group review

The global recession severely impacted ThyssenKrupp's performance in 2008/2009. Order intake and sales slipped significantly. From a profit in the prior year the Group's earnings before taxes dropped to a loss of €2,364 million. Earnings were significantly influenced by falling material prices, which resulted in inventory writedowns of €317 million, and by nonrecurring restructuring costs, impairment charges and project costs for the new steelmaking and processing plants totaling €1,620 million.

## General economic conditions

At the end of 2008 and well into 2009 the world economy experienced its deepest recession since the end of World War II. Following on from the international financial crisis, economic activity slumped almost synchronously in the industrialized countries. The previously fast-growing emerging countries also had to contend with in part considerable economic setbacks. There are increasing signs of bottoming in the 2nd half of 2009. According to current estimates, world GDP shrank by 1.4% in 2009, compared with growth of 3.2% in the prior year, and was therefore well below our growth expectations of a year ago.

### Deep economic slump

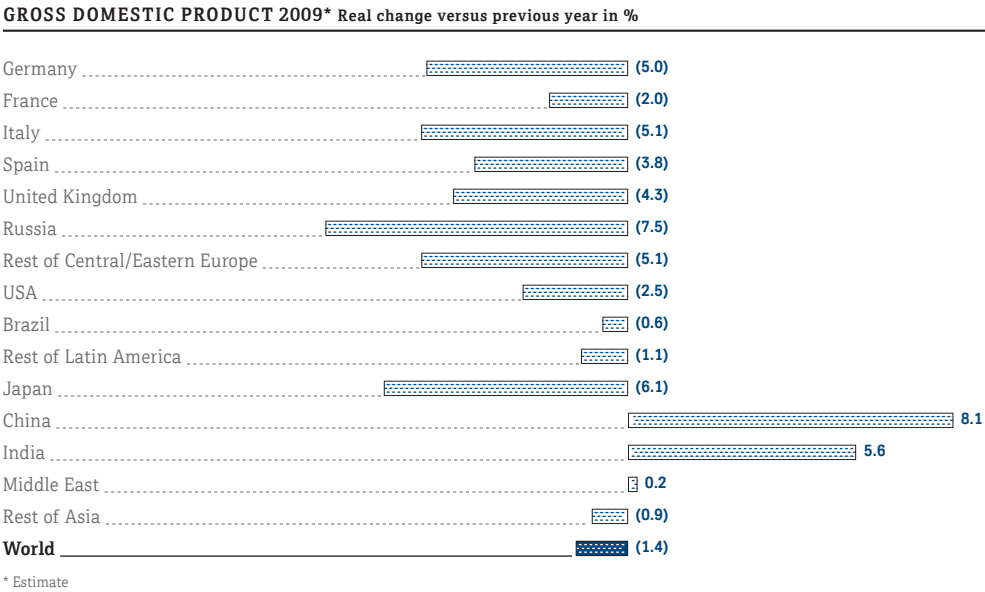
International trade in goods and services decreased to an even larger extent than world GDP, mainly due to the deep economic slump in the USA since fall 2008. The downturn of the US economy only began to slow in the 2nd quarter of 2009; the 3rd quarter showed slight growth of 0.9%. Even after a revival in the 2nd half of the year, US economic output in 2009 was well down from the prior year. In Japan, GDP shrank due to weak domestic demand and above all declining exports.

In the euro zone the economic slide continued in the 1st half of 2009 initially but then slowed significantly in the 2nd quarter. With capital investment in decline, private consumption and government spending prevented an even sharper downturn. Nevertheless, GDP is estimated to have decreased by 4% as a whole in 2009. After previous sharp declines, the German economy recorded slight quarter-on-quarter growth again in the 2nd quarter of 2009, with support coming from private and public consumption as well as construction investment. The downturn in exports and business spending also slowed noticeably. Although the economy bottomed out in mid-year, overall output in 2009 declined significantly.

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In 2009, GDP in the euro zone is estimated to have decreased by 4%.

The global recession also impacted growth in the emerging and developing countries. The slump in world trade had a particular effect on the smaller Asian emerging countries. By contrast, China continued to record relatively strong growth in 2009, supported by monetary and fiscal measures. The pace of growth in India receded. The Brazilian economy was still quite robust by international standards. Russia suffered from lower raw material exports and prices, recording a very sharp fall in overall economic output in 2009.



Economic conditions in the sectors

The global economic slump had a severe impact in our main markets, with many customers reviewing their investment plans. Demand for carbon and stainless steel slumped worldwide. The auto and machinery sectors had to scale back their output significantly. There was an almost complete absence of new ship orders. The global recession also hit the construction industry.

Declining demand for carbon steel flat products

Against the background of the recession, demand for steel fell across the world in 2009. This was particularly true in the industrialized countries, where slumps of more than 30% were recorded in many cases. The sharp consumption-related declines were reinforced by destocking. After steel producers had already scaled back their output sharply in the final quarter of 2008, 2009 was also characterized by massive production cuts through to the fall. It is estimated that global production decreased by 9% to 1.2 billion metric tons, with the EU, the NAFTA region and Japan recording declines of more than 30% in some cases. Some emerging countries were also disproportionately affected. Against this trend, China and India again increased their production. Steel industry capacity utilization in most other regions dropped sharply in the first half of the year, leading to a series of temporary shutdowns and plant closures.



It is estimated that global steel production in 2009 fell by 9% to 1.2 billion tons.

For crude steel, average utilization rates in the first months of 2009 were only around 60% worldwide, and at times less than 50% in the EU and the USA. From late summer there were signs of this slide coming to an end as many producers ramped up their production again to meet demand for restocking. The German steel industry saw its output decline by 30% to around 32 million tons in 2009, but here too utilization rates recovered from their low in the course of the year.

The sharp fall in steel demand was accompanied by a massive drop in international steel spot prices. In Europe and North America they almost halved from their all-time high in mid-2008. It was only towards the middle of 2009 that a revival in volumes led to a bottoming of prices. The fact that many producers were unable to respond immediately to the demand increase with higher output supported the price rise.

An opposite situation was observed on the Chinese steel market. Under the influence of government stimulus programs domestic steel demand grew markedly in 2009. This, together with low demand on the world markets due to the recession, caused Chinese steel exports to decline significantly, and China again became a net importer. From August however the market showed clear signs of overheating, as the demand growth was exaggerated by speculation and accompanied by significant restocking. A market correction began, demand dropped, prices receded, and the Chinese steel industry resumed its export activities, which had previously been severely restricted.

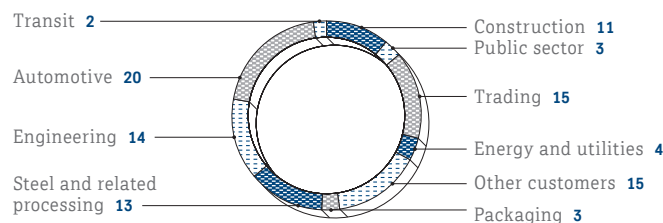
The European carbon steel flat-rolled market was also sucked into the global recession from the 4th quarter of 2008. Shipments by European steel producers fell sharply due to the recession and customer destocking. The severe demand and price weakness on the European market also reduced the competitiveness of imports from third countries. After dropping slowly at first, stock levels at distributors and end users had fallen so far by mid-2009 that steel industry orders subsequently improved, allowing prices to be increased. Actual consumption however remained weak.

The steel market in North America in 2009 was also characterized by heavy destocking activity, which put an additional brake on steel demand already low due to the recession. Domestic shipments by the American steel industry and imports from overseas fell sharply. The associated price decline was even larger than in Europe. However, here too steel demand revived again in the summer months – driven mainly by restocking. As in Europe there was a delay before supply could meet the rise in demand, which supported a price recovery.

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Against the trend, the Chinese steel market expanded markedly in 2009 – thanks to government stimulus programs.

THYSSENKRUPP SALES BY CUSTOMER GROUP 2008/2009 in %



### Worldwide slump in stainless steel demand

World demand for stainless steel flat products slumped sharply at the beginning of the reporting year in the wake of the global recession and falling raw material prices for alloy metals. Raw material prices picked up again from the spring, especially for nickel, and had a positive effect on demand in the further course of the year. Nevertheless, demand for stainless steel products was again in decline in 2009, falling by around 14% worldwide and by almost 30% on the Western European and North American markets.

In Germany and Europe stocks at distributors and service centers were at a high level at the beginning of the year but were then progressively reduced. Towards the end of the 1st half of 2009 many distributors increased their orders in view of low stock levels but mainly because of rising nickel prices and an expected increase in alloy surcharges. Imports to Germany and the rest of Europe were low.

In North America, destocking by distributors and service centers also continued for a long time before order activity picked up again slightly at the beginning of the 2nd half of the year, also in expectation of rising prices. Imports fell sharply due to the relatively low price level.

In Asia, stock levels remained very high, with distributors increasing their purchases mainly due to the rising nickel price. In China, demand increased, also thanks to major government infrastructure projects.

Stainless steel prices in Europe and North America were influenced for a long time by reduced alloy surcharges and low base prices. However, increases in base prices were possible in the final months of the period – albeit at a low level. The rising nickel price pushed up alloy surcharges. In Asia, stainless steel prices also declined sharply at the beginning of the reporting period. However they recovered as the year progressed and at times were almost at European levels.

The order situation for nickel alloys was characterized by project postponements and short-term purchasing at low levels. Prices worldwide slumped in the face of falling demand. Orders for titanium decreased sharply, mainly due to delays in the production of the new aircraft generations. The demand weakness was exacerbated by continuing high inventory levels and low consumption.

### Auto market in reverse gear

The auto market slumped sharply almost worldwide in 2009. According to initial estimates, production fell by 15% to around 59 million cars and trucks. Even the previously fast-growing emerging markets of Central and Eastern Europe and Asia produced fewer vehicles for the most part. Production in India stagnated. The only country to record strong production growth, also thanks to tax incentives, was China. With almost 12 million vehicles – an increase of over 30% – China became the world's biggest auto producer in 2009.

The North American auto market declined sharply. Particularly in the 1st half of the year vehicle sales in the USA slumped significantly against the background of the difficult economic situation. The decline slowed from June 2009 as a result of the Cash for Clunkers program, but this has now ended. Overall it is estimated that US production in 2009 fell by almost a third to less than 6 million cars and light trucks. The decline of the auto market was less pronounced in Brazil, also thanks to tax incentives. Production there fell only slightly to just under 3 million vehicles.



In 2009 China is expected to replace Japan as the world's biggest car producer.

In Western Europe, auto production was roughly 20% down from the prior year at an estimated 12.8 million units. The decline was particularly pronounced in the UK and France. In Germany the 'Umweltprämie' rebate program produced a temporary sharp rise in new car registrations. However, as exports were collapsing at the same time, production still had to be cut back by roughly 16%. The situation for trucks was particularly difficult, with output falling by more than half. Overall, German vehicle production decreased by an estimated 18% to less than 5 million cars and trucks in 2009.

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In the first half of 2009, German shipyards received only five new orders.

### Lack of new orders for shipyards

The shipping markets are characterized by growing overcapacities as a result of the global recession and the accompanying slump in world trade. Orders for new ships came to an almost complete standstill in 2009. High orders in hand are still being reported around the world but in some cases they cannot be regarded as guaranteed due to lack of financing.

Germany's shipyards received only five orders for new ships in the 1st half of 2009. In addition, no fewer than 25 existing orders were cancelled, resulting in a significant decrease in capacity utilization. Orders in hand dropped sharply compared with the end of 2008.

### Slump in machinery sector

The engineering sector was hit particularly severely by the global economic weakness, with many companies cancelling or postponing modernization or capacity expansion projects in light of worsening production expectations. Orders in the major industrialized countries deteriorated significantly. Output decreased by between 20% and 40% depending on region. Only China still managed to record single-digit growth, thanks to massive stimulus programs.

In Germany, orders declined at an unprecedented rate after years of high growth. In the first nine months of 2009 orders were down 44% from the prior-year period. Capacity utilization fell drastically to below 70%. Machinery output in 2009 decreased by an estimated 25%. Order intake in the German plant engineering sector in the 1st half of 2009 was well down from a year earlier.

### Construction activity slower

Construction activity weakened in many countries despite the economic stimulus programs. Only China and India recorded higher growth rates. In the USA the downturn on the housing market continued, with signs of stabilization at a low level only appearing towards the middle of the year. Demand also declined in the non-housing sector. Overall, US construction output in 2009 fell by an estimated 15%. The construction industry stagnated or shrank in most Central and Eastern European countries as well.

The German construction industry suffered a year-on-year drop in orders in the 1st half of 2009, with commercial construction particularly affected. The economic stimulus programs only began to have an effect in the 2nd half. However the positive impetus from public-sector construction was not enough to offset the declines in other areas. Construction output fell by an estimated 3% in 2009.

## ThyssenKrupp – business decline due to recession

### THYSSENKRUPP IN FIGURES

		2007/2008	2008/2009
Order intake	million €	55,205	35,970
Sales	million €	53,426	40,563
EBITDA	million €	4,976	192
Earnings before taxes (EBT)	million €	3,128	(2,364)
Investments	million €	4,282	4,238
Employees (Sept. 30)		199,374	187,495



For 2008/2009 Executive Board and Supervisory Board propose the payment of a dividend of €0.30 per share.

The global demand slump severely impacted ThyssenKrupp's business in the reporting year. Order intake and sales dropped substantially. Following a profit in the prior year the Group suffered a heavy loss in 2008/2009. Earnings were significantly affected by inventory writedowns and nonrecurring items – restructuring costs, impairment charges and project costs. Nevertheless, within reasonable limits we intend to maintain continuity in our dividend policy; the Executive Board and Supervisory Board will propose the payment of a reduced dividend of €0.30 per share to the Annual General Meeting in January.

### Orders and sales in decline

Order intake and sales failed to meet the expectations we had at the beginning of the fiscal year. Due to the severe economic slump order intake decreased year-on-year by 35% to €36.0 billion. All segments were affected, most of all the Steel, Stainless and Services segments, which are dependent on demand for materials.

### ORDER INTAKE BY SEGMENT in million €

	2007/2008	2008/2009
Steel	14,199	8,414
Stainless	7,460	4,147
Technologies	13,490	8,580
Elevator	5,535	5,038
Services	17,453	11,166
Corporate	124	127
<b>Segment order intake</b>	<b>58,261</b>	<b>37,472</b>
Inter-segment orders	(3,056)	(1,502)
<b>Group order intake</b>	<b>55,205</b>	<b>35,970</b>

The Group's sales decreased by 24% to €40.6 billion. With the exception of Elevator, sales in all segments were noticeably weaker. Sales at Steel were impacted by lower shipments, although average steel selling prices had a stabilizing effect due to the high proportion of long-term contracts. Price and demand falls resulted in declining sales at Stainless and Services. At Technologies, higher sales in plant engineering failed to offset declines in the automotive, construction equipment and shipbuilding areas. Elevator remained on growth track, expanding its business in almost all regions.



Download the tables at:  
[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

## SALES BY SEGMENT in million €

	2007/2008	2008/2009
Steel	14,358	9,945
Stainless	7,420	4,486
Technologies	12,412	10,640
Elevator	4,930	5,308
Services	17,336	11,896
Corporate	124	127
<b>Segment sales</b>	<b>56,580</b>	<b>42,402</b>
Inter-segment sales	(3,154)	(1,839)
<b>Group sales</b>	<b>53,426</b>	<b>40,563</b>

## Significant decline in earnings

The Group's earnings before taxes decreased year-on-year by €5,492 million to €(2,364) million. Earnings deteriorated progressively in the course of the reporting year. A profit of €240 million in the 1st quarter was followed by a loss of €455 million in the 2nd quarter, a loss of €772 million in the 3rd quarter and a loss of €1,377 million in the 4th quarter. The earnings figures for fiscal 2008/2009 include inventory writedowns totaling €317 million. Earnings were also impacted by nonrecurring restructuring costs – particularly for personnel adjustments – of €868 million, impairment charges of €519 million, and project costs of €233 million for the new plants in Brazil and the USA.

The main reason for the earnings decline in the Steel segment was the slump in shipments; in addition, significant restructuring costs were incurred. The large loss at Stainless was caused by a dramatic fall in demand combined with a significant drop in base prices. Necessary restructuring costs, impairment charges and inventory writedowns also weighed on earnings. Inventory writedowns and massive earnings falls in the materials business also resulted in negative earnings at Services, where restructuring costs were also incurred. At Technologies, profits in plant engineering were unable to offset lower earnings in the automotive and construction equipment businesses and heavy losses in civil shipbuilding. The shipyards had to absorb substantial restructuring costs, impairment charges and negative nonrecurring effects from cancellations of container ship and yacht orders, plus possible liability risks in civil shipbuilding and higher project costs in the yacht business. Elevator remained successful: The segment achieved record earnings.

## EARNINGS BY SEGMENT in million €

	2007/2008	2008/2009
Steel	1,540	(486)
Stainless	126	(946)
Technologies	741	(868)
Elevator	434	558
Services	750	(271)
Corporate	(417)	(344)
Consolidation	(46)	(7)
<b>Earnings before taxes (EBT)</b>	<b>3,128</b>	<b>(2,364)</b>

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Elevator achieved record earnings in the reporting year; all other segments in the Group made a loss.



Download the tables at:  
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### Components of Group earnings

Net sales in fiscal year 2008/2009 were down year-on-year by €12,863 million or 24%. The cost of sales decreased less sharply by €7,365 million or 17%. The main reasons for this were significant increases in 2008/2009 in inventory writedowns, impairment charges on intangible assets and property, plant and equipment, and restructuring costs, which partly offset the sales-related decline in other costs of sales. Overall, gross profit decreased by €5,498 million, combined with a decline in gross margin from 17% to 9%.

The decrease in selling expenses by €125 million was caused mainly by lower expenses for sales-related freight and insurance charges in the Steel, Stainless and Services segments due to the decline in business. General administrative expenses, taking into account the €58 million increase in restructuring costs, were €102 million lower year-on-year. The increase in other operating income by €40 million was connected with the cancellation of qualifying foreign currency hedges for planned raw material purchases, since the volume of raw material purchases decreased to an unpredictably large extent due to the recession. The €85 million decrease in other operating expenses was mainly due to €45 million lower losses on the disposal of non-current assets. Lower disposal activity resulted in a €78 million decline in income from disposals of consolidated companies. The €129 million decrease in income from companies accounted for using the equity method was due mainly to the overall drop in earnings at the companies concerned compared with the prior year. The €257 million deterioration in net interest was due to the higher net financial debt. The €118 million improvement in net other financial income/(expense) was due to a €114 million year-on-year increase in capitalized interest cost, mainly relating to the construction of the steel mill in Brazil.

The posting of tax income of €491 million for the reporting year compared with tax expense of €852 million in the prior year was due in full to the loss situation. As a result of the losses, current income taxes decreased year-on-year by €670 million to €228 million. To the extent that it is likely that losses will reduce tax payments in the future, deferred tax assets were recognized. As a result, deferred tax income increased to €719 million in 2008/2009 from €46 million a year earlier. After taking into account taxes on income, the net loss for the year was €1,873 million; in the prior year a net income of €2,276 million was achieved.

Including minority interest in losses of €16 million, earnings per share in fiscal year 2008/2009 deteriorated to €(4.01).



Earnings per share fell to €(4.01) in 2008/2009.

### Income of ThyssenKrupp AG

The net loss of ThyssenKrupp AG in the reporting year according to HGB (German GAAP) amounted to €882 million, compared with a net income of €1,175 million in the prior year.

Income from investments decreased by €1,263 million to €599 million. Income from profit transfer agreements dropped significantly by €673 million to €809 million. Income from the Steel and Stainless segment holding companies decreased in particular by €252 million to €772 million. In addition, the holding companies of the Services (prior year €252 million) and Technologies (prior year €186 million) segments reported losses in fiscal year 2008/2009 in contrast to the prior year. Mainly for these reasons loss transfers increased significantly year-on-year by €639 million. The loss transfers from the Services



and Technologies holding companies came to €67 million and €516 million, respectively. Income from investments changed only slightly from the prior year and was positively influenced by the €246 million profit distribution of ThyssenKrupp USA Inc.

The €468 million reduction in other operating income was mainly the result of the €530 million decrease in intercompany tax allocations in connection with the transfer of income from subsidiaries and a €135 million increase in the carrying value of an affiliated company recorded in the prior year. A reimbursement claim of €210 million against a segment holding company had an income-increasing effect.

The reduction in personnel expense within general administrative costs is due to lower bonus expenses and special payments. Additions to provisions for future social plan costs and paid-out severance payments acted in the opposite direction. The €62 million decrease in other administrative costs was due to €26 million lower expense for special promotional measures, an €18 million reduction in service and data processing expenses, and lower donations for cultural and scientific purposes.

The interest expense of €265 million in the reporting year reflects the effects of capital reductions at subsidiaries, resulting in lower interest expense, and a decrease in interest rate levels on the relevant money and capital markets. The measures to secure liquidity acted in the opposite direction.

After the aforementioned effects, income from ordinary activities was €(906) million, compared with €1,364 million in the prior year.

The decrease in tax expense compared with the prior year was mainly due to tax refunds for prior years.

After income tax, a net loss of €882 million was recorded for the year. Taking into account a reversal of reserves for treasury shares of €532 million through the income statement and after withdrawal of €438 million from retained earnings and adding the income carried forward from the prior year of €66 million, unappropriated net income of €154 million is reported.

### Unappropriated net income and dividend

The legal basis for the dividend payment is the HGB unappropriated net income of ThyssenKrupp AG in the amount of €154 million (prior year €669 million). It comprises the HGB net loss of ThyssenKrupp AG in the amount of €882 million plus withdrawals from retained earnings of €438 million (prior year €8 million transfer to retained earnings) and the withdrawals from reserves for treasury shares in the amount of €532 million, plus the income carried forward from the prior year of €66 million.

The Executive Board and Supervisory Board propose to the Annual General Meeting the payment of a dividend of €0.30 (prior year €1.30) per share – in total €139 million – and the carryforward of the balance of €15 million. Should the number of 463,473,492 shares eligible for dividend distribution change before the date of the Annual General Meeting, the proposed dividend distribution will be adjusted accordingly.

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ThyssenKrupp AG's HGB net income in the reporting year was €154 million.

**BALANCE SHEET OF THYSSENKRUPP AG (HGB) in million €**

	Sept. 30, 2008	Sept. 30, 2009
Intangible assets	47	44
Property, plant and equipment	123	226
Financial assets	16,037	23,146
<b>Fixed assets</b>	<b>16,207</b>	<b>23,416</b>
Receivables from affiliated companies	8,842	5,913
Other receivables and other assets	321	90
Securities	1,073	0
Cash and cash equivalents	1,202	2,876
<b>Operating assets</b>	<b>11,438</b>	<b>8,879</b>
<b>Assets</b>	<b>27,645</b>	<b>32,295</b>
<b>Total equity</b>	<b>6,715</b>	<b>5,231</b>
<b>Special items with an equity portion</b>	<b>157</b>	<b>162</b>
<b>Provisions</b>	<b>560</b>	<b>955</b>
Bonds	1,500	2,500
Liabilities to financial institutions	948	1,743
Liabilities to affiliated companies	17,513	21,295
Other liabilities	252	409
<b>Liabilities</b>	<b>20,213</b>	<b>25,947</b>
<b>Total equity and liabilities</b>	<b>27,645</b>	<b>32,295</b>

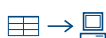
**STATEMENT OF INCOME OF THYSSENKRUPP AG (HGB) in million €**

	2007/2008	2008/2009
Income from investments	1,862	599
Other operating income	863	395
Other expenses and income	(980)	(1,635)
Net interest income/expense	(381)	(265)
<b>Income from ordinary activities</b>	<b>1,364</b>	<b>(906)</b>
Income taxes	(189)	24
<b>Net income</b>	<b>1,175</b>	<b>(882)</b>
Income carried forward	34	66
Withdrawal from reserves for treasury shares	0	532
Withdrawal from retained earnings	0	438
Transfer to reserves for treasury shares	(532)	0
Transfer to retained earnings	(8)	0
<b>Unappropriated net income</b>	<b>669</b>	<b>154</b>

**Portfolio further optimized**

Following on from previous years ThyssenKrupp continued its active portfolio management strategy in the reporting period and carried out several transactions.

One of the main transactions in 2008/2009 in the Steel segment was the increase in the minority stake held by the Brazilian company Vale in ThyssenKrupp CSA Siderúrgica do Atlântico from around 10% to a total of just under 27%. This additional investment will further strengthen the existing strategic partnership between ThyssenKrupp and Vale.



Technologies further optimized its activities in the automotive area with various smaller portfolio measures. In addition, it acquired the still outstanding 25% minority stake in ThyssenKrupp Marine Systems AG, which is therefore now wholly owned by ThyssenKrupp.

To counter overcapacities in the shipyard area, ThyssenKrupp Marine Systems and SIAG Schaaf Industrie intend jointly to develop the Emden site of Blohm + Voss Nordseewerke into a viable high-tech location for offshore technology and so secure jobs on a sustainable basis. A corresponding purchase agreement was signed.

In October 2009 ThyssenKrupp Marine Systems and the Abu Dhabi MAR Group signed a memorandum of understanding to establish a close strategic partnership in the construction of naval surface ships. The aim of the planned collaboration is to boost marketing opportunities for Blohm + Voss's naval surface vessels – frigates and corvettes – while securing shipbuilding employment in Germany.

Elevator again strengthened its global market position in the elevator business with smaller acquisitions.

For strategic reasons the Services segment disposed of its Industrial Services business. The sale of ThyssenKrupp Industrieservice GmbH to wisag, one of Germany's leading services groups, was initiated at the beginning of October 2009. The transaction is to be completed in the 1st quarter of fiscal 2009/2010. In addition, the disposal process began for the North American scaffold specialists Safway.

Since the merger of Thyssen and Krupp through to the end of the reporting year we have sold companies with sales of €9.5 billion and acquired others with sales of €8.8 billion.

### Employee numbers down

The decline in our sales markets and businesses was also reflected in our employee numbers. On September 30, 2009 ThyssenKrupp employed 187,495 people worldwide, 11,879 or 6% fewer than at the end of the prior fiscal year. With the exception of Elevator, where the workforce was virtually unchanged, there were in part significant job cuts in all segments.

The decline was particularly sharp outside Germany, where the number of employees dropped by 7% to 106,266. The main areas affected were the foundries in Brazil, the service operations of the us elevator companies and the automotive business in France. In Germany the headcount decreased by 5% to 81,229, mainly in the industrial services and materials services businesses.

Details of the breakdown of the workforce in the various regions of the world are contained in the Employees section on page 149.

Due to lower workloads, short-time working had to be introduced at many Group companies in 2008/2009. On average, 12,500 employees were affected by this in Germany, plus another 7,300 abroad. The main area was the Steel segment, with almost 8,000 employees affected by a reduction in work hours. Short-time working in the Group was scaled back towards the end of the fiscal year as economic conditions improved.



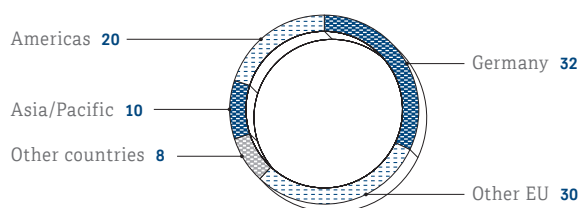
## Sales markets and marketing

The EU region was again the main sales market for ThyssenKrupp in 2008/2009: 62% of our products and services were sold to customers in the European Union, with Germany accounting for more than half this figure. 20% of our sales were generated with customers in America. The Asia/Pacific region grew in importance for our business, but still accounted for a low sales share of 10%. Thanks to our stable customer structures, the percentage breakdown remains relatively unchanged, although customers outside Germany have become increasingly important in the past five years. As the following graphic shows, their share of Group sales amounted to 68%.

**SALES BY REGION in million €**

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Germany	14,166	15,837	18,545	19,161	13,031
Other EU	12,106	13,293	16,198	16,677	12,142
Americas	10,002	11,609	10,218	9,706	7,858
Asia/Pacific	4,164	4,123	4,146	4,852	4,341
Other countries	2,489	2,263	2,616	3,030	3,191
<b>Total</b>	<b>42,927</b>	<b>47,125</b>	<b>51,723</b>	<b>53,426</b>	<b>40,563</b>

**SALES BY REGION 2008/2009 in %**



ThyssenKrupp companies and their products hold leading positions on many international markets. Outstanding technology, cost efficiency and reliable service have proved convincing arguments for numerous customers. In many areas we have built up longstanding customer-supplier relationships under which our technicians have developed custom solutions for specific customer requirements. One example is the auto industry, where we have developed numerous new lightweight materials and components to support the key objective of reducing vehicle weight.



The Group sells mainly to corporate customers; private customers buy from us only in isolated cases.

### Customer-focused marketing mix

As a producer and provider of materials, capital goods and services, we mainly sell to corporate customers. Only in exceptional cases do private customers buy from us directly, for example elevators or stair lifts for residential buildings. That makes our target groups manageable in terms of numbers but also very demanding in terms of communications. We maintain contacts with them through technical

magazines, published several times a year and reporting on successful innovations in the Group and new trends. In addition, product documentation provides all the data required for customers to make an informed decision on using our products. We also attach importance to modern, attractive product design. Further marketing tools include international trade shows and presentations, country- and customer-related product design, efficient sales efforts and individual customer advice. The internet is becoming ever more important: On our website we showcase our capabilities to customers and business partners, inform stockholders and investors of the latest business developments, and present career opportunities in the Group.

Operating responsibility for marketing measures lies with the individual Group companies, which allows us to respond quickly to changing trends. Given the breadth of our product range, this approach has proved more successful than centralized marketing.

### Key areas of corporate communications

In its communications work, ThyssenKrupp AG as Group holding company focuses primarily on the broad public, addressing issues of interest to the Group and public alike. Our initiative “Discovering future technology”, which promoted understanding for technology in Germany in TV commercials, advertisements and newspaper publications, received several awards in the reporting year. The communicative concept of the Ideas Park was likewise honored with the renowned EFFIE Award, which recognizes in particular the efficiency and effectiveness of projects. More information on our awards and the Ideas Park is contained in the section “Responsibility and commitment” on page 138.



Details: Page 138

## Capital expenditures

ThyssenKrupp invested a total of €4,238 million in fiscal 2008/2009, €44 million less than in the prior year. Of this figure, €4,012 million was spent on property, plant and equipment and intangible assets, while the remaining €226 million was used for the acquisition of businesses and shareholdings as well as other financial assets. Capital expenditure exceeded depreciation, which came to €1,380 million, by €2,858 million.

### INVESTMENT BY SEGMENT in million €

	2007/2008	2008/2009
Steel	2,596	2,593
Stainless	387	343
Technologies	763	814
Elevator	136	135
Services	369	210
Corporate	66	126
Consolidation	(35)	17
<b>Group</b>	<b>4,282</b>	<b>4,238</b>



Download the tables at:  
[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

The investment served mainly to maintain existing operations and implement our strategic growth projects. The main individual projects were the new steel and processing plants in Brazil and the USA.

Through stringent control of all investment projects we limited the rise in our net financial debt significantly in the course of the fiscal year. At the end of the fiscal year net financial debt at €2,059 million was €475 million higher than on September 30, 2008.

Further information can be found in the notes to the consolidated statement of cash flows in the section “Financial position” on pages 131-132.



Details: Pages 131-132

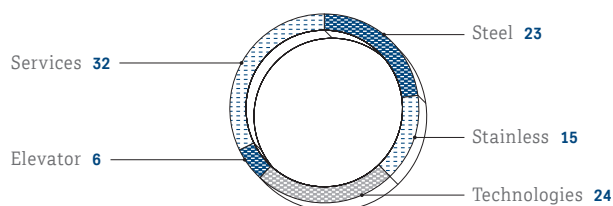
## Procurement: Sharp fall in volumes

Materials expense decreased by 22% to €26.8 billion – mainly because of the decline in business. However as a percentage of sales it remained virtually unchanged from the prior year at 66%, as prices for raw materials as well as the other material categories including services only decreased in the further course of the reporting year or changed in parallel with our own product prices. We achieved important savings through global purchasing, with the economic crisis in many cases restoring a normal balance of supply and demand for raw materials, goods and services. There were no delivery bottlenecks in the reporting year, and the supply of materials for our plants was secured at all times.

### MATERIALS EXPENSE BY SEGMENT in million €

	2007/2008	2008/2009
Steel	8,514	6,632
Stainless	6,096	4,256
Technologies	7,626	6,705
Elevator	1,657	1,768
Services	13,645	9,265
Corporate	51	40
<b>Materials expense of segments</b>	<b>37,589</b>	<b>28,666</b>
Consolidation	(3,131)	(1,819)
<b>Group</b>	<b>34,458</b>	<b>26,847</b>

### MATERIALS EXPENSE 2008/2009 in %



Download the tables at:  
[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

### Large price reductions for iron ore

Although world steel production decreased due to the economic crisis and ore requirements were correspondingly lower, world demand for overseas iron ore in 2009 was unchanged from the prior year. The reason for this is that China significantly increased its ore imports while at the same time producing less ore at home. Despite this we succeeded in achieving a reduction in annual prices in 2009 – notwithstanding continuing high demand from China and rising spot prices from the beginning of the year. The decrease was between 28% and 48% depending on ore grade.

The Steel segment purchased 10.6 million tons of iron ore in the reporting year, around 37% less than a year earlier. Most of it, 5.1 million tons, came from Brazil, followed by Canada with 2.3 million tons and South Africa with 1.3 million tons. Smaller volumes were purchased in Australia, Mauretania and Sweden.

Following the dramatic rise in coking coal prices in 2008 – mainly caused by weather-related production restrictions – we were able to achieve a 57% price reduction for supplies of the reference grade in 2009/2010. We also achieved similar price reductions for PCI coal.

Falling worldwide demand for blast furnace coke led to a calming of prices in the course of the reporting year. Despite rallying slightly towards the end of the period in response to positive economic news, blast furnace coke prices at the end of the fiscal year were well down from the prior year at slightly more than 400 us dollars per ton.

Declining bulk ocean freight rates also lowered the purchasing costs of international raw materials.

### Dramatic movements in alloying metals

Prices on the procurement markets for alloys and metals decreased significantly for the most part as a result of slumping world demand. Bulk alloy prices fell by up to 60%. Ferrosilicon – an alloying element used in the production of steel – fell by more than 50% at the height of the crisis. Prices rose slightly towards the end of the fiscal year but were still far removed from prior-year levels.

Molybdenum, which is needed in particular for the production of high-strength steels, lost 70% of its value in only six weeks in October and November 2008 before climbing to twice its low by mid-2009. However towards the end of the reporting year there was another slight downward correction.

The London Metal Exchange (LME) price of zinc – an important metal for corrosion protection of steel surfaces – was far less volatile in the reporting year than it had been earlier. Whereas the 1st half of the fiscal year was characterized by weaker demand and lower prices, the 2nd half saw prices rise again.

Nickel and chromium are particularly important alloying metals for the Stainless segment. The average LME price of nickel in October 2008 was comparatively weak at 12,140 us dollars per ton. It then fell in December 2008 and March 2009 to less than 9,700 us dollars per ton. From April 2009 an upward trend began – despite high inventories at the LME. In August 2009 the price reached more than 19,600 us dollars per ton, also as a result of Chinese purchases. Towards the end of the year there were signs of a price correction.

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Our biggest iron ore supplier was Brazil; in 2008/2009 Steel purchased 5.1 million tons.

The quarterly price of chromium reached an all-time high of 2.05 us dollars per pound in mid-2008. At the beginning of 2009 it slumped by around 60% to 0.79 us dollars in the face of sluggish sales volumes. There followed further price drops to 0.69 us dollars, which brought production in the main supplier country South Africa almost to a standstill. After European inventories had been largely run down at the end of June 2009, the price rose to 0.89 us dollars in July.

The downturn on the steel markets also caused an unprecedented slump in scrap demand. The price of grade 2 scrap dropped to €157 per ton in June 2009. That is roughly a third of the all-time high of €426 per ton reached in June 2008. Scrap prices rose back to over €200 per ton at the end of the fiscal year as first signs emerged of a steel market recovery. Prices of alloyed steel scrap mirrored those of the alloying metals contained in the scrap.

The falling prices of raw materials in the course of the fiscal year led to lower prices for the products made from them, for example steel sheet, flat products, tubes and bar steel for forgings. Depending on product group and material content, procurement prices fell by 3% to 50%. Due to sharply declining demand for supplies, spare parts, services and capital goods, these markets eased markedly in comparison with the prior year. The market for construction and electrical products was also marked by overcapacities. The number of new construction projects in plant engineering decreased to less than half, which reduced the previously very high workload of suppliers. Delivery times were considerably shorter and the supply situation was good. Our global procurement efforts were continued further, particularly in Southeast Asia and Eastern Europe.

#### **Professional performance management increases purchasing efficiency**

Further progress was made in purchasing in the reporting year. More than 8,500 requests for quotes were posted on the ThyssenKrupp RFQ platform. Around the world our purchasers carried out over 1,200 assessments of suppliers using a method developed in-house for strategic supplier evaluation. In addition, our catalog platform reduced the costs of individual order processes; 6,800 users can order the items they require directly from selected suppliers.

More than 1,000 employees have now been trained in the use of purchasing methods and electronic tools. With over 1,500 improvement projects completed we achieved savings in the three-digit million euro range. For more details of our efficiency program ThyssenKrupp best, turn to pages 90-92.

We established a Groupwide purchasing reporting and controlling system in 2008/2009. With the purchasing controlling system our Group companies can define business-specific performance indicators and summarize them in a balanced score card. This card was developed at five pilot companies in Germany and Brazil. In parallel, we created a purchasing reporting system that facilitates purchasing and highlights consolidation opportunities. It makes purchasing more transparent and allows efficiency to be better measured.





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In 2008/2009 we lowered our freight costs by up to 10%.

### Massive drop in freight costs

Demand for cargo space slumped worldwide on all shipping routes, with the result that spot market prices in particular decreased significantly. The fall in oil prices also led to a reduction in bunker surcharges. Rail and road freight volumes also decreased. In Germany alone, rail lost around 40% of its freight volume and road 12%. As a result we were able to reduce our freight costs by up to 10% in negotiations with suppliers. Additional cost advantages were gained from falling diesel prices, the use of RFQ platforms, and optimization of the complete procurement chain from supplier to end customer.

Air freight prices fell by up to 25% from the prior year due to overcapacities and lower oil prices. However, imports to Europe are still more expensive than exports, particularly to the Asia region.

The fleet management situation was impacted by the difficult economic environment. Falling vehicle residual values caused an increase in leasing rates; additional charges and fees also weighed on the fleet budget. Thanks to our own independent Carpool system, an optimized standard international process structure and further consolidation of volumes we were able to achieve savings of almost €2.0 million, against the general trend. Overall, our fleet management system has achieved synergies of €18.7 million in the past six years.

The financial and economic crisis has significantly changed our situation as a fleet operator. At the beginning of last year we were still able to negotiate our demands with the leasing companies, but now we find ourselves confronted by their demands. The situation on the leasing market deteriorated, particularly in the 2nd half of the year: Rising interest rates and refinancing problems, combined with large residual value corrections, caused leasing companies to struggle. Our multi-supplier strategy gave us the latitude to avoid a leap in leasing rates.

In the fuel area, measured total costs decreased by 13% despite an increase in the vehicle pool by 257 to 7,582 vehicles. The main causes were falling oil prices, slight improvements in terms with the oil companies, more fuel-efficient engines and consistent use of the fuel card.

### Energy: Secure supply

Falling prices and lower consumption pushed ThyssenKrupp's energy costs down in the reporting year. We nevertheless had to contend with rising network charges for electricity and limited competition on the natural gas market. Energy supplies to our plants worldwide were secured.

### Fluctuating oil and natural gas prices

Energy prices fluctuated in the reporting year as seldom before. The price of Brent crude oil dropped from 69.19 US dollars per barrel on October 01, 2008 to 36.01 US dollars on December 24, 2008, before almost doubling again to 69.07 US dollars by the end of the fiscal year on September 30, 2009. As natural gas prices in Germany are generally coupled to the oil price with a time lag, our natural gas costs also decreased. We also largely succeeded in avoiding costs due to minimum offtake requirements by renegotiating our natural gas contracts; we used less natural gas than planned due to the production cutbacks caused by the recession. One positive factor is the reduction in the number of market regions for natural gas in Germany from twelve to six, which will improve competition on the natural gas market in the future. Despite this, the competitive situation on the German natural gas market remains unsatisfactory; there is still a lack of alternative low-cost suppliers for large industrial users.

### Electricity prices

From around €80 per megawatt-hour at the beginning of the reporting year, electricity prices in Germany almost halved up to spring 2009. By the end of the reporting year they had risen again slightly. As electricity requirements were unexpectedly low due to the economic crisis, some already purchased electricity volumes had to be sold back to the market – at times below procurement cost.

While electricity prices and requirements dropped, network charges for high-voltage lines increased by more than 30%. The surcharges to subsidize renewable energies likewise increased further and caused high additional costs. The electricity tax and the subsidization of heat-and-power cogeneration also made electricity more expensive. Unfortunately, no further progress was made in Germany in establishing favorable industrial electricity tariffs such as are possible in some other EU countries.

In Spain, we reduced our costs by 4% thanks to a successful bidding process for our electricity contract for the next two years and a change of supplier. We managed this even though the offtake structure was worse due to the general order situation.

In France, the government extended the special tariff for industrial electricity customers who switched early to the deregulated but now more expensive free market. Our Group companies will continue to benefit from this more favorable tariff until mid-2010.

### Income from emissions trading

In accordance with the legal rules, ThyssenKrupp received emission allowances for 21,320,961 tons of CO<sub>2</sub> in calendar year 2008; however, actual emissions were only 20,816,320 t. In view of the production cuts in our steelmaking plants in the reporting year the allocated CO<sub>2</sub> emission allowances are expected to be enough for the second trading period of the EU emissions trading scheme (2008 – 2012). In part we will also be able to sell emission allowances or carry them forward and use them in the third trading period (2013 – 2020), where we expect a significant deficit.

Electricity producers include the full costs of CO<sub>2</sub> emission allowances in their electricity prices. For this reason, electricity costs in Germany and Europe are substantially higher than in countries that do not have emissions trading, even when prices fall due to economic conditions. Any income from the emissions trading scheme is eaten up by the higher costs caused by the full inclusion of CO<sub>2</sub> costs in electricity prices.



Network charges for high-voltage lines increased by more than 30% in the reporting year.

### Emission reductions at the new steel mill in Brazil

In connection with the construction of the new steel mill in Brazil we continued three projects under the UN's Clean Development Mechanism to recover heat from the coke plant, utilize converter gas, and generate electricity from blast furnace gas and coke plant heat in a highly efficient combined-cycle power plant. Utilizing efficient gas and steam turbine technology, the power plant combines the principles of a gas turbine power plant with those of a steam power plant and achieves a very high level of efficiency. It will be the first power plant of its kind on the entire American continent.

The projects are currently going through the prescribed UN registration process. Based on updated forecasts they are expected to achieve emissions reductions of 5.3 million tons of CO<sub>2</sub> during their ten-year term. Following registration we will receive tradable emissions credits in the amount of these reductions.

## Summarized assessment by the Executive Board of business performance and target achievement

The global financial and economic crisis hit ThyssenKrupp hard. For the first time since the merger of Thyssen and Krupp we ended the fiscal year with a loss. In addition to the economic slump we were impacted by nonrecurring items in the form of restructuring expenses, impairment charges and project costs for the new plants in Brazil and the USA. As expected, our order intake and sales decreased considerably.

We responded early to the first signs of the crisis and initiated operational and structural measures. Our Groupwide program ThyssenKrupp PLuS improved earnings and liquidity while reducing costs and finance requirements. We continued the process of portfolio optimization and achieved restructuring progress in individual areas such as the shipyards and our automotive activities. At the same time we reorganized the Group to enable us to operate faster and more flexibly on the global market in the future.

### Stabilization of sales planned

In our current plans for the new fiscal year 2009/2010 we expect a stabilization of sales, as the fledgling economic recovery is still fragile. Earnings on the other hand are expected to improve significantly: We currently expect a positive adjusted EBT in the low three-digit million euro range. The initiated cost-reduction programs will play a major role in this. In our longer-term plans we expect an improvement in the overall economic environment. The aim is to return to the successful growth of recent years as soon as the economy rebounds. We have created a solid platform for this.

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For 2009/2010 we expect a stabilization of sales and significant growth in earnings.

# Segment review

ThyssenKrupp is an integrated materials and technology group. We have operations around the globe and hold excellent technology and market positions at international level. In the past fiscal year, our five segments – Steel, Stainless, Technologies, Elevator and Services – had to contend with a strong economic headwind. The measures introduced swiftly to counter this could not prevent earnings declines but did moderate them. Only Elevator achieved new record earnings.

## Steel

### STEEL IN FIGURES

		2007/2008	2008/2009
Order intake	million €	14,199	8,414
Sales	million €	14,358	9,945
Corporate	million €	58	55
Steelmaking	million €	1,531	1,056
Industry	million €	6,976	4,684
Auto	million €	5,106	3,684
Processing	million €	2,906	2,332
Consolidation	million €	(2,219)	(1,866)
Earnings before taxes (EBT)	million €	1,540	(486)
Investments	million €	2,596	2,593
Employees (Sept. 30)		41,311	39,156

Our Steel business is focused on premium carbon steel flat products and holds a strong position in its core EU market. In recent years its range has been systematically concentrated on products with high value-added.

#### Drastic fall in orders and shipments

The drastic fall in demand for flat carbon steel resulted in an unprecedented drop in orders and shipments at the Steel segment. The slight recovery in volumes towards the end of the reporting year improved the overall picture only very slightly.

Order intake was down 41% year-on-year at €8.4 billion. Sales decreased by 31% to €9.9 billion. In both cases, the declines were mainly due to lower volumes. As market prices fell, our selling prices slipped over the course of the reporting year, albeit to a lesser extent than on the steel spot market. This was attributable to the high share of long-term contracts in our overall business. However, average selling prices over the full year were slightly higher than a year earlier.

As a result of the massive drop in demand, operating adjustments were necessary in all stages of production. Initially these were carried out through shut-downs for repairs and the running down of work time accounts, then from January 2009 increasingly through short-time working – including in administrative areas. Blast furnace 9 with a hot metal capacity of 4,500 metric tons per day was shut down in March 2009. Blast furnace A at investee company Hüttenwerke Krupp Mannesmann was also shut down temporarily in connection with a scheduled reline. The other three blast furnaces were operated at minimum levels through to the end of July. Utilization then improved as demand started to pick up. In September it was decided to prepare blast furnace 9 for restarting; it resumed production on November 01, 2009. The downstream processing lines responded with block shutdowns and adapted their daily output to the respective market situation. In the final weeks of the reporting year, capacity utilization increased on most units, but operating levels in the further processing stages were still inadequate.

Crude steel output at the Steel segment, including the share of our investee company Hüttenwerke Krupp Mannesmann, was down 35% year-on-year at 9.2 million tons. Rolled steel production for customers, including contract rolling, fell 37% to 10.0 million tons.

The segment reported a loss of €486 million for fiscal 2008/2009, compared with a profit of €1,540 million in the prior year. The main reason for this was the slump in shipments as well as inventory writedowns of €175 million at September 30, 2009. Earnings were further impacted by the costs for the strategic projects in Brazil and the USA (€214 million), restructuring expenses (€237 million) and impairment charges (€29 million). The restructurings mainly related to the adjustment program 20/10, under which workforce numbers are to be reduced by up to 2,000, and the restructuring of the Metal Forming unit.

The cost-reduction measures introduced at short notice across the segment contributed to a significant improvement in earnings but were unable to offset the market-related declines. The price reductions recently achieved for key raw materials, primarily iron ore and coking coal, only slightly mitigated the difficult earnings situation as they were introduced at the end of the fiscal year and had only a very limited effect on costs. Average raw material costs increased slightly compared with the prior year.

At September 30, 2009, the companies of the Steel segment employed a total of 39,156 people, 2,155 fewer than a year earlier. Significant adjustments were required due to the dramatic fall in orders. Production shutdowns were initially compensated by running down working time accounts, taking residual leave and unworked shifts; in addition, the amount of paid overtime was significantly reduced. Starting in December 2008, the continued weak order situation also resulted in the introduction of short-time working throughout the Steel segment. At its peak this affected around 14,700 employees in Germany and abroad. At the end of the fiscal year, the improved order situation allowed the number of employees affected by short-time working to be reduced to 4,200.

1

Following a profit in the prior year of €1.5 billion, Steel generated a loss of €486 million in 2008/2009.

### Corporate

In the reporting year, the Corporate business unit comprised the administrative functions and was responsible for managing the construction projects in Brazil and the USA. The costs for these projects were slightly higher than a year earlier.

### Steelmaking

The Steelmaking business unit comprised the metallurgical operations in Duisburg and all logistics activities. Sales decreased – mainly as a result of the sharp drop in outside business with pig iron, slabs and by-products as well as reduced transportation work. Crude steel production including slabs supplied by investee company Hüttenwerke Krupp Mannesmann was significantly down from the prior year. The business unit achieved almost break-even earnings.

### Industry

The Industry business unit served all steel-using industries with the exception of the automotive sector. Sales to these customer groups decreased 33% year-on-year to €4.7 billion; the decline in orders was even greater. The dramatic fall in volumes and prices led to a slump in earnings, resulting in a heavy loss.

For much of the reporting year activity levels in practically all relevant user industries were low due to the recession and the inventory cycle. This had a massive impact on business in the Industry/Distribution/Services profit center, which accounts for some two thirds of the business unit's sales. Shipments to external customers were down significantly, although our contract business was less affected by volume losses. In the final quarter of 2008/2009 there was a marked rise in inquiries in some sections of the market, albeit from a very low level, as many customers had by then sharply reduced their inventories. Despite this, full-year earnings fell dramatically.

Although business was relatively good at the start of the year, the Heavy Plate profit center recorded a huge drop in sales and profits in the second fiscal half. Business with shipbuilding customers ground almost to a halt, and demand from the construction machinery and truck sectors also declined sharply. Order volumes collapsed and prices fell substantially. At times, equipment was running at below 50% capacity. Towards the end of the year there were signs of a slight improvement due to restocking.

The Color/Construction competence center also reported a significant year-on-year drop in business and negative earnings. Demand from the appliance industry for coil-coated products was extremely low throughout the fiscal year; the substantial drop in volumes was accompanied by a sharp fall in selling prices.

The Construction Group was also hit by the crisis in the construction industry, although a number of project orders provided for a comparatively good workload. In Germany, where roughly half of sales are generated, the decline was still relatively moderate. By contrast the non-German companies, especially in Eastern Europe, had to make production cutbacks.



Sales of the Industry business unit fell by a third due to the slump in demand.

The European steel service business likewise recorded a substantial drop in sales due to declining volumes and a significant drop in average selling prices. The new company in Poland went against this negative trend, holding its sales steady. The business as a whole reported a loss.

### Auto

The Auto business unit supplied steel products and services to global auto manufacturers. Against the background of the continuing crisis in the automotive sector, sales were down 28% year-on-year at €3.7 billion. After new contracts had been concluded with most customers at July 01, 2008 to take account of prior substantial increases in raw material costs, prices were adjusted from July 01, 2009 to reflect the expected decreases in raw material costs. Due mainly to the distinct fall in sales volumes, it was impossible to prevent a severe drop in earnings. Overall, however, we achieved a virtually break-even result.

Sales at Tailored Blanks were also down due to lower volumes, though less sharply than at the other businesses. One factor in this was the first full-year inclusion of the North American TWB group, in which a majority interest was acquired in the prior year. Tailored Blanks ended the reporting year with a slight profit.

Our steel service operations in North America recorded an almost 50 percent drop in shipments to the auto industry. The already difficult situation was exacerbated by unforeseeable production shutdowns by important customers.

Sales at Metal Forming were also lower in all units except in China. Despite extensive adjustment measures, operating earnings deteriorated further, compounded by expenditure for the further expanded restructuring program. As a result, the business posted another significant loss.

### Processing

The Processing business unit combined our tinplate, narrow strip and grain-oriented electrical steel activities. Overall sales were down 20% to €2.3 billion, mainly due to falling volumes, although the picture differed greatly in the three units. Earnings were considerably lower, but we still achieved a good overall profit.

Tinplate held up comparatively well. Year-on-year sales fell only slightly, profits were down. Positive selling price effects were outweighed by cost increases and lower volumes. Competition on this market intensified appreciably in the reporting period as the more attractive prices and more stable demand compared with other steel products drew competitors back to the tinplate market. Despite this we were able to strengthen our position on the highly competitive European market.

The narrow strip business of Hoesch Hohenlimburg, serving mainly medium-size automotive suppliers and the cold rolling industry, suffered significant volume decreases especially in the first months of the fiscal year before stabilizing at a low level. Full-year sales were down by almost half compared with the prior year. Prices slipped significantly. The business posted a loss, compared with a profit a year earlier.

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Despite declining sales, the Processing business unit ended the reporting year with a good profit.

Global demand for grain-oriented electrical steel also slumped sharply, causing substantial declines in shipments and workloads. Although we managed to keep average selling prices at the same level and further increase the share of high-grade electrical steel, sales were down. The business returned a profit, albeit lower than a year earlier.

### Significant events

At the start of 2009, the Steel segment intensified its cost-cutting efforts by launching the program 20/10. The program, which is aimed at securing the company's global competitiveness beyond the economic crisis, consists of ten initiatives – all aimed at reducing costs. It also includes the subsidiaries. Under this program, sustainable savings of more than €400 million are to be achieved by fiscal 2010/2011. Up to 2,000 jobs will also be cut.

Metal Forming pushed ahead with its restructuring program in 2008/2009. Workforce numbers were reduced by 28% to around 5,800. Personnel adjustments at the German sites were made on the basis of a social plan. Efficiency measures also helped significantly reduce costs.

As part of the restructuring and with a view to reducing investment requirements, two plants in France were closed and a third sold. Personnel adjustments were also carried out at Tallent in the UK.

The Brazilian iron ore producer Vale S.A. increased its share in ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. from around 10% to just under 27%. This strengthens the basis for a long-term strategic partnership between Vale and ThyssenKrupp.

### Capital expenditures

The capital expenditures of the Steel segment for property, plant and equipment and intangible assets amounted to €2,575 million in the reporting year, with depreciation at €612 million.

As in the previous year, the expenditures were dominated by the two major strategic projects in Brazil and the USA. The construction of the new steel mill in the Brazilian state of Rio de Janeiro accounted for investments of €1.5 billion. Around €0.6 billion was spent on the construction of the processing plant near Mobile in Alabama. Details of both projects are contained in the section "Business management – goals and strategy" on pages 83-84.

In light of the economic situation, all ongoing and planned investment measures were subjected to critical analysis and numerous investment projects were postponed with a view to reducing capital employed. The new investment projects launched in the fiscal year were mainly aimed at maintaining existing operations.

Following the startup of the new blast furnace 8 and the relining of blast furnace 1 in the prior year, ancillary and peripheral equipment at Steel's blast furnace plants in Duisburg was modernized in the reporting year. The extensive investments to improve efficiency and optimize the product range in the hot rolling operations are largely completed. The hot strip mill in Duisburg-Beeckerwerth put three new coilers into operation, extending its product spectrum to include high-quality skelp. A start was made on upgrading the automation systems on the finishing line. The rolling mill at our Bochum plant was fitted with a new edger and a modern rolling sequence control system. At our Dortmund site





we extensively modernized the continuous annealing line to permit the cost-efficient production of innovative multi-phase steels. In addition, the investments to increase capacity on four hot-dip coating lines were concluded with the successful ramp-up of the units.

Major spending was also carried out in the electrical steel, narrow strip and European steel service center operations and at the transportation companies. In electrical steel, we further expanded capacity for promising, higher-quality grades at the plants in Gelsenkirchen and Isbergues, France. In narrow strip, the investments to increase production capacities were continued. Steel Service Europe pressed ahead with the construction of a new service center in Krefeld to concentrate the smaller production sites in North Rhine-Westphalia. At the Rotterdam port, a new ship unloader for raw material supplies was put into operation.

## Stainless

### STAINLESS IN FIGURES

		2007/2008	2008/2009
Order intake	million €	7,460	4,147
Sales	million €	7,420	4,486
ThyssenKrupp Nirosta	million €	3,234	1,807
ThyssenKrupp Acciai Speciali Terni	million €	2,688	1,679
ThyssenKrupp Mexinox	million €	591	322
Shanghai Krupp Stainless	million €	284	122
ThyssenKrupp Stainless International	million €	1,187	649
ThyssenKrupp VDM	million €	1,177	743
Corporate/Consolidation	million €	(1,741)	(836)
Earnings before taxes (EBT)	million €	126	(946)
Investments	million €	387	343
Employees (Sept. 30)		12,212	11,755

Stainless combines our activities in stainless steel flat products and high-performance materials, i.e. nickel alloys and titanium. The materials produced meet the most exacting requirements in terms of properties, quality and precision.

#### 1

In 2008/2009 Stainless had to contend with a substantial fall in orders for cold-rolled, nickel alloys and titanium.

### Slump in demand and earnings

Against the background of the global fall in demand, the segment's business situation deteriorated severely in 2008/2009. Order volumes decreased by 16% to 1.9 million metric tons. With selling prices also lower, the value of orders slipped by as much as 44% to €4.1 billion. Order volumes were down 20% for cold-rolled stainless steel but rose by 27% for hot-rolled. Order volumes for nickel alloys and titanium decreased by 42% and 74% respectively.

Overall deliveries by Stainless reached 1.8 million tons, 20% lower than a year earlier. Shipments of cold-rolled and hot-rolled stainless steel were particularly affected, but deliveries of titanium and nickel alloys were also down year-on-year. As a result of the reduced shipments as well as lower base prices and alloy surcharges, sales decreased by 40% to €4.5 billion.

The segment's earnings fell drastically by €1,072 million to €(946) million, with all business units reporting losses. This was triggered by an unprecedented slump in demand on the stainless steel market, resulting in extreme underutilization of production capacities. Stainless responded with massive production cutbacks and inventory reductions. In this recessive market environment base prices slipped sharply, which further exacerbated the loss situation. Earnings were also impacted by impairment charges of €118 million and restructuring expense of €60 million.

Stainless responded immediately to the worsening earnings situation. In addition to the Groupwide ThyssenKrupp PLuS cost-reduction program, further measures were initiated. This moderated the slump in earnings. To improve the liquidity situation we postponed the ongoing investment program, including the construction of the stainless steel mill in the USA. In addition Stainless implemented a performance enhancement program to sustainably secure its competitiveness, improve earnings and flexibilize its cost basis.

At the end of the reporting year ThyssenKrupp Stainless had 11,755 employees, 457 fewer than a year earlier. With the plants working below capacity, short-time working had to be introduced in wide areas of the segment once working time accounts had been run down. It was not until July 2009 that a gradual reduction in short-time working was introduced at the European plants as the situation slowly improved.



Underutilization at the plants led to short-time working in wide areas of the Stainless segment.

### ThyssenKrupp Nirosta

The ThyssenKrupp Nirosta business unit reported weak demand from distributors and end customers, especially in the first fiscal half. Orders and production only picked up slightly at a low level towards the end of the reporting year. Overall, the decline in shipments and lower selling prices led to a sharp drop in sales to €1.8 billion.

ThyssenKrupp Nirosta suffered a drastic slump in earnings, caused by the sharp fall in base prices for austenitic and ferritic cold-rolled products and massive underutilization of capacity. The restructuring expense made necessary by the difficult earnings situation added to the losses. The measures introduced to cut costs only partly cushioned the earnings decrease.

### ThyssenKrupp Acciai Speciali Terni

ThyssenKrupp Acciai Speciali Terni's performance was likewise impacted by the sharp fall in demand for stainless steel products. Production had to be scaled back significantly and prices slipped. In the titanium business, too, plant capacities were not fully utilized due to weak demand from the aerospace and plant construction sectors. Full warehouses and low consumption by distributors and end users further exacerbated the demand situation. The business unit's sales slumped to €1.7 billion.

In this difficult market environment, the earnings situation at ThyssenKrupp Acciai Speciali Terni deteriorated severely. Weaker activity on the Italian stainless steel market had a particular impact. Stable earnings at the forging operations and the cost-cutting programs introduced only slightly eased the loss situation.

### ThyssenKrupp Mexinox

As a result of declining demand on the us and Mexican markets, order intake at ThyssenKrupp Mexinox fell significantly. Capacities were underutilized, and sales decreased to €322 million.

Massive drops in base prices and shipments led to a dramatic decrease in earnings, which was only slightly moderated by the cost-cutting measures introduced.

### Shanghai Krupp Stainless

In a difficult Chinese market characterized by overcapacities, Shanghai Krupp Stainless reported an extreme drop in orders. Sales were down by more than half year-on-year at €122 million.

Extremely low shipments in conjunction with weak prices and impairment charges caused earnings to collapse. The cost-cutting measures implemented only mitigated the earnings situation.

### ThyssenKrupp Stainless International

As a result of weak global demand, this business unit also reported significantly lower orders. Sales decreased for volume and price reasons to €649 million.

In 2008/2009 ThyssenKrupp Stainless International generated a higher loss than a year earlier.

### ThyssenKrupp vdm

Order postponements and cancellations from the aerospace industry, a severe downturn on the automotive market and increasing deferrals of major plant construction projects caused a sharp decrease in demand for nickel alloys. As a result, ThyssenKrupp vdm's sales of €743 million were well down year-on-year.

The business unit was unable to maintain its prior-year earnings and despite the introduction of cost-cutting measures posted a loss.

### Capital expenditures

Stainless invested €343 million in property, plant and equipment and intangible assets in the reporting year, with depreciation amounting to €157 million. Capital spending focused on the construction of the fully integrated ThyssenKrupp Stainless site in the USA, and on the systematic expansion of the ThyssenKrupp Acciai Speciali Terni site in Italy into an integrated stainless steel mill.

With the markets impacted by the worldwide crisis, investments for the stainless steel mill in Alabama have been delayed. Under the revised mid-term plan, the plant will start operation in the 4th quarter 2010 with an initial cold-rolled capacity of around 100,000 metric tons per year. The equipment required for this is to a large extent already on site or in the process of delivery. The start of installation of the other production lines is on schedule but can be delayed flexibly by up to 24 months. The necessary building complexes will be finally completed in the coming months. The supply of starting material will be secured initially from the European mills. The scale of the overall project will remain unchanged, as we continue to believe there is demand for an optimized stainless steel production site

**i**

Stainless invested €343 million in the reporting year, above all in the new US plant and the expansion of the Terni site.

on the North American market. This approach will permit a rapid market entry with products made in the USA and a flexible response to market developments.

ThyssenKrupp Acciai Speciali Terni is being gradually expanded into one of the most modern and efficient production sites in the world. The investment program in the past fiscal year mainly involved replacing the thin-slab caster with a conventional continuous caster to increase hot-rolled quality and capacity and better utilize existing steelmaking capacity. The installation of roll stands in the entry zone of the new hot strip line allowed us to expand our cold-rolled capacity and extend the product mix. These measures were largely completed in the reporting year. The investment package also includes further capacity adjustments in the annealing/pickling area, the construction of a further cold rolling stand and the expansion of the finishing department in Terni, which will further increase the company's processing capacities. These measures are now being implemented, though the period for completion has been extended. In addition, work was continued on the modernization and expansion of the dedusting unit at the Terni mill and the implementation of the fire protection program.

A key investment at ThyssenKrupp Nirosta was the construction of an acid regeneration system at the Krefeld site. Following startup in May 2009, this system now further reduces the nitrate content in waste water. It has been integrated into the production cycle to ensure high-tech environmental protection and high cost-efficiency. In addition, the extensive modernization of the AOD (Argon Oxygen Decarburization) furnaces was completed on schedule in April 2009. The upgraded equipment will enhance the production process and reduce emissions at the Krefeld steel mill. Further capital expenditure related to the extension of the fire protection program as well as various measures to maintain existing operations and modernize individual equipment units.

ThyssenKrupp Mexinox implemented various individual maintenance projects and completed the modernization of Sendzimir mill 1. As this increased production capacity, the existing water treatment plant also had to be expanded. In addition, the existing wet grinding line was modernized to improve surface quality and capacity.

Capital spending at the Shanghai Krupp Stainless cold rolling mill in 2008/2009 related mainly to replacement investment and the improved implementation of the fire protection program.

ThyssenKrupp Stainless International further expanded its distribution and service center network. The service center in the greater Istanbul area reflects the growing importance of the Turkish market.

The expansion of remelting capacities at ThyssenKrupp vdm's Unna site was largely completed. As a result, the majority of the investment program started in 2006 to strengthen and expand business in the aerospace, oil and gas sectors has now been realized.

## Technologies

### TECHNOLOGIES IN FIGURES

		2007/2008	2008/2009
Order intake	million €	13,490	8,580
Sales	million €	12,412	10,640
Plant Technology	million €	3,217	3,715
Marine Systems	million €	2,007	1,594
Mechanical Components	million €	3,924	2,751
Automotive Solutions	million €	3,247	2,553
Transrapid	million €	41	35
Corporate/Consolidation	million €	(24)	(8)
Earnings before taxes (EBT)	million €	741	(868)
Investments	million €	763	814
Employees (Sept. 30)		54,043	49,056

Our Technologies companies are high-tech engineering contractors and component manufacturers who also offer tailored services. Innovativeness and recognized system and engineering capabilities form the basis for their leading world market positions.

### Declining business

The volume of business in the Technologies segment also declined as a result of the global financial and economic crisis. Order intake at €8.6 billion was significantly lower than a year earlier. The plant engineering business was affected by uncertainty and delays at customers, due among other things to financing bottlenecks in the banking sector, falling raw material prices and general market uncertainty. In this difficult market environment, the booking of a major order for a low-density polyethylene plant at Plant Technology and the initialing of a major submarine order for six material packages for the Turkish navy at Marine Systems were all the more pleasing. Following previous dramatic falls in orders, business in the automotive and construction machinery units bottomed out somewhat towards the end of the fiscal year; but there was no significant recovery in demand. Despite this, orders in hand – down to €13.8 billion at September 30, 2009 – continue to secure more than a year's sales. As orders declined, sales also fell in 2008/2009, slipping 14% to €10.6 billion despite positive influences from the US dollar exchange rate.

Earnings deteriorated significantly in 2008/2009. Following record profits of €741 million a year earlier, Technologies reported a loss of €868 million. While Plant Technology returned a profit just below the prior-year level in a more difficult environment, the other business units slipped deeply into the red. In addition to lower sales and inventory writedowns of €70 million, earnings were impacted particularly by negative nonrecurring items. These included extensive restructuring expense of €431 million and associated impairment charges of €370 million. Earnings at Marine Systems were additionally impacted by the effects of order cancellations, possible liability risks in civil shipbuilding and higher project costs for yachts.

**1** Technologies returned a loss of €868 million in 2008/2009 – compared with a profit of €741 million a year earlier.

At the end of the reporting year Technologies had 49,056 employees, 4,987 fewer than a year earlier. Most of the workforce changes related to the European subsidiaries of the Mechanical Components and Automotive Solutions business units, but there were also job cuts at Marine Systems and Plant Technology. In addition, the number of outside contractor employees was reduced by more than 2,400.



The postponement of investment decisions by customers had an increasing impact on order intake at Plant Technology.

### Plant Technology

Order intake at Plant Technology weakened increasingly during the past fiscal year due to the postponement of investment decisions by customers. This affected all areas of the business unit. One encouraging aspect in the chemical plant sector was the acquisition of a major order to build a 300,000 ton-per-year low-density polyethylene plant in Qatar; Plant Technology also received three orders to build aromatics plants in China.

Thanks to the high level of orders in hand in the chemical and cement plant sectors at the beginning of the fiscal year, Plant Technology achieved a year-on-year increase in sales to €3.7 billion. Profits were slightly lower due to higher project costs and lower interest income.

### Marine Systems

Thanks to major orders for six material packages to build class 214 submarines for South Korea and two material packages for class 212A submarines for Italy, Marine Systems matched its prior-year order intake for naval shipbuilding. In addition, an agreement was initialed in July 2009 for six material packages to build export class 214 submarines for the Turkish navy; the order is expected in fiscal 2009/2010. The submarines, which will feature fuel cell technology, will be built at a Turkish shipyard. Running counter to this was the cancellation of Greek naval shipbuilding orders at the end of the fiscal year. The civil shipbuilding operations were hit by further substantial order cancellations for container ships and yachts as a result of the severe drop in freight rates and financing problems at customers. Declining volumes in the global ocean freight trade also resulted in weaker repair and service business.

Sales at Marine Systems were significantly down from the previous year at €1.6 billion. The business unit reported a substantial loss, compared with a profit a year earlier. Orders for container ships and yachts were cancelled. Given the weak order situation – especially for container ship construction – it was necessary to reduce overcapacities, resulting in substantial restructuring expense for workforce adjustments. There were further negative effects from impairment charges, inventory writedowns, possible liability risks from civil shipbuilding as well as higher project costs for yachts.

### Mechanical Components

The sharp drop in demand in the automotive and construction machinery businesses and in the engineering sector in general resulted in a substantial decrease in orders for the high-tech components of the Mechanical Components business unit. This affected all areas, but in particular the production of construction machinery components and forged crankshafts. Good sales were once again achieved in business with slewing bearings and rings, enabling us to maintain our leading position on promising markets, such as the wind turbine sector.

Sales of Mechanical Components fell to €2.8 billion. Due to declining workloads, cost-cutting measures were introduced, such as reductions in the number of temporary workers, an increase in

short-time working, savings on the healthcare program at the North American foundries and personnel cutbacks at foreign locations. Despite these measures the business unit returned a heavy loss, compared with a high profit in the prior year. Alongside the sharp drop in sales, other major factors in this included substantial restructuring expense, impairment charges and the absence of income from the disposal of a company in the prior year.

### Automotive Solutions

The Automotive Solutions business unit supplies innovative system solutions for the automotive industry in the areas of steering systems, dampers, body-in-white lines, body and chassis components as well as assembly systems for engines, transmissions and axles. Declining demand from the auto industry led to a decrease in orders and sales in all areas.

A wide variety of measures were implemented to reduce costs and adjust to the lower workloads. Despite this, the business unit reported a heavy loss as a result of falling demand, high provisions for onerous contracts, impairment of current and non-current assets and restructuring expense.

### Transrapid

Transrapid generated sales of €35 million, mainly due to billings under the Chinese license agreement. Earnings were impacted by restructuring expense and impairment charges.

### Significant events

The segment continued its concentration on core business in 2008/2009.

Technologies acquired the 25% share in ThyssenKrupp Marine Systems AG held by One Equity Partners (OEP) and is thus the sole owner of the European shipyards group. Also in the Marine Systems unit, Atlas Elektronik – a joint venture between ThyssenKrupp Technologies (51%) and EADS (49%) – acquired the business operations of Underwater Systems (uws) from the QinetiQ Group.

As a result of the global recession and the associated slumps in world trade, the international shipbuilding market has substantial overcapacities and is currently in a phase of consolidation. We do not expect any major change in this situation in the medium term, especially in commercial shipbuilding. For this reason, ThyssenKrupp Marine Systems and SIAG Schaaf Industrie are planning to jointly expand the Emden site of Blohm + Voss Nordseewerke into a viable high-tech location for offshore technology and thus secure and sustain jobs. A corresponding sales contract was signed in October 2009. SIAG, a leading manufacturer of components for wind turbines, plans to produce components for offshore installations at the Emden site. ThyssenKrupp Marine Systems will maintain a presence there and focus on demanding engineering and repair activities for naval shipbuilding.

In October 2009, ThyssenKrupp Marine Systems and the Abu Dhabi MAR Group, a shipbuilding group based in Abu Dhabi, signed a memorandum of understanding to enter into a close strategic partnership. The aim of the planned collaboration is to boost marketing opportunities for Blohm + Voss's naval service vessels – frigates and corvettes – while securing shipbuilding employment in Germany.

Mechanical Components expanded its strong world market position in assembled camshafts with the acquisition by ThyssenKrupp Presta Danville, LLC of the remaining 55% interest in Systrand Presta Engineering Systems, in the USA.

**i**

In the future, the Emden site of Blohm + Voss Nordseewerke is to become established as a high-tech supplier of offshore technology.



Capital expenditure at Technologies totaled €616 million in 2008/2009.

### Capital expenditures

Technologies invested €616 million in property, plant and equipment and intangible assets in the reporting year, with depreciation totaling €361 million. Capital spending was mainly aimed at maintaining existing operations and continuing with projects already started. The greater part of the investments were made in Germany, China, North and South America and India.

Plant Technology further expanded its low-cost engineering strategy and set up a pilot plant to produce polylactic acid (PLA). PLA is derived from biodegradable renewable resources and thus offers an alternative to PET plastics in the film and packaging industry. We will use the plant to validate process capability for industrial-scale production and advance the marketing of PLA technology. We also expanded production capacities in China and invested in the development of China as an attractive procurement market.

Marine Systems initiated the construction of a new service center in Hamburg to allow ship repairs to be carried out locally while docked. In the future spare parts sales, engine service, industrial service and port repair operations will be combined in this center.

As demand from the wind energy sector remained strong, Mechanical Components continued the special investment program it launched in the prior year. The slewing bearing production operations in Germany were adapted to secure our competitive position.

In the automotive supply business we prepared the launch of a new generation of electric steering systems. Following successful product development, the first production capacities were installed.

## Elevator

### ELEVATOR IN FIGURES

		2007/2008	2008/2009
Order intake	million €	5,535	5,038
Sales	million €	4,930	5,308
Central/Eastern/Northern Europe	million €	1,482	1,521
Southern Europe/Africa/Middle East	million €	827	819
Americas	million €	1,892	2,122
Asia/Pacific	million €	495	634
Escalators/Passenger Boarding Bridges	million €	332	329
Accessibility	million €	215	227
Corporate/Consolidation	million €	(313)	(344)
Earnings before taxes (EBT)	million €	434	558
Investments	million €	136	135
Employees (Sept. 30)		42,992	42,698

With its customized elevators, escalators, moving walks, passenger boarding bridges, stair and platform lifts, ThyssenKrupp Elevator remained one of the world's leading suppliers of intelligent passenger transportation systems in 2008/2009. Our continuing strong market position is founded on our innovative capabilities, service quality, closeness to customers and excellently trained employees.

### Record earnings again

The segment continued its positive performance in 2008/2009. In times of the global economic crisis, order intake fell short of the high prior-year level, slipping 9% to €5.0 billion. However, sales and earnings improved significantly and reached new record levels.



Thanks to the high level of orders received for new installations in the prior year and the strong performance of the service and modernization business, sales were up 8% to €5.3 billion. Despite restructuring expense of €32 million, profits climbed by 29% to a record €558 million. This success was driven by volume increases and operating improvements, especially at the US operations.

At the end of the fiscal year the segment had a total of 42,698 employees, 1% fewer than a year earlier. The picture varied in the individual business units depending on the order situation and the overall economic situation on the respective markets. In growth regions such as China and the Middle East, new employees were recruited in line with our successful expansion strategy. In many other regions the workforce remained stable, while in the USA, the United Kingdom and Spain the number of employees decreased as a consequence of the economic crisis.

### Central/Eastern/Northern Europe

Orders at the Central/Eastern/Northern Europe business unit were lower than a year earlier due to the decline in the new installations business. The UK and Russian activities reported particular decreases. In France, too, it was not possible to match the high prior-year order intake. However, thanks to the high level of orders in the previous year, the business unit's sales were slightly higher at €1.5 billion. The French, Russian, German and Dutch operations achieved notable growth. By contrast, sales in the UK were significantly lower.

As a consequence of the higher sales, the business unit's profit also improved slightly. The main earnings growth was generated in Germany and the Netherlands; by contrast, the UK operations reported declining profits.

### Southern Europe/Africa/Middle East

Order intake at the Southern Europe/Africa/Middle East business unit was down slightly. However, at €819 million sales were almost level with the prior year. At the Spanish operations, growth in service and modernization business was unable to fully offset the sharp decline in new installations. Most other regions achieved higher orders and sales – in particular the Gulf States, Egypt and Portugal.

The business unit recorded a slight year-on-year increase in profits. The Spanish operations in particular achieved further good earnings through their strong service and modernization business.

### Americas

Despite positive exchange-rate effects, the Americas business unit failed to match its high prior-year order intake. This was due to the sharp decline in the North American market for new installations. By contrast, sales benefited from the high prior-year order intake and at €2.1 billion showed a substantial year-on-year improvement. Both the new installations and service business contributed to this, especially in North America. There was also a very pleasing expansion of business in South America, above all Brazil.

The business unit's profit was significantly higher than a year earlier, due mainly to further volume and efficiency increases in North America and Brazil and slightly positive effects from the US dollar exchange rate.

**[1]**

Americas, Elevator's largest business unit, improved its sales in 2008/2009 to €2.1 billion.



In the Asia/Pacific region Elevator generated higher orders and sales in 2008/2009 and posted a profit.

### Asia/Pacific

Order intake in the Asia/Pacific business unit was up year-on-year. Sales climbed to €634 million. This improvement was driven mainly by the Chinese and Korean operations. A significant decline in the Australian market for new installations resulted in lower orders there, though sales profited from the high prior-year order intake.

Following a loss a year earlier, the business unit reported a profit in the year under review. The main contribution was made by the Korean operations, where the completed restructuring measures started to reap rewards. The other regions also improved or maintained their earnings.

### Escalators/Passenger Boarding Bridges

Order intake at the Escalators/Passenger Boarding Bridges business unit was slightly lower than a year earlier. Sales at €329 million were level with the prior year. The German escalator plant in particular showed weaknesses.

Despite a marked earnings improvement in passenger boarding bridges, the business unit again returned a loss. This was due to restructurings at the German escalator plant made necessary by the significant decline in business volume. At operating level, the escalator operations overall achieved higher earnings than a year earlier. The lower income from the German operations was offset by substantial improvements in earnings at the Spanish and Chinese plants.

### Accessibility

The Accessibility business unit remained on growth track and achieved both higher orders and sales, driven by the European operations. However, the distinct decline in the US housing market impacted negatively on the volume of business there.

As a consequence of the weak US business, the business unit's profits were down year-on-year. The higher earnings of the European operations had a positive effect.

### Significant events

Elevator further expanded its international sales and service business and acquired several companies in 2008/2009. In Italy, for example, we acquired two service companies to further consolidate our strong market position.

### Capital expenditures

In the reporting year, the segment invested €116 million in property, plant and equipment and intangible assets, with depreciation at €66 million.

The capital spending related mainly to replacement investment. In addition, Elevator invested in developing automation technology at its plant in Middleton, Tennessee/USA. The segment acquired several smaller maintenance companies, with the focus on further developing the Italian market.

## Services

### SERVICES IN FIGURES

		2007/2008	2008/2009
Order intake	million €	17,453	11,166
Sales	million €	17,336	11,896
Materials Services International	million €	8,539	5,511
Materials Services North America	million €	1,746	1,100
Industrial Services	million €	1,671	1,544
Special Products	million €	5,430	3,804
Discontinued operations/Consolidation	million €	(50)	(63)
Earnings before taxes (EBT)	million €	750	(271)
Investments	million €	369	210
Employees (Sept. 30)		46,486	43,235

With some 800 locations in 50 countries, Services is focused on the global distribution of materials and the provision of services. Its range includes carbon and stainless steel, tubes and pipes, nonferrous metals, plastics, alloying metals, minerals, coal and coke. Services include processing, warehousing/logistics, supply chain management, infrastructure solutions in railway and construction equipment as well as plant and steel mill services.

1

Sales at Services fell by 31% in the reporting year to €11.9 billion.

### Earnings impacted significantly by materials business

Services achieved sales of €11.9 billion in fiscal 2008/2009, 31% lower than a year earlier. Compared with the record year 2007/2008, the reporting period was characterized by sharp declines in volumes and prices. It was not until the end of the fiscal year that the situation showed signs of stabilizing at a low level.

The substantial earnings fall in the materials business was only slightly offset by profits in other areas. As a result the segment made a loss of €271 million, its worst ever result. Writedowns on inventory totaling €40 million had to be recorded at September 30, 2009. Further adjustment measures were initiated to supplement the cost-cutting measures introduced at the start of the fiscal year; this resulted in restructuring expense of €95 million.

At the end of the fiscal year the segment had 43,235 employees, 3,251 fewer than a year earlier. Due to low workloads, job cuts had to be introduced above all in the auto-related service business in Germany and in the materials services business outside Germany. On the other hand, new employees joined the segment as a result in particular of strong orders for services in Brazil, North America and Egypt.

### Materials Services International

The poor economic conditions impacted virtually all product areas of the Materials Services International business unit. This applied in equal measure to Germany, Western and Eastern Europe, South America and Asia. As a result, sales volumes declined significantly. Revenues fell to €5.5 billion. Due to the economic uncertainty, many customers placed orders at increasingly shorter intervals and for smaller volumes. The extremely weak demand was accompanied in the course of the year by a massive fall in prices, which only started to stabilize at a low level towards the end of the year. This affected rolled steel, stainless steel, nonferrous metals and tubes. The plastics business was also weak as a result of the noticeable decrease in orders from industry and the construction sector.

Due in particular to the massive drop in prices, the business unit reported a significant loss in the warehousing business in 2008/2009. Massive writedowns on inventory also had to be absorbed.

#### **Materials Services North America**

The recession in the USA and the associated fall in demand and prices for carbon and stainless steel and nonferrous metals intensified further in the reporting period. As a result, sales at Materials Services North America fell sharply to €1.1 billion.

Competition and margin pressure increased on all customer markets. The earnings situation deteriorated rapidly and the business unit ended the fiscal year with a loss.

#### **Industrial Services**

Industrial Services recorded sales of €1.5 billion in the reporting year, just short of the year-earlier figure. The global financial and economic crisis left its mark, albeit with a time lag. While the scaffold business in North America performed very well, business with the auto industry in particular declined sharply. Service business with the energy and petrochemical sectors also slowed in the course of the fiscal year.

As a result of the continued weak level of service activities for the automotive industry and the associated restructuring measures, earnings at Industrial Services were lower year-on-year, but the business unit still returned a pleasing profit.

#### **Special Products**

The Special Products business unit, which by tradition has always been very successful, also felt the effects of the global crisis in 2008/2009. As a result of the sharp decline in demand and falling raw material prices, sales decreased to €3.8 billion. It was not until the second half of the fiscal year that prices for alloying metals recovered slightly at a low level. Due to high export duties, most of the business with coke was transacted within China only. The rolled steel and tube businesses and the technical trading operations recorded a significant drop in orders in the final months of the reporting year but held up well overall compared with the excellent prior year. Despite some weakening towards the end of the year, the contractors' plant and railway equipment operations remained stable. The steel mill service and technical service operations allocated to the business unit at the start of the reporting year performed pleasingly, especially in Brazil.

The business unit failed to match its very good prior-year profit but still made the biggest contribution to the segment's earnings.

#### **Significant events**

At the start of October 2009 the segment initiated the sale of ThyssenKrupp Industrieservice GmbH to WISAG, a leading German services group. The process of selling the North American scaffolding specialists Safway was also initiated.



The Special Products business unit made the biggest contribution to earnings in the Services segment in 2008/2009.

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Investments at Services amounted to €205 million in the reporting year, with depreciation of €157 million.

### Capital expenditures

Investments in property, plant and equipment and intangible assets amounted to €205 million, with depreciation of €157 million.

Capital spending in the Materials Services International business unit related mainly to the expansion of materials services. Warehouse and processing capacities were modernized and expanded at various locations in Central and Eastern Europe, France and Germany. Materials Services North America invested in the further expansion of its aluminum and stainless steel service centers. Industrial Services required several smaller investments to secure long-term orders. Expenditure at Special Products focused on building up specialized services for the steel mill under construction in Brazil; the package of services on offer includes classic steel mill services, slab finishing and slab transportation as a single-source solution.

## Corporate at ThyssenKrupp AG

Corporate comprises the Group's head office including corporate services 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. Sales reached €127 million compared with €124 million a year earlier.

Earnings amounted to €(344) million, an improvement of €73 million from the prior year. This was mainly the result of reductions in administrative costs and positive effects from the fair-value hedging of interest/currency derivatives. Net interest deteriorated, mainly because of measures to secure the Group's liquidity.

# Financial position

Against the background of the global financial and economic crisis, our efforts in the reporting year focused on securing a solid financial position.

## Central financing and maintenance of liquidity

The aim of our financing policy is to ensure that we have sufficient liquidity reserves at all times to meet the Group's payment commitments.

The financing of the Group is managed centrally by ThyssenKrupp AG, which maintains the liquidity of the Group subsidiaries mainly by making available funds within the Group financing system, negotiating and guaranteeing loans or providing financing support in the form of letters of comfort. Liquidity is maintained on the basis of a multi-year financial planning system and a monthly rolling liquidity planning system covering a planning period of five months. All consolidated Group subsidiaries are included in this planning.

The operating activities of our Group subsidiaries and the resultant cash inflows are the Group's main source of liquidity. Our cash management systems take advantage of the surplus funds of individual Group subsidiaries to cover the financial requirements of others. By settling intercompany sales via intercompany financial accounts we can reduce cost-incurring bank account transactions. Our intercompany cash management system reduces external financing requirements with a positive effect on our interest expense.

Any external financing required is covered by committed credit facilities. These funds can be obtained in various currencies and over various terms. In addition, money and equity market instruments are used as well as other selected off-balance financing instruments such as factoring programs and operating leases. Information on the available credit facilities is provided in Note 25 on page 218.

Our centralized financing system strengthens the Group's negotiating position vis-à-vis banks and other market participants and enables us to procure and invest capital on optimum terms.



### Issuer ratings since 2001

Issuer ratings facilitate access to international capital markets. ThyssenKrupp has been rated by Moody's and Standard & Poor's (S&P) since 2001 and by Fitch since 2003. Our credit standing is rated by the agencies as follows:

	Long-term- rating	Short-term- rating	Outlook
Standard & Poor's	BBB-	A3	Watch negative
Moody's	Baa3	Prime-3	negative
Fitch	BBB-	F3	negative

Experience shows that ratings upgrades lead to lower refinancing costs, while downgrades have a negative effect.

## Analysis of statements of cash flows

The amounts taken into consideration in the statements of cash flows correspond to the balance sheet item "Cash and cash equivalents".

Operating cash flows in 2008/2009 amounted to €3,699 million, virtually unchanged from the prior year. This was the result of two opposing developments: Net income before impairment losses/reversals in connection with non-current assets and before deferred taxes and income from investments accounted for using the equity method decreased by €4,155 million. At the same time, however, there was an almost equal improvement in capital employed in operating assets and liabilities including accrued pension and similar obligations. The improvement in the capital employed situation was mainly the result of a significant reduction in inventories and trade accounts receivable totalling €6,162 million which was set against an increase in trade accounts payable of €2,261 million.

Cash outflow from investing activities increased year-on-year by €139 million to €4,037 million due mainly to the reduction in proceeds from disposals of previously consolidated companies by €165 million to €6 million.

As in the prior year, free cash flow, i.e. the sum of operating cash flows and cash flows from investing activities, was negative. Compared with the prior year, free cash flow deteriorated by €119 million to €(338) million.

There was a cash inflow from financing activities of €2,983 million in 2008/2009, compared with cash outflows of €705 million in the prior year. The total €3,688 million change was the result of the following developments: A cash inflow resulted from the €2,468 million rise in gross financial debt and the €465 million payments received in connection with the increase in Vale S.A.'s share in ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. The rest of the change related mostly to the €880 million cash outflow in the prior year for the purchase of treasury stock.

1

In 2008/2009 operating cash flow was almost unchanged from the previous year.

## CHANGE IN CASH AND CASH EQUIVALENTS in million €

Cash and cash equivalents 09/30/2008	Operating cash flows	Cash flows from investing activities	Cash flows from financing activities	Exchange rate changes	Cash and cash equivalents 09/30/2009
2,725	3,699	(4,037)	2,983	5	5,375

## Analysis of balance sheet structure

Compared with September 30, 2008, the balance sheet total decreased by €275 million to €41,367 million.

Non-current assets increased by €2,135 million, mainly as a result of the increase in property, plant and equipment (€2,527 million) caused in particular by progress on construction of the two major projects in Brazil and the USA. Set against this was a reduction in advance payments on property, plant and equipment (€431 million) reported under other non-current non-financial assets, which likewise related mainly to the major projects in Brazil and the USA. Overall in 2008/2009 intangible assets in the amount of €103 million and property, plant and equipment in the amount of €173 million were reclassified as assets held for sale.

Current assets decreased by a total of €2,410 million. The decline was mainly the result of significantly lower inventories and trade accounts receivable; against this, cash and cash equivalents increased.

Inventories decreased by €2,759 million to €6,735 million. The decrease related mainly to the Steel (€839 million) and Stainless (€768 million) segments and resulted in particular from production cutbacks and inventory reductions as a consequence of the drastic slump in demand on the steel and stainless markets and price-related writedowns. The additional significant decline in the Services segment (€1,029 million) was also the result of a reduction in inventory volumes in conjunction with significant price-related writedowns. The reclassification of items as assets held for sale was responsible for a €21 million reduction.

Trade accounts receivable decreased by €2,765 million. The overall reduction stemmed in particular from the Steel (€598 million), Stainless (€249 million) and Services (€960 million) segments and was due to the significant weakening of business activity. The reduction in the Technologies segment (€532 million) was attributable above all to the sharp decline in automotive and construction machinery business and to increased writedowns, due mainly to order cancellations in merchant and naval shipbuilding. The reclassification of items as assets held for sale led to a €152 million decrease.

**i**

The €2.8 billion decrease in inventories related mainly to the Steel and Stainless segments.



Cash and cash equivalents increased by €2,624 million to €5,349 million mainly as a result of the issue of bonds (€2,986 million) and payments of €465 million received in connection with the increase in Vale's share in ThyssenKrupp CSA Siderúrgica do Atlântico Ltda.; this was counteracted in particular by the negative free cash flow (€(338) million) due to weaker business activity and high capital expenditure, and dividend payments (€650 million). In addition, the reclassification of items as assets held for sale resulted in a €26 million reduction.

Other financial assets reported under current assets increased by €372 million, in particular as a result of a claim for cash payments from Vale in connection with the increase in its share in ThyssenKrupp CSA Siderúrgica do Atlântico. The €229 million reduction in other current non-financial assets related mainly to a fall in advance payments.

Assets held for sale increased by €476 million. This rise resulted from the reclassification of assets in connection with the disposals initiated in 2008/2009 of the ThyssenKrupp Industrieservice business unit and the American scaffolding service provider Safway in the Services segment. In 2008/2009 non-current assets in the total amount of €282 million and current assets totalling €209 million were reclassified.

The €1,793 million reduction in total equity to €9,696 million related in the amount of €1,873 million to the net loss incurred in the reporting year. On top of this came dividend payments in fiscal 2008/2009 in the amount of €650 million and net pre-tax expense recognized directly in equity in the amount of €1,119 million. The net expense recognized directly in equity related mainly to actuarial losses from the valuation of accrued pension and similar obligations (€1,073 million). Running counter to this were unrealized gains from derivative financial instruments in the amount of €222 million before taxes, and tax effects recognized directly in equity of €284 million. In addition, there were other changes in minority interests of €1,361 million, mainly resulting from the increase in Vale's share in ThyssenKrupp CSA Siderúrgica do Atlântico.

Non-current liabilities increased by a total of €4,106 million. €4,092 million of this increase was due to the rise in non-current financial debt, €2,986 million of which related to the issue of bonds. The €975 million rise in accrued pension and similar obligations was mainly the result of the actuarial losses recognized in 2008/2009. The €151 million increase in other non-current provisions chiefly reflected provisions for restructuring measures; running counter to this were reclassifications of €29 million to liabilities associated with assets held for sale. Net deferred taxes increased by €992 million, €821 million of which reflects the decrease in deferred tax liabilities and €171 million the rise in deferred tax assets. The increase in the net position is mainly attributable to higher deferred tax assets in connection with loss carryforwards as well as higher temporary differences in pension and inventory valuation.

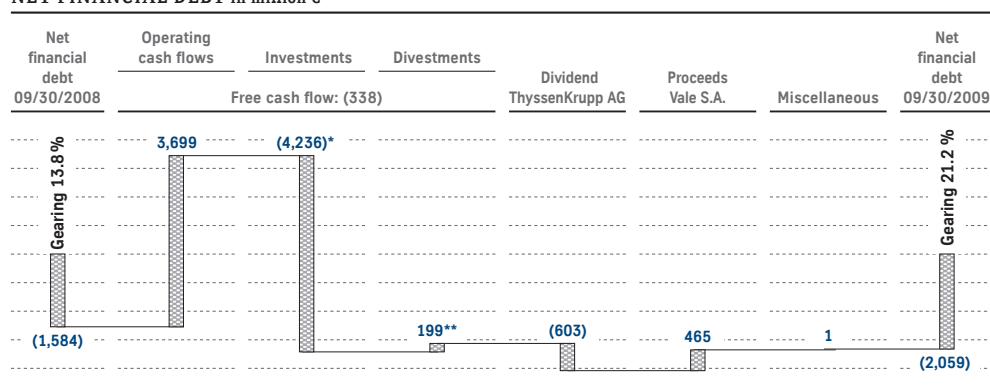
[1]

Total equity at September 30, 2009 was €9.7 billion, €1.8 billion lower than a year earlier.

The €317 million decrease in other non-current financial liabilities was in connection with the increase in Vale's share in ThyssenKrupp CSA Siderúrgica do Atlântico.

Current liabilities decreased by €2,588 million, due mainly to the significant reduction in trade accounts payable by €1,562 million. This related principally to the Steel (€373 million), Stainless (€294 million) and Services (€714 million) segments as a result of the sharp downturn in business. Furthermore, current financial debt decreased by €1,043 million; €500 million of this related to the redemption of a bond and €139 million to reclassifications to liabilities associated with assets held for sale. The €294 million rise in other current provisions related in the amount of €359 million to provisions for restructuring measures; running counter to this was the reclassification of €35 million to liabilities associated with assets held for sale. The €845 million reduction in other current non-financial liabilities was chiefly the result of a decrease in liabilities under construction orders in the Technologies segment and the exercise of a put option by One Equity Partner (OEP) in connection with the acquisition of the remaining 25% share in ThyssenKrupp Marine Systems AG. Liabilities associated with assets held for sale increased by €288 million due to the reclassification of liabilities in connection with the disposal of activities in the Services segment initiated in the reporting year. In 2008/2009 non-current liabilities totaling €69 million and current liabilities totaling €219 million were reclassified.

#### NET FINANCIAL DEBT in million €



\* incl. cash and cash equivalents acquired in the amount of €2 million

\*\* incl. cash and cash equivalents disposed of in the amount of €5 million

## Assets not recognized and off-balance financing instruments

In addition to the assets recognized in the consolidated balance sheet, the Group also uses assets which cannot be recognized. These mainly concern leased or rented assets (operating leases). More details on this are presented under Note 29 on page 221.

The main off-balance financing instruments we use are factoring programs. More details can be found under Note 18 on page 206.

A major intangible asset is the ThyssenKrupp brand. It is continuously further developed by us and strengthens the image of our Group companies on their markets. More information on our new corporate design and our communications activities can be found on pages 81 and 104-105.

Our long and trusting relations with suppliers and customers are also of high value to us. Especially in difficult economic times they bring stability to our business activities and make us impervious to sudden market fluctuations. For example, our specialized technical cooperation with our business partners permits the timely use of our input in development projects which lead to new forward-looking products at our customers. This often gives us a competitive edge over newcomers on our markets. In particular in the automotive industry, our customer relationships are characterized by technical collaborations and joint development ideas. Extensive materials expertise, a knowledge of innovative process technology and reliable supply chain management provide key competitive advantages on this market. Major innovation projects are presented in detail on pages 142-147.

In plant construction, too, the good reputation of successful ThyssenKrupp projects pays dividends. When industrial and infrastructure projects are planned – especially in the Middle and Far East – our reference facilities open doors.

Added to this is the consistent commitment of our managers and employees, many of whom have worked for our company since the start of their careers. Their personal dedication, their knowledge of markets and operating processes, and their constant eagerness to come up with innovative ideas contribute to the value of our enterprise.



Details: Page 221



Details: Page 206



Details: Pages 81 and 104-105



Details: Pages 142-147

# Responsibility and commitment

Responsible management and corporate citizenship have a long tradition at ThyssenKrupp and are firmly integrated in our corporate culture. Our goal is to achieve sustainable economic success in the interests of our customers and stockholders and at the same time take into account the needs of our employees and society.

ThyssenKrupp takes responsibility every day throughout the world – for our products, our employees, our stockholders' capital, our environment, and the society in which we live. We are committed to the principle of sustainability and justice between generations.

We can only meet our responsibility as a global enterprise today and in the future if we achieve long-term business success. At the same time we are convinced that responsible management engenders trust in our company and thus contributes to this long-term business success. That is why corporate responsibility is not just a major component of our corporate culture but also key to achieving our long-term goals.



ThyssenKrupp's code of conduct strictly rejects discrimination against members of the workforce.

## Social standards in labor relations

ThyssenKrupp accepts social responsibility for its employees around the world. We are committed to a culture based on respect for all, regardless of gender, nationality, ethnic origin, religion, physical ability and age. The Executive Board of ThyssenKrupp AG has concluded a global agreement with the Group Works Council and the European Works Council based on the principles of the International Labor Organization in which discrimination against members of the workforce is strictly rejected. The guidelines in this Code of Conduct are one of the reasons why cooperation among employees at our locations around the world is shaped by tolerance and mutual respect.

## Responsible conduct within the supply chain

We also work to promote uniform standards of compliance and corporate responsibility in relation to our customers and suppliers. In the reporting year, ThyssenKrupp was part of a working group of the German association of materials management, purchasing and logistics (Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (BME)) responsible for developing a code of conduct containing fundamental rules and principles to combat corruption and anti-competitive behavior and to promote human rights, environmental and health protection, and fair working conditions. By signing the code of conduct, we have undertaken to comply with the standards which are based on the United

Nations Global Compact principles and the United Nations Universal Declaration of Human Rights. In addition, we work to ensure that our suppliers also comply with the BME code of conduct.

### Corporate citizenship

Beyond our business activities, our Group sees itself as a corporate citizen – i.e. a committed and responsible member of society at our locations. To this end we promote a large number of non-profit projects, organizations and initiatives – be it in education, science, culture and sport or in social, charitable and humanitarian activities.

### Key skills for children and young people

Learning is a basic human need and a prerequisite for individual and social development. It is our goal to promote the teaching of technology and science above all to children and young people.

That is why we have supported the “KITZ.do” technology center for children and young people in Dortmund since it was first established. The KITZ.do center introduces children and young people to science and technology. The “bridge-building kit” project initiated by ThyssenKrupp in association with Stiftung Partner für Schule NRW and the University of Münster is aimed at promoting the teaching of technology at elementary schools. At the beginning of 2009, kits containing building material and accompanying teaching material on “bridge building and structural analysis” were distributed to a hundred primary schools. In parallel with this, teachers received guidance on working with the technology kits at the University of Münster.

The Group has for many decades supported Germany’s largest and most successful youth science competition “Jugend forscht”, which promotes special achievements and abilities in science, mathematics and technology. In early 2009 regional heats of “Jugend forscht” were once again held at our locations in Dortmund, Duisburg and the Saarland. Apprentices from ThyssenKrupp were among the successful entrants.



Regional heats of the “Jugend forscht” youth science competition are also staged at ThyssenKrupp locations.

### Networking and knowledge sharing

Public discussions and political decisions affect ThyssenKrupp in many ways. We regard making an active contribution to the public opinion-forming process, taking a stand and defending what we believe as an important part of our social responsibility. For this reason we are, for example, a member of “econsense – Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e.V.” (German industry forum for sustainable development), a grouping of 26 globally active German enterprises and organizations set up to address the issues of corporate responsibility and sustainability. At European level we support the “European Alliance for Corporate Social Responsibility”, which now brings together over 230 enterprises and organizations from all parts of Europe.

ThyssenKrupp is also a founding member of the “Knowledge Factory” which is involved in education projects as well as initiatives for business startups and young entrepreneurs throughout Germany via its member companies. We also support “acatech”, the German academy for engineering sciences, as an independent voice of technology. The academy conducts an intensive dialogue on forward-looking technologies and their significance for sustainable growth.

We support initiatives and projects aimed at strengthening regions with which the Group has traditional links or where we have business operations. For instance, for many years we have been providing support for the Initiativkreis Ruhr. With its forward-looking projects, this alliance of leading companies from the region plays a major role in the further development of the Ruhr as an industrial location.



In 2008 our IdeasPark received an award for the most coherent corporate citizenship concept.

### Awards for corporate social responsibility

ThyssenKrupp won two awards for outstanding corporate social responsibility in the reporting year. The IdeasPark – and thus the “Discovering future technology” initiative – was the winner in the “Large companies” category of the “Freedom and Responsibility” initiative competition. In addition, we received the 2008 “Politik-Award” from the professional magazine “politik&kommunikation” in the “Corporate Social Responsibility” category. The award honors companies who demonstrate exemplary corporate citizenship and voluntarily integrate social and ecological concerns into their corporate actions. The 2008 Politik-Award went to ThyssenKrupp and the IdeasPark as the “most coherent, effective and best communicated corporate citizenship concept”.

### Commitment to art, cultural and sporting activities

We consider a wide range of partnerships in art and culture to be important for sustainable development. The Group is therefore involved in numerous projects and provides both financial and moral support. This helps bring attractive events to areas close to our major locations.

ThyssenKrupp is a member of the “Friends of the Deutsche Oper am Rhein opera company” and supports the philharmonic orchestras in Essen and Duisburg and the Düsseldorf Schauspielhaus theater. Alongside the Folkwang Museum in Essen we also support the Lehmbruck Museum in Duisburg.

In sport we promote a range of initiatives from selected competitions to small sports clubs close to our locations. We have for many years supported the international rowing regatta and the annual Rhine-Ruhr Marathon in Duisburg. Of the 5,700 runners who lined up for the 26th Rhine-Ruhr Marathon in June 2009, the largest group came from ThyssenKrupp, with 304 of our employees taking part.

# Sustainability and environmental protection

Protecting the climate and the environment is an important business responsibility. We meet it with many products, processes and services that ensure clean air and clean water and make sparing use of the earth's resources. In the past fiscal year alone we invested over €450 million in environmental protection at our plants. Every euro was well spent.

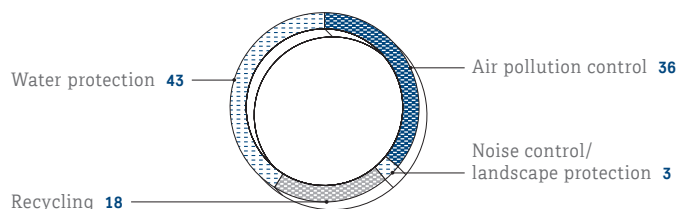
## Responsibility for climate and resources

When it comes to responsibility for the environment and its future, sustainability and resource conservation are top priorities for ThyssenKrupp. We spent €454 million on operating our pollution control facilities in the reporting year. The 11% decline from the prior year was due to the drop in output at many Group companies caused by the recession. All segments achieved a great deal in reducing the use of energy and raw materials in their plants and those of customers. Given the high prices of raw materials and energy, these measures also promoted cost efficiency. At €74 million, spending on environmental protection was 4% higher than a year earlier.

### ONGOING EXPENDITURE FOR ENVIRONMENTAL PROTECTION in million €

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Air pollution control	141	141	183	182	162
Water protection	165	168	204	201	195
Noise control/landscape protection	15	16	24	16	13
Recycling	81	87	109	112	84
<b>Total</b>	<b>402</b>	<b>412</b>	<b>520</b>	<b>511</b>	<b>454</b>

### ONGOING EXPENDITURE ON ENVIRONMENTAL PROTECTION 2008/2009 in %



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### Climate protection and CO<sub>2</sub> reduction

For ThyssenKrupp, climate protection means above all reducing CO<sub>2</sub>. In steel production, this gas arises for example when the oxygen contained in the ore is released in the blast furnace and combines with carbon to form CO<sub>2</sub>. Our production processes are already operating at minimum CO<sub>2</sub> levels; further reductions are not possible with the technologies now available. For this reason we have intensified our research and development efforts to explore new paths. Our Steel business is a founding member of the European ULCOS consortium, whose aim is to research and develop new steelmaking methods for the coming decades. In other areas of the Group too we identified and utilized further CO<sub>2</sub> reduction possibilities in the Groupwide project ECI (Energy, Climate and Innovation).



Our active environmental protection is constantly improving air quality at our Duisburg steel site.

### Selected environmental measures

Our efforts to improve air quality at the Duisburg steel site are achieving good success. After we continued the measures begun in 2005 to reduce particulate emissions and replaced blast furnace 4 with the new blast furnace 8, the air quality in the north of the city improved significantly. As a further active contribution to cleaner air in the north of Duisburg we will be retrofitting a sinter belt in the steel mill there with a new fabric filter system; we submitted a planning application for this to the responsible authorities in the reporting year. The new system will filter around 450 tons of particulates out of the air each year.

To provide a long-term disposal option for the wastes produced in the Duisburg steel mill we plan to add a third section to our landfill site in Dinslaken-Wehofen. The project is currently in the approval phase. In building and operating the site we will apply the highest environmental standards. When disposal operations end, the site will be restored and could serve the local population as a recreation area.

The other areas of the Group are also saving energy through a wide range of measures. Following modernization of the air conditioning equipment at our subsidiary Polysius, energy needs for cooling and heating have been halved, thanks also to improved heat reflection of the facade. In a 15 km long compressed air network at Marine Systems a previously separately operated compressor was integrated into the network and a disused tank was reactivated to provide greater storage capacity. The compressed air network was also the reason for a reduction in energy costs at ThyssenKrupp Bilstein: Thanks to an extremely sensitive leak detector, leaks can now be located even under production conditions, avoiding energy-intensive compressed air losses.

To recover machining oils, two new centrifuges separate swarf and oil at ThyssenKrupp Presta. Waste heat from the cupola furnace at ThyssenKrupp Waupaca is now being used for building heating. Depending on the amount of waste heat available, the new system can meet up to 70% of the plant's typical heating needs in winter as well as all its hot water requirements.

We completely rebuilt a converter facility at the Stainless plant in Krefeld. The two new AOD converters with change vessels and auxiliary equipment help reduce air pollution. AOD is the acronym for Argon Oxygen Decarburization. The converter vessels are now enclosed, allowing improved collection of the dusts and gases that occur during charging and tapping.



Environmental protection at ThyssenKrupp Acciai Speciali Terni has been enhanced by new production lines featuring advanced technology and reduced air and water emissions. The new dust collectors and filters are twice as effective as those previously installed. ThyssenKrupp Mexinox further reduced its water consumption by treating and recycling waste water. Shanghai Krupp Stainless received two renowned awards for successful active environmental protection: the Shanghai Advanced Health Business Unit Award and the Shanghai Municipal Water Saving Business Unit Award.

#### **i**

ThyssenKrupp elevators with regenerative drives reduce energy consumption by more than 30%.

### **Products for climate and environmental protection**

Numerous new materials, components and processes from ThyssenKrupp promote sustainability and climate protection, save energy and so protect the environment. For the new headquarters of Deutsche Börse in Eschborn, for example, we are supplying 15 particularly energy-efficient passenger elevators. Most of the elevators are equipped with regenerative drives: Energy arising as the cabs are slowed is converted into electricity and returned to the power supply. This lowers energy consumption by more than 30% compared with conventional designs and therefore also reduces CO<sub>2</sub> emissions.

We supplied very high-quality stainless steel for one of the biggest biogas plants in the world, being built near Halle in Saxony-Anhalt. The steel is being used in the 16 fermenters in which the biological processes take place.

The Posco group in Seoul, South Korea, is using innovative technology from our plant engineering subsidiary Uhde for the construction of new coke oven batteries. The PROven® system prevents emissions from all oven closures and during charging. Another plant engineering specialist in the Group, ThyssenKrupp Fördertechnik, is to build four fully mobile crusher plants in China. The China Power Investment Group, one of the country's big-five state-owned energy companies, intends to use the plants to modernize coal mining in the Baiyinhua field in Inner Mongolia. The innovative mining systems are expected to reduce annual CO<sub>2</sub> emissions by up to 100,000 tons.

# Innovations

Ideas for innovations are the raw materials of our engineers and technicians as they keep ThyssenKrupp fit for the world market. Our researchers have developed numerous new and significantly improved products and processes to make the Group even more competitive and give our customers a lead in their markets.

## Major innovation efforts

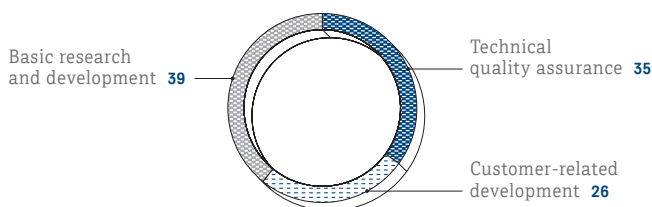
Our competitiveness and the long-term success of the Company depend to a large degree on the innovativeness of our products, services and manufacturing processes. Even in a difficult fiscal 2008/2009 we invested significant effort and expense in innovations.

### INNOVATION SPENDING in million €

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Basic research and development	186	241	257	316	284
Customer-related development *	266	230	294	224	193
Technical quality assurance	281	272	264	301	258
<b>Total</b>	<b>733</b>	<b>743</b>	<b>815</b>	<b>841</b>	<b>735</b>

\* including outside R&D funds and public funding

### INNOVATION SPENDING 2008/2009 in %



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[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

Total innovation expense came to €735 million. We spent €284 million on basic research and development including capitalized development costs. The costs of customer-related development work amounted to €193 million, while €258 million was spent on technical quality assurance. The 13% year-on-year decline in innovation costs was mainly due to a reduction in customer-related development work, which decreased temporarily owing to the deterioration in the order situation. The costs of external development services were also stretched out over a longer period. But despite the necessary cost reductions we will continue to press ahead with our main research and development projects.

## Trends and markets as innovation drivers

Global technological trends and the demanding requirements of the markets are the main drivers of our innovations. Key issues include environmental and climate protection and responsible use of finite resources and energy. For both ecological and economic reasons, our customers demand a lot of our researchers and developers.

Around 3,500 highly qualified employees, mainly with scientific, engineering or technical training, develop the innovations for our products and processes – focused on customers and always with an eye to future global trends. The skills of the employees of our various research and development centers complement each other in many different ways. Synergies between the individual areas of the Group are put to targeted and profitable use. Other important sources of innovations are close cooperation with our customers in development partnerships and a broad-based strategic R&D network including scientific institutions, universities and colleges.



Around 3,500 engineers and technicians maintain the Group's strong innovative capabilities.

## Focus on eco-friendly products

ThyssenKrupp again carried out a wide range of research and development projects in the reporting year. As well as high customer benefit, one key aspect characterizes all our projects – using energy and resources efficiently and avoiding polluting emissions. This applies equally to products, services and processes.

### 35 InCar successes

Under the InCar project – a Groupwide research and development initiative for innovations in auto production – we developed 35 new solutions for the body, powertrain and chassis areas. Among the highlights is an innovative valve control system that significantly reduces fuel consumption. A newly developed two-stage damper system allows car drivers to choose between comfort-oriented or sporty suspension characteristics. The InCar system costs around 44% less than conventional continuously variable dampers.



InCar is an intelligent modular system which we developed specially for demanding car manufacturers.

The InCar developments also include an innovative front axle beam with integrated steering gear. In current cars, the steering gear is fitted in a separate housing bolted to the axle beam. The newly developed beam not only accommodates the steering gear but also meets all structural requirements. This reduces weight by 11% and part and manufacturing costs by 3% compared with a conventional axle beam. This project came second in this year's Innovation Contest.

The lightweight chassis concept LCK II developed under the InCar project demonstrates the potential of high-strength steels. In this concept the steel rear axle is just as strong and only 4% heavier than a comparable aluminum design but costs 50% less. An 11% weight reduction and improved crash performance at no extra cost is provided by the Advanced Door concept: Here, the InCar developers used a highly integrative door inner and a thin, light outer panel made of high-strength dual-phase steel. Almost all reinforcement parts are integrated in the door inner, meaning that several parts and joining operations are eliminated.

To take climate protection into account in the development of new automobiles we also had a CO<sub>2</sub> emissions analysis carried out for each new InCar solution. The comprehensive analysis included not just emissions during a car's use but also the greenhouse gases arising during production. Auto manufacturers who combine the best ecological innovations from the InCar project can reduce harmful CO<sub>2</sub> emissions by more than 17 g per kilometer, or around 5,500 kg over the full lifecycle of a vehicle. The analysis was carried out by an independent institute on the basis of the European standard ISO 14044 and was certified by TÜV.

Lighter, cheaper and functionally improved – InCar is a firmly customer-focused initiative delivering high-quality results that are at the same time friendly to the environment. Our OEM customers can integrate the modular solutions directly into production.

### **New materials and improved properties**

We have developed a new electrical steel specially for electric motors in cars. The material permits higher performance and is tailored to the limited space conditions and the high speeds and temperatures of electric motors. It is thus suitable for both hybrid cars, in which the internal combustion engine is supported by an electric motor, and all-electric drives. Demand for the material is high: These drives require 2.8 kg to 5.6 kg of electrical steel per 10 kilowatts of drive power.

The doc® Dortmunder OberflächenCentrum, one of the world's most capable development centers for steel surfaces, working together with Deutsche BP has developed a new coating that makes it easier for customers to shape steel materials in stamping dies. Applied directly to the coil, the coating reduces friction between die and steel in the stamping process, allowing currently necessary additional treatments in press shops to be eliminated.

### **Higher quality through dynamic process control**

Our aim in the area of process innovations is to enhance equipment and manufacturing processes and set new industry standards. In the last fiscal year our materials center of excellence initiated a pilot project "Dynamic process control" designed to further improve the quality of our materials. For this, the various production steps in steelmaking are interlinked in such a way that any quality variations can

be corrected in the next stage of the process. The entire operation is controlled by a central computer that receives constant information from the process computers.

#### **Ideas for weight reduction**

Increased use of tubular parts is seen as key to reducing automobile weight in the future. With T3 technology, our steel business has developed a process capable of manufacturing near-net-shape tubular profiles. Because these profiles have almost the same shape as the subsequent part, several process steps still necessary today can be eliminated in the future. This technology can now also be used with corresponding dies on conventional deep-drawing presses. The precision tubes are subsequently closed by laser welding.

Our concept of laser-welded tailored products is also being applied to heavy plate. Similar to the tailored blanks already in use in the auto industry, the new tailored plates consist of welded individual plates of different grade or thickness that are tailored from the outset to the different local stresses in the subsequent part. As a result, both part weight and manufacturing costs can be reduced. Tailored plates are being used in the construction of cranes, trucks and earthmoving and mining machinery.

#### **New blanks made of stainless and dual-phase steel**

In a joint development project involving several areas of the Group our researchers and developers succeeded in firmly joining blanks of stainless steel and dual-phase steel by means of laser welding. The extremely narrow weld withstands both subsequent forming and the stresses occurring for example in a collision. In a further step the development team is currently working on Tailored Strips, made of steels of different chemical composition, for the production of weight-, stress- and cost-optimized vehicle parts.

#### **Europe's biggest cast ingot**

The installation of a new manipulator in conjunction with the new VOD furnace at ThyssenKrupp Acciai Speciali Terni widened the product range at the Terni site to include particularly large and heavy forgings. In November 2008, after long preparations, the plant produced Europe's biggest-ever cast ingot, weighing 500 tons. The new technology came third in the ThyssenKrupp Innovation Contest – recognition of the special know-how of the forging plant, which mainly produces generators and low-pressure shafts for the energy sector.

#### **STAR Process® – new, highly productive method of propylene manufacture**

Propylene is mainly used in the production of various plastics, e.g. for packaging, auto parts, technical fibers and consumer goods. It is traditionally recovered as a by-product of ethylene and fuel production. However, as demand for the gas is growing faster than demand for ethylene, propylene needs to be manufactured specifically. For this, our process engineers have developed the STAR Process®, which came first in this year's ThyssenKrupp Innovation Contest. The in-demand propylene is recovered from cheap and abundant propane by dehydrogenation. The first plant of this type will be handed over to an Egyptian customer in spring 2010.



The developers of the STAR Process® won first prize in this year's ThyssenKrupp Innovation Contest.

### Fuel cell for surface ships

Highly efficient fuel cells could soon be used in conjunction with clean energy sources such as gas, hydrogen or diesel made from biomass to supply eco-friendly power for ships. Following the success of fuel cell technology in the latest generation of submarines, fuel cells of different output classes are being tested on surface vessels under the “National innovation program for hydrogen and fuel cell technology”, supported by the German transport ministry. Our naval engineers are engaged in integrating the fuel cell into the ship’s architecture. Thanks to the fuel cell and suitable fuels such as sulfur-free diesel, certain emissions can be avoided completely; carbon dioxide emissions are reduced by 25%.

### Bearings for highly efficient wind turbines

The trend in wind turbines is towards pivoting rotor blades that continuously adapt to wind conditions as the rotor turns and thus optimize the overall efficiency of the turbine. For these innovative wind turbines we are developing blade adjustment bearings capable of meeting the increased requirements.



We have now received the one hundredth order for the innovative TWIN elevator.

### Sustainability and quality in elevator construction

Thanks to an innovation strategy geared to long-term success Elevator has built a strong market position in terms of technology and quality. We have now received an order for the hundredth TWIN elevator worldwide, to be installed in a new hotel in Frankfurt am Main. With its technological precision and efficiency TWIN has become a global success story. More and more building owners and architects are turning to the technology, offered exclusively by ThyssenKrupp Elevator. In the TWIN system two elevator cabs travel independently one above the other in the same shaft, taking up much less space while at the same time increasing capacity and convenience.

### Enhanced synergy machine room-less elevator

As well as the successful TWIN system, Elevator has other technological highlights to offer that enhance ride comfort for passengers and make planning easier for building owners and architects. One of them is the synergy elevator. For the two biggest construction projects in Egypt – two urban developments near Cairo – we are supplying a total of 584 synergy elevators. This is the second major contract for the two development projects following an initial order for 364 of these high-tech units. For the European market we offer a particularly efficient version that operates at a speed of up to 1.6 meters per second. The previous standard for machine room-less elevators was 1.0 meter per second.

### Elevator energy consumption reduced

In addition to component standardization, our innovation efforts in the elevator field are focused on new technologies and sustainable concepts for the environment. LED lighting, light-off function when elevators are not in use, intelligent destination selection control, energy-saving mode for controls – many features can be retrofitted without difficulty.

Our development engineers support building owners across the world in designing “green” buildings. For example on the North American market our equipment meets all the criteria for LEED certification (Leadership in Energy and Environmental Design) by the US Green Building Council. In the last fiscal year alone we supplied 38 energy-saving elevators for the Great American Tower in Cincinnati/Ohio as well as five escalators and elevators for the Wachovia First Street Office Tower in Charlotte/North Carolina. Both buildings received the coveted LEED certification.

#### **Innovative developments in the services portfolio**

The focus of innovation in our services business is on improving processes and developing new service offerings for our customers.

We have developed new applications in particular in the civil engineering field. For example, the construction of wind farms requires secure foundations for the wind turbines. The stresses are enormous: The steel rotor of an offshore wind turbine weighs around 1,000 tons, it has to absorb the wind energy of an area the size of one-and-a-half soccer fields, and the rotor turns at a speed of up to 320 km per hour at the tips. For these reasons we use a special high-frequency vibrator to construct the deep foundations; it delivers outstanding results in providing secure anchoring of the towers both on land and under difficult weather conditions offshore.

Another innovative service offering is the modernization of conventional power plants. We increase power plant efficiency and at the same time reduce pollutant emissions, particularly CO<sub>2</sub>. Thanks to a new modular retrofitting concept that combines all our existing know-how we can now meet custom requirements with one standardized concept. Modernization times are significantly shortened and both capital and operating costs are reduced. Above all, however, the service results in higher energy efficiency and lower emissions. This project won the Group’s special award for environmental innovation this year.

#### **[1]**

ThyssenKrupp modernizes conventional power plants for customers: Energy efficiency increases, pollutant emissions are reduced.

# Employees

For our customers, suppliers and other business associates, they are the face of the Group: Almost 190,000 employees develop, produce and negotiate every day on behalf of ThyssenKrupp so that we can provide innovative products and attractive services for our customers throughout the world. Although the economic downturn made short-time working and job cuts necessary, we were able to reduce the workforce in a socially compatible way and maintain a high level of apprenticeship training.

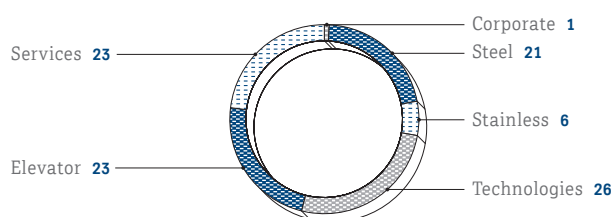
## Workforce development: Decline in employee numbers

Against the background of the economic downturn, there was a sharp fall in employee numbers. On September 30, 2009 ThyssenKrupp had 187,495 employees worldwide, a decrease of 11,879 or 6% from the end of the previous fiscal year. With the exception of Elevator, where the headcount remained virtually unchanged, all other segments reported – in some cases significant – job cuts.

### EMPLOYEES BY SEGMENT

	Sept. 30, 2005	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2009
Steel	39,828	38,840	39,559	41,311	39,156
Stainless	12,201	12,197	12,182	12,212	11,755
Technologies	56,448	54,757	54,762	54,043	49,056
Elevator	34,151	36,247	39,501	42,992	42,698
Services	35,067	40,163	43,012	46,486	43,235
Corporate	8,237	5,382	2,334	2,330	1,595
<b>ThyssenKrupp Group</b>	<b>185,932</b>	<b>187,586</b>	<b>191,350</b>	<b>199,374</b>	<b>187,495</b>

### EMPLOYEES BY SEGMENT on September 30, 2009 in %



Download the tables at:  
[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

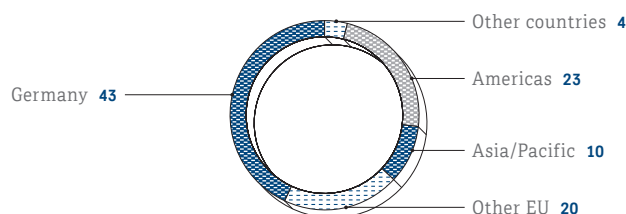


Compared with September 30, 2008 the number of employees in Germany fell by 5% to 81,229. The workforce outside Germany decreased by 7% to 106,266.

#### EMPLOYEES BY REGION

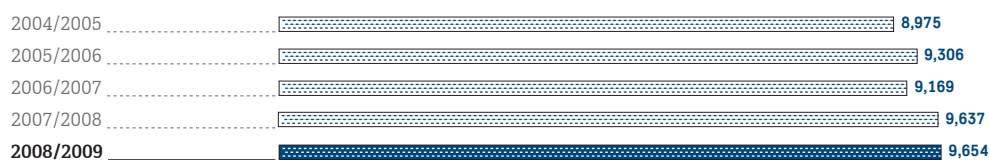
	Sept. 30, 2005	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2009
Germany	87,141	84,052	84,999	85,097	81,229
Other EU	40,009	39,688	41,522	42,503	38,252
Americas	44,346	46,240	44,228	47,561	42,897
Asia/Pacific	10,369	11,956	14,890	17,881	18,481
Other countries	4,067	5,650	5,711	6,332	6,636
<b>World</b>	<b>185,932</b>	<b>187,586</b>	<b>191,350</b>	<b>199,374</b>	<b>187,495</b>

#### EMPLOYEES BY REGION on September 30, 2009 in %



At €9.7 billion, personnel expense in 2008/2009 was at the same level as the year before. The following graphic shows the development of personnel expense over the past five years:

#### PERSONNEL EXPENSE in million €



### Short-time working: A key instrument of personnel policy in the crisis

The severity of the slump in orders that impacted numerous segments of the Group at the beginning of the reporting year made it necessary for us to use human resource management tools to adjust to the new situation. Working time account balances and residual leave entitlements helped cushion underutilization in the plants. In addition, the Group subsidiaries restricted the use of temporary employees. But after the first few weeks this was no longer enough.

It is part of ThyssenKrupp's corporate culture to carry out all adjustments necessary in times of crisis with a strong sense of responsibility towards our employees. Structurally necessary personnel cutbacks are implemented in a socially compatible way. Cyclical employment problems are solved with the help of all available flexibilization measures to prevent redundancies wherever possible. Many of the Group's subsidiaries therefore introduced short-time working for their employees in the past fiscal year.



Required personnel adjustments are implemented in a socially compatible way at ThyssenKrupp.



Download the tables at:  
[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

On average approx. 20,000 ThyssenKrupp employees worldwide worked short hours in 2008/2009, 7,300 of them based outside Germany. The main segment affected was Steel, where almost 8,000 employees had their working time reduced – roughly 21% of the segment's total workforce. In the Stainless segment, 1,500 employees – or over 13% of the workforce – worked short hours. At Technologies around 8,400 employees – or 17% of the workforce – had their hours reduced. In the Elevator segment only 150 employees were affected by short-time working, which is less than 1% of the workforce. In the Services segment around 1,900 employees (approx. 4% of the workforce) worked short hours in the course of the fiscal year.

Short-time working reached its peak in April 2009, when 38,000 had their hours reduced. After this we were able to reduce the number of employees on short hours. Altogether some 49,000 employees worldwide were affected by short-time working at some stage in 2008/2009.

Wherever appropriate and possible, ThyssenKrupp endeavors to use periods of short-time working to upgrade the skills of the employees affected. Despite considerable administrative hurdles, our subsidiaries have found various solutions for this. While ThyssenKrupp Steel organized thousands of training shifts with in-house trainers in April and May 2009 alone, smaller subsidiaries – for example in the Services segment – worked increasingly with external service providers. In addition, affected companies made intensive use of our Group e-learning platform to upgrade the skills of their employees.

## Almost 1,400 young people start careers

By tradition ThyssenKrupp attaches great importance to giving young people the opportunity to train for skilled work. Around 170 full-time trainers and numerous training officers are helping give almost 1,400 apprentices a successful start to their careers.

For many decades our subsidiaries have trained in excess of their own needs to ensure as many young people as possible have the opportunity to complete an apprenticeship. At 6% our already high apprenticeship training rate, i.e. the ratio of the number of apprentices to the Group's overall workforce in Germany, was increased further in the past fiscal year. High-quality, practical training courses improve the employment prospects of the young people later on.

Around 80% of apprentices were offered a job with a ThyssenKrupp company on successfully completing their training. Anyone who completes an apprenticeship in the metalworking or steel industry in Germany benefits – especially in times of crisis – from the one- and two-year retention guarantees provided under the collective agreements. To honor these guarantees, companies severely impacted by underutilization need to come up with a range of creative ideas. One such idea is a pilot project – unique in Germany – being run by ThyssenKrupp Nirosta: 100 young skilled workers, for whom no work is available following the dramatic slump in orders, work short hours for one year ("zero hours"). However, rather than spend this time at home they undergo further training in the company so that they will be able to meet future challenges in the workplace.



Around 80% of qualified apprentices were offered a job in the Group in the reporting year.

### Participation in the training pact

ThyssenKrupp continued to participate in the training pact between government and industry in 2008/2009. We created 50 additional apprenticeship places and offered over 40 initial training placements. More than 60% of the young people who have so far completed an initial training placement subsequently signed an apprenticeship contract. This success is due primarily to the intensive specialist and educational support provided by ThyssenKrupp trainers.

## Partial retirement and company pension plans

### Block model of partial retirement popular

In the Group, 4,170 employees were in partial retirement at the end of September 2009. Almost all of them opted for the so-called block release model – with a full-time work phase followed by a release phase. Partial retirement is as attractive for our employees as it is for our companies: It allows employees a smooth transition into retirement and also speeds up the process of change in the age and skill structure of the Group's workforce. The table below shows the number of employees in partial retirement in the individual segments:

**EMPLOYEES TAKING PARTIAL RETIREMENT BY SEGMENT** on Sept. 30, 2009

	Working phase	Release phase	Total
Steel	1,002	890	1,892
Stainless	226	150	376
Technologies	629	797	1,426
Elevator	106	71	177
Services	119	116	235
Corporate	31	33	64
<b>Group</b>	<b>2,113</b>	<b>2,057</b>	<b>4,170</b>

**1**

ThyssenKrupp offers a broad spectrum of employer- and employee-contribution pension plans.

### Modern company pension plans

Employees are increasingly aware of the importance of company pension benefits. This is partly the result of numerous legislative changes introduced in recent years – including the rise in the retirement age, increased need for private pension provision and reduced benefits under the statutory pension system. At ThyssenKrupp company pension plans are a key element of compensation policy. For this reason the plans were reorganized and modernized many years ago. Today employer- and employee-contribution plans are combined, with the employee contributions qualifying for additional rewards from the employer. The employee-contribution pension plans available cover the entire spectrum of tax-deductible options. The Group's own deferred compensation plans are particularly popular. ThyssenKrupp secures the pension entitlements of its employees and pensioners in accordance with the statutory provisions and also provides additional protection for its employee-contribution pension plans.

## Universities and graduates

In our university marketing activities, we intensified our contacts with students and expanded our news system for reporting on career opportunities in the Group.

Our redesigned internet careers portal provides an attractive overview of graduate entry schemes, events and development opportunities in the Group. With the help of multimedia technology, potential applicants can browse the personal reports, videos and targeted information on our website to find out about activities and jobs in the Group. The successful redesign has received international recognition. In the top career websites rankings of the market research company Potentialpark, our careers portal is currently in 4th place.

In addition, our new application management system has made a major improvement to the job application process. New functions allow applicants to submit transparent and professional applications quickly and easily online. All ThyssenKrupp companies in Germany are now making successful use of this new system.

We cultivate strong links with outstanding students through our entry programs, such as our “NEXT GENERATION” intern retention program and “YOUR INNOVATION” program for doctoral students. Under the extensive activities in place, up to 120 talented engineering and business administration students receive support and preparation for careers in our Group.

Our successful partnerships with technical universities in Germany, such as Aachen, Berlin, Bochum, Dortmund, Dresden, Freiberg and Hamburg-Harburg, and also in other countries are another channel we use to keep in close touch with promising students and advertise the full spectrum of opportunities available within the Group. As part of our unique cooperation with the university careers center for women “femtec” we support ambitious and talented female students taking degrees in engineering and science. As a direct point of contact, we not only help prepare these young people for working life and future tasks but also aim to raise enthusiasm and motivation for career opportunities in technology and engineering. For example, we organize field trips to demonstrate the full range of challenging jobs available and establish initial contacts.



Collaborations with numerous technical universities in Germany and abroad help establish contacts with students and graduates at an early stage.

## Global commitment to health and safety

For ThyssenKrupp, the health and safety of employees is a key corporate objective of equal standing with product quality and business success. To continuously improve health and safety, we have combined all measures in the Groupwide “Zero accidents” initiative. A key area in 2008/2009 was the international exchange of experience with, for example, Italy, the United Kingdom, China and the USA.

As a result of our efforts to improve health and safety, the accident rate in the Group decreased again in the reporting year. The number of accidents worldwide was down by 22% from the previous year. The trend in Germany was also positive, with a 20% reduction in accidents.

However, the many successful health and safety activities have been overshadowed by a number of tragic accidents, as a result of which eight employees lost their lives in the reporting year. The Executive Board and Supervisory Board of ThyssenKrupp AG and all employees mourn the loss of these colleagues. Special sympathies go to the victims' families.

## ThyssenKrupp PerspActive expanded

The motivation and skills of our managers are key to the way ThyssenKrupp is positioned in the global marketplace and the way we prepare for the challenges of the future. That is why we successfully continued and expanded our "ThyssenKrupp PerspActive" management development program in the past fiscal year.

At the heart of the program is a systematic, globally standardized assessment process. In the year under review, around 2,000 managers – representing the entire ThyssenKrupp PerspActive target group – were assessed by their supervisors for the first time on a standardized basis according to performance, potential and management competencies. The new management assessment and development system proved invaluable: Supervisors can use an intranet-based management information system that permits online assessments and supports planning of the next development steps. The increased transparency and comparability this provides enhances the Groupwide exchange of information and serves as a basis for strategic management development.

### Targeted development of potential executives

The aim of sustained management development is to ensure that ThyssenKrupp continues to maintain sufficient numbers of high-quality candidates for its management teams at all levels. The identification and targeted development of potential candidates to fill key positions in the Group in the future is therefore essential. In the reporting year around 20 top potential candidates had the opportunity to participate in a discussion with three members of the Group Executive Board in the newly created "Landsberg round". In addition, the chairmen of the segment executive boards held meetings with selected candidates from other areas of the Group. The principal aim of these meetings was to strengthen communications between different areas of the Group and allow candidates and executives to get to know each other. In addition, so-called "PerspActive talents" were nominated for the first time with a view to building up a "talent pipeline" to aid the targeted fast-track development of promising talents.

### Academy focuses on general management and leadership training

As part of a strategic Group initiative, the ThyssenKrupp Academy successfully strengthened the management competencies of our top executives and prepared potential executives to take on challenging duties. In 2008/2009 almost 800 executives took part in the programs, which means that since it was founded in 2006, the Academy has registered a total of around 3,200 participants. The 54 programs conducted last year focused on general management and leadership training; the Academy held a total of 2,700 participant days.

**1**

In 2008/2009 almost 800 executives took part in programs at the ThyssenKrupp Academy.



Since it was founded in 2006, the ThyssenKrupp Academy has quickly established itself in the Group.

Our executives value the individual support they receive from the Academy. All program feedback reports show that in terms of quality, organization and relevance the programs meet the high demands and challenges of the executives. In addition, the Academy supports the Group in the implementation of Group strategies and associated initiatives.

The Academy responded quickly to the tightening of resources by reducing its originally planned program offering in the past fiscal year. We scaled back the frequency and length of individual programs and adjusted our course contents, learning architectures, venues and employee numbers to save costs.

In a very short time the Academy has become an important center of learning, knowledge management and networking in the Group. This path is to be continued.

## Tailored and performance-related compensation systems

Attractive compensation is important for winning and motivating employees and executives. In addition to a fixed salary, which is subject to the provisions of collective or individual employment contracts, the various target groups at ThyssenKrupp receive additional performance-related compensation components. Many of the Group subsidiaries pay their employees company-related bonuses to reflect good business results. Executives and employees under individual employment contracts also receive a variable compensation component linked to their individual performance and the company's performance. Our workforces outside Germany benefit from attractive compensation systems based on local regulations.

The Mid Term Incentive plan for top executives launched in 2003 was issued again in the reporting year. The development of the stock rights issued under this plan is based on the share price and ThyssenKrupp Value Added over a three-year period.

# Risk report

Our extensive risk management system proved its worth even in the difficult economic climate of the past fiscal year. The transparent presentation of individual risks allows us to manage our risk situation appropriately. From the present perspective all risks are contained and manageable. The future existence of the company is secured.

## Efficient organization of the risk management system

### Risk policy as part of corporate strategy

Formed on the basis of our corporate strategy, the risk policy at ThyssenKrupp is directed at safeguarding the existence of the company and continuously increasing its value.

Our risk strategy takes into account the risks and the opportunities associated with them. In areas where the Group has core competencies, we consciously take on manageable and controllable risks if they are expected to deliver an appropriate reward. Risks in other areas, however, are transferred where appropriate to other risk carriers. Beyond this we avoid risks wherever possible. Overall we ensure that the Group can cover in full any risks taken.

ThyssenKrupp has documented the framework conditions for orderly and forward-looking risk management in its risk management principles and “Group Risk Management” manual. These contain binding specifications and rules for the identification and management of risks. For example, conduct towards suppliers, customers and other business partners must be fair and responsible. Speculative transactions or other measures of a speculative nature are inadmissible. We check whether these principles are being observed by carrying out regular control measures. In addition, numerous and regular training programs help ensure that all employees are constantly aware of the rules.

### Risk management system established in the Group

The risk management system introduced by the Executive Board of ThyssenKrupp AG for the Group has proven itself to be efficient. All employees of the Group are required to be aware of the risks in their area of responsibility. Direct responsibility for early identification and management of risks lies with the operating managers. The next organization level up in each case is responsible for risk control.



The “Group Risk Management” manual contains binding specifications and rules for the whole Group.

In a well-established bottom-up process, the Group companies report on the status of major risks using risk maps with tiered threshold values. The risks are evaluated and classified according to probability of occurrence and loss amounts. For each risk, risk reduction measures are reported; the early warning indicators are regularly updated and discussed with the responsible officers. The information on material risks to the Group is communicated in a systematic and transparent report to the Executive Board of ThyssenKrupp AG. The current risk situation is on the agenda of the Executive Board's bi-weekly meetings. In urgent cases, ad hoc risks and losses incurred are communicated directly outside the normal reporting channels.

In the past fiscal year we again conducted internal audits in Germany and abroad to check compliance with the rules of the risk management system at the Group subsidiaries. The findings from these internal audits helped further improve the early identification and management of risks. In addition, we continuously enhance the tools and methods for identifying and managing risks. This allows us to manage risks in the Group on a more standardized and structured basis, reduce the number of manual activities in the risk management process and enhance the quality of the information generated. The decision made in connection with the reorganization of the Group to allocate centralized risk management to Corporate Center Controlling at ThyssenKrupp AG will permit closer interaction with the planning and reporting processes.

#### **Opportunities and risks in balance**

All risks taken by us are balanced by appropriate opportunities which we systematically identify, evaluate, manage and control. More details can be found in our opportunities report on pages 168-171. We make the necessary provision to cover risks from strategic decisions.

#### **Risk transfer by central service provider**

As central service provider, ThyssenKrupp Risk and Insurance Services handled the transfer of risks to insurers and concluded the necessary Group insurance policies in 2008/2009, as in previous years. Regular loss analyses are carried out to evaluate the potential risks, and the insurance cover is determined on this basis. Under property and business interruption policies, significant deductibles exist in particular for some carbon and stainless steel production units, so that there is a risk that a claim on these policies could materially impair the Group's assets, financial position and earnings situation. To substantially limit the risk of insurers collapsing, we spread the risk over numerous insurers and only select insurers with a rating of at least A-.

To further develop and optimize risk prevention, binding standards are in place for all Group companies. Experts from all areas of the Group under the leadership of ThyssenKrupp Risk and Insurance Services are involved in these processes. Internal and external audits are conducted regularly to check compliance with these standards.





## Central risk areas

### Financial risks

Central responsibilities of ThyssenKrupp AG as parent company include the coordination and management of financial requirements within the Group and securing the financial independence of the Group. To this end we optimize Group financing and limit the financial risks. Risks in the individual financial risk areas are minimized through an ongoing process of monitoring and intensive controls.

**Credit risk (default risk):** We conclude financial instrument transactions in the financing area only with counterparties who have a very high credit standing and/or are covered by a deposit guarantee fund. To further minimize risks, transactions are concluded only within specified counterparty risk limits. Outstanding receivables and default risks are constantly monitored by the Group subsidiaries; in some cases they are additionally insured under commercial credit policies. The credit standing of key account customers is monitored particularly closely.

**Liquidity risk:** To secure the solvency and financial flexibility of the Group at all times, we maintain long-term credit facilities and cash funds on the basis of a multi-year financial planning system and a liquidity planning system on a rolling monthly basis. The cash pooling system and external financings are concentrated mainly on ThyssenKrupp AG and specific financing companies. We use the cash pooling system to allocate resources to Group subsidiaries internally according to requirements.

**Market risk:** Various measures are used to mitigate or eliminate the risk of fluctuations in the fair values or future cash flows from non-derivative or derivative financial instruments due to market changes. These mainly include off-exchange-traded foreign currency forward contracts, interest rate/foreign currency derivatives and commodity forward contracts with banks and commercial partners. To hedge against commodity price risks we also use exchange-traded futures. The use of derivative financial instruments is extensively monitored, with checks being carried out on the basis of policies in the framework of regular reporting.

**Currency risk:** To contain the risks of the numerous payment flows in different currencies - in particular in us dollars - we have developed Groupwide policies for foreign currency management. All companies of the Group are required to hedge foreign currency positions at the time of their inception; companies based in the euro zone are required to hedge via our central clearing office. Translation risks arising from the conversion of foreign currency positions are generally not hedged.

**Interest rate risk:** As in previous years, we procured funds in 2008/2009 on the international money and capital markets in different currencies - predominantly in euros and us dollars - and with various maturities. The resulting financial liabilities and our financial investments are partially exposed to risks from changing interest rates. To manage these risks, regular interest rate risk analyses are prepared, the results of which are used in our risk management system.

**i**

Our currency management is subject to rules applying throughout the Group.

**Commodity price risk:** Depending on the market situation, purchasing prices for raw materials and energy can fluctuate significantly. We minimize this price risk firstly through long-term supply contracts - e.g. for ore, coal and coke. Secondly, some Group companies use derivative financial instruments – mainly commodity forward contracts – to hedge against the risk of commodity price fluctuations, in particular for nickel and copper. Hedging via such financial instruments is subject to strict guidelines.

Details of these risk areas are provided under Note 30.



Details: Pages 226-230

### **Risks associated with acquisitions, disposals and restructurings**

Risks may arise from restructuring programs as well as from the disposal or acquisition of real estate, companies or other business activities. Where the occurrence of risks is probable, we have made adequate provision in the balance sheet.

### **Order and sales risks**

The handling of major orders entails risks. Technical problems and quality problems with sub-suppliers can lead to higher-than-planned costs and cause schedule delays. Here, too, we continuously improve our management instruments to contain these risks. We minimize the risk of default by selecting customers carefully, keeping in contact with them and collecting progress payments.

As a globally active Group, ThyssenKrupp is particularly dependent on the international cyclical situation. We counter these market risks with a number of measures. We closely and continuously monitor the economic trend in individual countries and trade flows in order to minimize sales risks. For example, if necessary we cut back our production and adjust capacities. Our international presence makes us largely independent of regional crises. Our widely differentiated product and customer structure limits our sales risks in individual markets.

ThyssenKrupp is affected by the severe weakening of the worldwide automotive industry, one of our main customers. The reduced credit rating of key account customers harbors the risk of bad debt, which we are countering with effective receivables management. The sales risks are described in detail in the section headed “Specific risks for our operations” on pages 162-165.



Details: Pages 162-165

### **Procurement risks**

Rising prices on the procurement side are countered at ThyssenKrupp by passing on the higher prices in our product prices as far as possible. In addition, our purchasing departments are constantly searching for alternative low-cost suppliers worldwide. A structured procurement policy on the electricity market and long-term natural gas contracts reduce the risks on the energy markets.

To limit the risks of supply failures, we select our suppliers carefully. The geographical distribution of orders makes us independent of regional supply bottlenecks and helps us find alternative sources in the event of local supply problems. More details on our procurement management can be found on pages 106-111.



Details: Pages 106-111

### Legal risks associated with third-party claims

Legal risks can result from claims in the areas of antitrust law and environmental law. Equally conceivable are claims for damages under product liability law, though we minimize these through the high quality of our products.

In addition, contractual partners have lodged claims against ThyssenKrupp under plant construction, supply and service contracts. Where it is probable that individual claims will lead to payment obligations, we have made provision.

Our strict compliance program reduces the risk of violations of antitrust and corruption law and the associated internal policies at all levels of the Group. We monitor and regularly update our internal rules and in-house compliance organization. In extensive training programs and online courses, we inform our employees about compliance requirements, infringement risks and potential sanctions. In 2008/2009 more than 2,500 ThyssenKrupp employees worldwide took part in classroom training sessions. To supplement the compliance training program, we have developed a Groupwide interactive e-learning program which is available in numerous languages. In the reporting year alone, e-learning courses on competition law were completed by 22,000 employees and anti-corruption e-learning courses by around 28,000 employees worldwide. ThyssenKrupp does not tolerate violations of statutory provisions and internal policies.

A report on pending litigation and claims for damages can be found in Note 29.

### Regulatory risks

Changes to the legal framework can result in risks to our business, increase our costs and restrict our sales opportunities. Changes to competition rules in individual sections of the markets can also bring disadvantages for us. By intensively gathering information, we ensure that we can respond to such changes in good time. Through close working relations with the relevant institutions we also endeavor to prevent changes to the legal framework from distorting competition.

For the Renewable Energy Sources Act hardship clause, the criteria for defining an independent part of an enterprise have changed and this could lead to an increase in electricity costs.

### Environmental risks

Due to our production processes, we are exposed to process-related risks of air and water pollution. Intensive and continuous pollution control measures and investment in environmentally friendly facilities in our production operations help minimize environmental impact and conserve resources. In addition, the large number of Group companies with certified environmental management systems reduces the risk of environmental damage. More details on environmental protection at ThyssenKrupp are provided on pages 139-141.

Some of our real estate is subject to risks from past pollution and mining subsidence. We counter these risks with preventive measures and scheduled remediation work, for which we again recognized adequate liabilities in the reporting year.



Details: Pages 220-221



Details: Pages 139-141

### Emission allowance risks from EU proposals

The plans of the European Commission to increasingly auction CO<sub>2</sub> emission allowances from 2013 pose risks for our production costs. We are closely monitoring the political debate on this. As an energy-intensive industrial and services group operating in a competitive international market, we would likely be unable to pass on all or any of the additional costs from increased auctioning to our customers. This would entail risks for our earnings situation.

The allocation system benchmarks yet to be determined and the capping of free certificates will probably lead to a significant reduction in allocations in the next emissions trading period (2013 – 2020).

We are closely following the political developments concerning the introduction of a US emissions trading system so that we can implement strategic plans in good time and compete successfully in the USA on the basis of our know-how and experience.

### i

Information security is a permanent process to which the Group attaches great importance.

### Risks associated with information security

We continually review our information technologies to assess whether they guarantee secure handling of IT-supported business processes. If necessary, the systems are updated and optimized, because information security is not a status but a work-in-process in which risks and associated protective measures are assessed. The IT-based integration of business processes is subject to the condition that the risks involved for our Group companies and also for our customers, suppliers and other business partners are minimized. Internal policies are therefore in place under which all Group companies are obligated to ensure that information security measures are implemented to the maximum extent possible. In the reporting year we carried out extensive measures to systematically develop our information security management system in accordance with ISO/IEC27001. In addition, at selected Group companies business processes and data centers have security certification.

In view of the increasing risks we took the precautionary measure back in fall 2008 of setting up an Information Security Competence Center to make our IT centers and computer networks even more secure and protect them more effectively from attacks and other external interference. Added to this is the work of our "IT Compliance" team at corporate headquarters, who provide the Group companies with advice and support on all information security matters. Furthermore, e-learning modules on the secure handling of business information are available on the intranet to all employees worldwide. In addition, we organize information security awareness training courses for employees and managers. In parallel with this the ThyssenKrupp Information Security Forum set up in 2004 is now successfully established.

Together with the Group's data protection officers, our information security experts ensure that personal data are processed only in accordance with the rules of the German Data Protection Act. All these measures will allow us to continue to protect the Group's business data as well as the privacy of our business associates and employees through preventive action and to respond appropriately to potential new risks.

### Risks associated with pensions and healthcare obligations

The fund assets used to finance pension liabilities are exposed to capital market risks. To minimize these risks, the individual investment forms are selected and weighted on the basis of asset liability studies by independent experts. The aim is to adjust the investments to ensure that the associated pension liabilities are permanently fulfilled in respect of the current and future income from the investments. Pension obligations are subject to risks from increased life expectancies of beneficiaries and from obligations to adjust pension amounts on a regular basis. In addition, the cost of healthcare obligations in the USA and Canada may increase. Furthermore, in some countries there is a risk of significantly higher payments having to be made to finance pension plans in the future due to stricter statutory requirements. In individual cases, the premature cancellation of a pension plan may necessitate an additional allocation. More details are provided in Note 23.



Details: Pages 211-216

### Personnel risks

Committed and competent staff and managers are a central factor in the success of ThyssenKrupp. We have a number of measures in place to counter the risk that key personnel cannot be found to fill vacancies in our Group or that they cannot be retained. We position ourselves as an attractive employer and promote the long-term retention of employees in the Group. We continue our systematic management development program offering executives career prospects and attractive incentives. We are intensifying the targeted mentoring of our employees to promote identification with the company at all levels.

We adhere to our high-quality training system even in difficult economic times. By establishing contact with interested young people from an early age, we can inform them about career opportunities at ThyssenKrupp and secure the young talent we need for our workforces. We also systematically continue our intensive cooperation with key universities to establish contact with talented students early on. More information on these matters is provided in the section entitled "Employees" on pages 148-154.



Details: Pages 148-154

## General economic risks

The global economy will stabilize only gradually. After a 1.4% fall in global GDP in 2009, we expect growth of only 2.7% in 2010. This forecast is based on a number of assumptions – for example that the geopolitical situation remains largely stable and the risks arising out of the international financial crisis do not grow more severe but gradually recede.

However, economic downside risks remain. Unless the financial crisis is overcome to a large extent in 2010, there could be a negative rebound. With the monetary and fiscal latitude having been narrowed, there is less scope for further government stimulus programs. The assumed low-level economic recovery would also be at risk if key countries were to initiate fiscal consolidation too quickly. Tax increases, premature interest rate increases by the central banks and stronger than expected rises in unemployment could also strongly impact growth prospects.

For 2010 we expect a largely stable euro exchange rate and only moderate increases in energy and raw material prices. However, the balance of payments deficit in the US harbors the risk of an increasingly weak US dollar/strong euro, which could curb export opportunities in particular for German industry. A weaker US dollar could lead to a surge in prices on the energy and raw materials markets.

## Specific risks for our operations

### Carbon steel flat products sucked into the economic crisis

For our European carbon steel flat-rolled operations, which effective October 01, 2009 now form the Steel Europe business area, risks to future growth include in particular risks on the sales and procurement markets and risks from emissions trading. Should the difficult economic situation continue, the already existing risk of customer insolvencies will increase. We counter the risk of a continued economic crisis through cost optimization in all areas, prompt production adjustments, and a concentration on high-end market segments subject to less cyclicity. To contain the increasing risk of customer insolvencies, we have set internal limits for each individual customer.

In view of the risk of rising raw material and energy prices, we constantly seek out alternative procurement sources and wherever possible pass on price increases to our customers. We minimize our quality risks by continuously optimizing our value chains.

To be able to insure against major risks and reduce costs in the event of damages claims, it is especially important to avoid losses by taking preventive action. For this reason, a business and technical risk controlling system for property insurance is an integral component of our risk management process. In the event of business interruptions, we have business continuity plans in place with concrete measures for remedying damages.

The volume and price risks for emission allowances in the second trading period from 2008 to 2012 have been minimized through a Groupwide emissions trading strategy.



Intensive project controls and tight project management are applied to our major projects in America.

### Intensive project controls for major projects in America

Our major carbon steel investment projects in America – which have been combined in the Steel Americas business area since the beginning of the new fiscal year – remain at risk of further implementation problems such as delays and budget overruns. Thanks to intensive project controls, tighter project management and weekly project meetings and reports, we are able to identify and communicate all risks relevant to the realization of these projects in good time. In addition, our efficient claims management system ensures that all claims from our contractual partners are properly handled and managed. Furthermore, ThyssenKrupp is involved in legal, arbitrational and out-of-court disputes in connection with the construction of the melt shop and coke plant in Brazil which could lead to compensation payments.



Details: Pages 83-85

Risks associated with the startup of future production are minimized by extended ramp-up periods and the careful selection and training of new employees. To contain potential sales risks, we began work on establishing and expanding a customer base from an early stage. Furthermore, the ramp-up of the two major projects is being staggered in line with the economic situation. More information is provided on pages 83-85. The procurement risk for iron ore is reduced through long-term contracts and our close relationship with the Brazilian iron ore mining company Vale, which is a shareholder in our Brazilian steel facility.

#### **Extensive measures to counter market risks at Stainless**

In addition to the usual cyclical risks, our stainless operations – which have now been combined in the Stainless Global business area – face risks associated with the way the markets respond to existing and growing overcapacities at stainless producers in Asia.

Numerous measures are in place to counter these risks. We have extended our value chain towards the higher-margin end-customer business, further intensified customer relationships, expanded our custom services, and improved our quality and delivery performance. These measures are supported by newly developed applications for stainless steels and nickel alloys, innovative products made from these materials and modern, cost-saving process technologies.

To counter the risks of the current economic crisis, an extensive program of measures has been initiated and in part already implemented in the stainless plants which includes significant production cutbacks, administrative cost savings and further cost-reduction and efficiency-enhancement measures in all areas.

In the construction of the stainless plant near Mobile in Alabama/USA, further delays and budget overruns are possible. As with the construction of Steel Americas' neighboring processing plant, an intensive system of project controls, meetings and reports has therefore been installed here, too, to secure a detailed assessment of risks. All risks are identified and communicated.

To safeguard against nickel price risks, we have introduced a sliding-scale model which represents a sustainable hedging strategy. Under this strategy nickel futures are used to hedge some of the unhedged volumes which are exposed to the risk of commodity price changes due to fluctuations in the nickel price on the London Metal Exchange. The maximum hedged volume is 80% of the nickel volume subject to price risks calculated each month.

#### **Action program to counter prices risks for materials services**

Our trading and services business is mainly engaged in materials services for customers throughout the world. These activities have now been combined in the Materials Services business area. To counter the associated risks, our comprehensive action program includes a continuously improved system of net working capital management aimed in particular at optimizing inventories. In addition, extensive cost-reduction programs and corresponding capacity adjustments have been implemented. Ongoing project controls are in place to limit risks from the final completion of projects.

Cyclical risks are countered by the business's worldwide presence, broad customer base and high degree of diversification. The resultant wide spread of risks also applies to the bad debt risk, which is additionally limited by the use of hedging instruments.

#### **Regional risks at Elevator largely balanced**

The risk structure of our elevator activities – allocated to the Elevator Technology business area since the start of the new fiscal year – is mainly determined by two factors: the different business activities and the different regions in which we operate.

In respect of the business activities, the service and modernization business is comparatively unaffected by cyclical risks. To counter the loss of service units from an early stage, we employ marketing strategies aimed at retaining customers over the long term. In addition, ongoing efficiency-enhancement programs are carried out to offset frequent procurement cost increases, such as rising fuel prices, where these cannot be passed on in full to customers.

The situation is different in the new installations business, which is closely linked to the construction sector and therefore more vulnerable to cyclical fluctuations. The targeted use of project management measures helps contain risks in the processing of major orders. Furthermore, rising material prices are for the most part offset by efficiency improvements in production and optimized purchasing.

With regard to the regional distribution of business activities, the risks are largely balanced within the company, because Elevator is present in very different markets which are generally in different cyclical phases. The exchange-rate risks caused by operating in so many different regions are reduced by the prompt recognition of costs and sales.

However, the economic crisis has led to increased risks in connection with customers' solvency and financing options. This could result in bad debts and the postponement or cancellation of projects. Also, increasingly intense competition on all key markets is placing further pressure on prices. We counteract these trends with professional project management and by carefully monitoring the credit standing of customers. In addition, strong customer loyalty, high-quality services and effective efficiency enhancement programs help cushion the increasing price pressure.

#### **Plant construction: Risk of financing problems for customers**

For our plant construction companies, which have been combined in the Plant Technology business area effective October 01, 2009, the general risks lie in the future development of the global economy and the uncertain sales expectations in all relevant customer sectors. Financing problems for customers and decreasing raw material prices could lead to project deferrals or cancellations. Alongside these risks, attention also has to be paid to risks from the political situation for example in the Middle East. The additional specific risks associated with large long-term contracts and technically complex orders are contained through close project controls and increased use of project management measures.



Due to the economic crisis, we must expect higher payment and financing risks at customers.



### Market risks in components business

For the activities which have been combined in the Components Technology business area since the beginning of the new fiscal year, the main market risks stem from a continued recession in the automotive industry. In automotive components we must continue to expect in some cases drastically reduced orders from the OEMs. To contain the risks, we have cut back production and reduced sales and administrative costs. The market risks are mitigated by our production capacities in China, where we are profiting from sales increases bucking the worldwide trend.

### Risks at shipyards

Due to the global economic crisis and a decline in new orders, there is a capacity utilization risk for our shipyards. A sharp drop in freight rates and financing problems for customers have led to postponements and cancellations of newbuild contracts, in particular for container vessels and yachts. To counter the resultant risks we have introduced concrete optimization measures which also extend to our operating processes. Effective October 01, 2009, our shipyard operations are now combined in the Marine Systems business area.

A further risk has resulted from the decision of the EU Commission in the Hellenic Shipyards (HSY) state aid case. The Commission investigated undertakings given to HSY by the Greek government before and during privatization in the period 1997 – 2002. On this basis it decided that some of the state undertakings in the catalogue investigated did not comply with the requirements of EU state aid law. ThyssenKrupp has claims under its rights of recourse in the event that the implementation of the ruling at national level leads to financial losses. Nevertheless in the event of an unfavorable outcome, financial losses cannot be ruled out. Furthermore, HSY and Howaldtswerke – Deutsche Werft GmbH (HDW) have cancelled the two submarine programs with the Greek government under which four class U-214 submarines were to be built and three class U-209 submarines modernized. Files for arbitration are to be made immediately to enforce claims against the Greek government arising out of the cancellation.



The new ThyssenKrupp Quarter in Essen will be completed on schedule.

### Corporate: Risk management through project controls and compliance

For Corporate, the construction of the ThyssenKrupp Quarter in Essen holds the risk of building cost increases and schedule delays. We systematically and continuously observe and analyze the construction project in a project control and compliance system. From the present perspective the buildings are expected to be completed on schedule. In addition there are risks of ground contamination from the past industrial use of real estate.

## No threat to existence of company

No risks exist which threaten the existence of ThyssenKrupp. The efficient and tailored management of all risk categories helps contain the overall risks in the Group. Overall, the risk situation continues to be manageable.

# Subsequent events, opportunities and outlook

Now that the world economy seems to have passed the worst of the recession, the new fiscal year 2009/2010 will be characterized by at best slow economic recovery. As a result, there will be only moderate growth in order intake and sales at ThyssenKrupp. The Group's new organizational structure will make us leaner and more efficient. Together with the optimization programs we have introduced, this will have a positive effect on earnings.

## Subsequent events



Details: Page 236

Subsequent events occurring between the balance sheet date (September 30, 2009) and the date of authorization for issue (November 09, 2009) are presented in Note 34 to the consolidated financial statements.

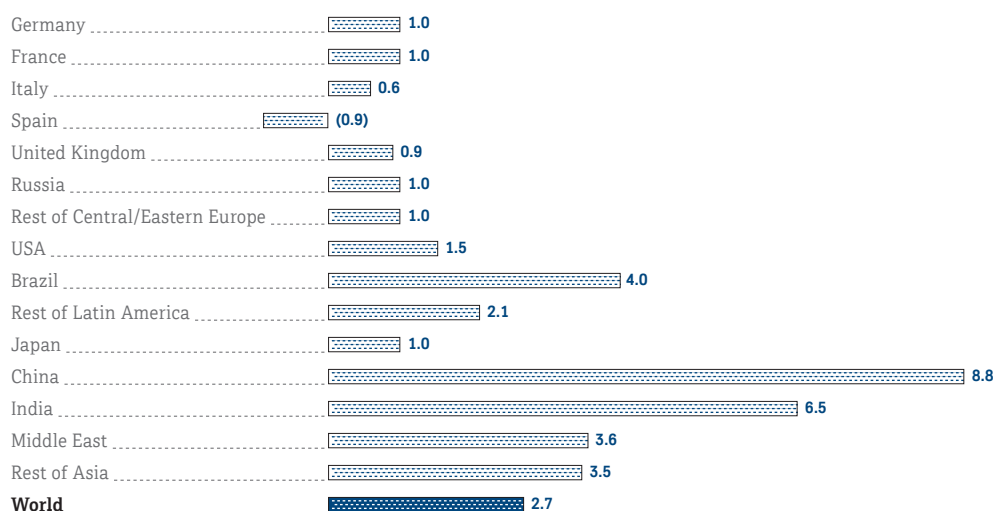
## Economic outlook

### No sustained global economic upturn in sight

Following the deep recession, the overall economic situation stabilized in the 2nd half of 2009. For 2010 we forecast only slight growth in world GDP of 2.7%, compared with a 1.4% decrease a year earlier. That means there is no sustained global economic upturn in sight, and the risk of economic setbacks remains.

We do not expect a radical recovery of the US economy in 2010. The financial latitude for private consumption – the most important component of the American economy – will continue to be restricted by the difficult situation on the labor market and the fall in household wealth. In addition, business investment will remain at a low level. Similarly in Japan, no radical improvement is expected before the end of the year.

The prospects for growth are more favorable in many of the emerging economies. In 2010 China will continue to counter weaker global demand with government stimulus packages and an expansive monetary policy. In India the pace of expansion is expected to increase slightly. As the raw materials markets recover in 2010, Brazil and Russia should return to growth.

**GROSS DOMESTIC PRODUCT 2010\* real change compared to previous year in %**

\* Forecast

The economy in the euro zone will stabilize at a low level in 2010. Germany is also not expected to achieve sustained growth. Indeed, there is a risk that the recovery in the 2nd half of 2009 may be followed next year by a temporary period of weakness as the stimulus programs come to an end. Rising unemployment in particular weighs against a self-sustaining upturn.

**Prospects on important sales markets**

With economic prospects subdued, we do not yet expect any major recovery on the markets of importance to us. We anticipate the following developments:

Prospects on the global steel market remain subdued given the only slight improvement in the economic situation. In Europe, the NAFTA region and Japan demand in the coming year will be higher than in 2009 mainly due to restocking but there will not yet be any return to the production and demand levels of previous years. As things stand, we do not expect any significant increase in real consumption. China will remain a key determinant of the global steel market. However, the inventory overhangs accumulated in China in 2009 could significantly dampen demand growth there next year. In the other emerging countries we expect steel consumption to increase again slightly. According to the fall forecast issued by the World Steel Association, global steel demand will expand by 9% in 2010; that corresponds to crude steel output of around 1.3 billion metric tons. Compared with 2008, the costs of steel production are being positively impacted by lower raw material costs, but there are negative effects from underutilization of production capacities.

Towards the end of the reporting year, rising raw material prices and low inventory levels buoyed the market for stainless steel flat products. The worst of the demand weakness seems to be over. 2010 could see the onset of a sustained recovery in real demand from end users. We therefore expect global demand to grow by almost 10% to 13.5 million tons in 2010, though this will not be enough to compensate for the severe downturn in 2009. Demand for the high-performance nickel alloy and titanium materials should also rise again in the coming year.

[1]

According to latest estimates, global steel demand will expand by 9% in 2010.

The international auto market will recover only slightly from the low level of 2009. In 2010 we expect production growth of almost 6% to 62.6 million vehicles worldwide. This growth will be focused on those countries that suffered the sharpest declines in 2009, especially Japan and the USA. Vehicle output in China will no longer increase at the same rate as in 2009 if the tax incentives expire as planned. In Germany, production is expected to decline. The scrapping bonus in 2009 brought forward new car purchases, and this will lead to a drop in domestic demand in 2010. The losses in Germany will not be fully offset by rising exports, so German vehicle production is set to fall by around 1% to 4.9 million units.

The crisis in the global shipbuilding industry will continue in 2010. Overcapacities in the world trading fleet are pushing down freight rates; further cancellations of new-build orders are likely. Given the dramatic fall in orders to date, production by the German shipyards in 2010 will be substantially lower than in 2009.

Low production expectations worldwide and the resultant weak level of investment continue to impact the international machinery sector. Following the slump in 2009, many countries are only expected to see a very moderate recovery in 2010. We anticipate that machinery output in the USA and Germany will expand by only 3% and 2% respectively. Only China will achieve double-digit growth.

In most industrialized countries there is unlikely to be any recovery in the construction sector in 2010. Further declines in construction output are expected in Western Europe and North America. Despite the government stimulus packages to support public-sector building, the German construction sector will do little more than stagnate. By contrast, there could be moderate growth in some Central and Eastern European countries, while the Chinese and Indian construction sectors are expected to pick up more strongly.



Only a moderate recovery is expected in the international machinery sector in 2010.

## Opportunities: Growth after the crisis

A high-quality product range, substantial rationalization at all Group companies and faster decision-making paths will open up global growth opportunities for ThyssenKrupp once the economy starts to pick up again. New and modernized production equipment as well as efficient and motivated employees will once again boost productivity at our plants. Our network of branches, service offices and production facilities keeps us close to our customers and markets all over the world. This gives our business areas good prospects of achieving or maintaining leading positions on even hard-fought markets.

### Opportunity management system expanded

We assess and exploit the business opportunities that present themselves to us at all levels of the Group. Our opportunity management system is based on our Group architecture: The companies operating on the market observe the trends and developments in their product areas and identify operating opportunities. If the potential rewards of an opportunity outweigh the costs of its implementation, we realize the project as long as it fits in with the general strategy of the respective business area and the Group as a whole. The business areas are also expected to exploit strategic opportunities on their markets. At Group level, corporate headquarters sets out the strategic framework for this, secures financing and liquidity, and provides key services for the operating company units. Headquarters

also coordinates and assumes responsibility for projects based on opportunities relating to several business areas or the entire Group.

Our opportunity management system, which specifically identifies and develops promising market changes and technology trends, is jointly steered by project officers with market responsibility, company managements, business area management boards and the Executive Board of ThyssenKrupp AG. More detailed information on the key areas and development lines of our corporate strategy can be found on pages 82-92. The risks to the Group from its business operations are presented in detail in the risk report on pages 155-165.



Details: Pages 82-92 and 155-165

### Reorganization opens up strategic opportunities

New business opportunities will also be opened up by the new organizational structure of the Group implemented at October 01, 2009. Short decision-making paths will enable us to respond more quickly to customer wishes and market developments. Thanks to our streamlined structures, the individual activities will be better positioned on the market. In addition, our rationalization and value-enhancement measures will further increase the efficiency of the Group in all areas. The two divisions Materials and Technologies – each combining four business areas with related business activities – will allow a wide range of synergies ranging from joint marketing activities to optimized logistics.

### Opportunities in the business areas

Our business areas have considerable operating opportunities on their respective markets.

**Steel Europe:** We see good opportunities on the Western European flat carbon steel market. Our state-of-the-art production facilities and premium-quality products offer competitive advantages which we can translate into lucrative contracts with strong earnings contributions once the economy starts to pick up. High-quality body panels, tailored blanks and high-strength steel grades help all design engineers working with steel to realize their ideas cost-efficiently and with reduced environmental impact. By expanding our capabilities as a system partner to our customers and optimizing our cost position, we will strengthen our competitiveness beyond the current economic downturn.

**Steel Americas:** With its new plants in Brazil and the USA, the business area should be able to establish itself relatively quickly as a quality leader in steel production on the American double continent. The steel mill complex under construction in Brazil will start production in mid 2010, and the new processing plant in the USA in spring 2010. Steel Americas will focus on the production, processing and distribution of high-quality steel grades. Based on successful discussions with future strategic customers we see good opportunities in the premium segment of the NAFTA flat steel markets. The increase in the shareholding held by our Brazilian partner Vale in the Brazilian steel mill will also help us develop new sales channels in Latin America.

**Stainless Global:** The systematic internationalization of our Stainless business should allow the business area to reap above-average benefits from a global economic upturn. New product developments will also help expand the areas of application for stainless steel in combination with other materials. The same applies to the business area's high-performance materials: Its nickel and titanium alloys are in ever increasing demand for parts and components which have to withstand extreme stresses and corrosion conditions.



Elevator has activities at more than 800 locations in over 60 countries.

**Materials Services:** With 500 branches in 40 countries, the Materials Services business area is focused on the global distribution of materials and the provision of technical services. In addition to carbon and stainless steel, tubes and pipes, nonferrous metals and plastics, we also offer services from processing and logistics to warehouse and inventory management through to supply chain management. A sophisticated warehouse, logistics and information logistics system with central and branch warehouses provides the basis for rapid delivery with lowest-possible inventories. We see further opportunities to expand our business in our extensive project management expertise, global connections and specific market knowledge. We offer technical and infrastructure services in the areas of railway and construction equipment, industrial plants and steel mills.

**Elevator Technology:** Innovative strength, service quality and closeness to customers make the Elevator Technology business area one of the leading names worldwide for passenger transportation systems. More than 800 locations in more than 60 countries provide a tight service network. Our broad range of products, from standard systems to customized solutions to service, maintenance and modernization packages, will allow us to unlock new market potential. Intensifying our sales activities in growth markets such as China, India and the Gulf region will provide further opportunities.

**Plant Technology:** The range of the Plant Technology business area takes in the full spectrum of specialized and large-scale plant construction. Our specialty is the mastery of complete process chains and our wealth of experience in dealing with process-related tasks. For this reason we see good strategic opportunities for further growth on the international market and for further strengthening our technology portfolio through constant innovation. Additional opportunities are provided by our support services: choice of location, financing, negotiations with authorities, technical management, maintenance, safety analyses and equipment, training for operating personnel and project management. In emerging countries in particular, these services frequently open the door to new customers.

**Components Technology:** With the high-quality components they manufacture, the companies in the Components Technology business area hold leading positions on the global markets. We see additional opportunities for our automotive components for example in the growing environmental awareness of motorists who attach increasing importance to owning vehicles with low CO<sub>2</sub> emissions. This could boost sales of our weight-optimized components. The growing use of eco-friendly wind energy will also increase sales of our slewing bearings, which are used in wind turbines.

**Marine Systems:** Opportunities for our shipyards lie on the one hand in new naval contracts for surface vessels and submarines. On the other hand, Abu Dhabi MAR as a possible strategic investor for our Hamburg site will open up new opportunities on the markets in the Middle East and North Africa. The construction of mega yachts could profit in particular from this. The combination of German shipbuilding technology and the market knowledge of an Arab partner could deliver important impetus in this area. For the Emden shipyard we see opportunities in wind energy. Together with SIAG Schaaf Industrie, a leading manufacturer of wind turbine components, we plan to expand the current shipyard into a viable high-tech site for offshore technology and thus secure and sustain jobs. If large offshore wind farms are built in the North Sea, the components can in the future be supplied from Emden.

### Performance-related opportunities in the value chain

We see promising opportunities to advance our business across the whole value chain – purchasing, production, distribution and marketing. Pooling similar contracts, concluding framework agreements on favorable terms, exploiting the advantages of electronic procurement methods even more systematically – all these factors can further increase our profitability.

Further rationalization and quality reserves can also be exploited in production. New production methods for innovative steel grades, new services and optimized component manufacture all represent important performance-related opportunities. Once our dynamic process control system for the various stages of steel production has become established in day-to-day operations, we will be able to secure the quality of our steel products at lower cost. In the field of marketing our aim is to maintain an international presence as close as possible to our customers so that we can meet their technical and commercial demands quickly and in full. To this end, our global branch network is being constantly optimized.

Numerous opportunities are opened up by newly developed products – such as materials, components and complete plants – and services. For example, under the InCar project – a Groupwide research initiative for automotive innovations – our engineers and technicians have developed more than 30 new solutions for body, powertrain and chassis. With the ‘synergy’ machine-room-less elevator, our Elevator Technology business area has developed a successful product which is in demand worldwide. The same business area also has products with energy-efficient, regenerative drives that convert the energy created during braking operations back into electricity, thus reducing energy consumption by over 30%.

①

We will continue to offer attractive career opportunities to young engineers.

### Opportunities for companies and young talent

Despite declining business, in 2008/2009 we once again recruited highly qualified school and university graduates and gave them the chance to start their careers in our Group. We need young people to fill skilled and management positions, to bring the latest scientific standards from the universities into our Group and to acquire a fresh new view of our products and structures. Given the impending shortage of engineers, our aim is to attract sufficient numbers of people from key engineering disciplines to our Company at the earliest possible stage.

### Value-enhancement potential through Groupwide initiatives

Following the success of our Groupwide ThyssenKrupp PLuS and ThyssenKrupp best initiatives to date, we see ample opportunity for further sustainable cost reductions and value enhancements in the next two fiscal years. So far, the initiatives have been successful in all areas of the Company. We aim to build on this and will implement further improvement measures in the future.

## Expected earnings situation

With a view to the 2009/2010 fiscal year, we regard the currently emerging economic recovery as still fragile.



In 2009/2010 we expect adjusted EBT in the low three-digit million euro range.

**Sales and earnings:** We anticipate that sales will stabilize in fiscal 2009/2010. Earnings are expected to improve significantly and return to profit, thanks in no small part to the cost-cutting programs we have introduced. Adjusted earnings before interest and taxes (EBIT adjusted for nonrecurring items) will probably be in the high three-digit million euro range. Adjusted earnings before taxes (EBT adjusted for nonrecurring items) is expected to be in the low three-digit million euro range. Adjusted EBT will be significantly impacted by project costs and startup losses in the Steel Americas business area in the mid three-digit million euro range. We will no longer classify these costs as nonrecurring items as the startup of our steel mill and processing plant will mean that they can no longer be regarded as projects.

Special items to be eliminated include disposal gains/losses, restructuring expense, impairment losses, other non-operating expense and other non-operating income. These special items are positive or negative effects that occur only once or infrequently, are of material importance due to their type or amount and thus affect the results of our operating activities.

Our expectations for the individual business areas are as follows:

- Steel Europe – Improvement in volumes and capacity utilization, average revenues below prior-year level
- Steel Americas – Negative EBT contribution in mid three-digit million euro range due to project costs and startup losses for the steelmaking and processing facilities in Brazil and the USA
- Stainless Global – Stabilization of volumes with improved base prices
- Materials Services – Stabilization of volumes and revenues
- Elevator Technology – Continued high earnings contributions thanks to strong order backlog and stable modernization and maintenance business
- Plant Technology – Good revenues and earnings expected from project business due to order backlog with good earnings quality
- Components Technology – Continued difficult environment for automotive and construction machinery supplies, positive earnings contribution from slewing bearings for the wind energy sector
- Marine Systems – Improved earnings quality through initiated consolidation of shipyard sites

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



**Dividend:** In line with our policy of dividend continuity we will continue to pay an appropriate dividend.

**Research and development:** Even in difficult economic times, innovations remain of central importance to ThyssenKrupp. In fiscal 2009/2010 we plan to slightly increase our spending on innovations. A major part of this will be expenditure for basic R&D projects. In the following year we expect a moderate rise in spending. Our overall aim is to stabilize our R&D to sales ratio at the present level.

Our research and development efforts in the materials area will focus on new or improved grades combining cost-efficiency with higher strength, improved processing properties and improved surface quality. In plant construction our engineers and technicians will search for more efficient and resource-conserving process solutions. In other projects we will develop lightweight components which will enable automotive engineers to further reduce vehicle weight.

**Procurement:** Materials expense will develop largely in line with sales in 2009/2010. It is expected to amount to around 60% of sales. Thanks to our longstanding supply relationships and our international purchasing operations, we do not anticipate any bottlenecks in supplies of raw materials, operating materials, equipment, components or services.

We will improve our purchasing activities further in the future. A major contribution will be made by our Groupwide purchasing initiative, which will be continued in the coming years. In addition we intend to further expand our system of purchasing reporting and controlling so as to make purchasing processes more transparent and thus easier to manage.

**Energy:** Energy supplies to our worldwide plants are secured. We do not anticipate any supply bottlenecks. However, when the economy picks up we must expect higher prices for all energy sources. We have made provision for this: The volumes of electricity we have already procured will secure most of our expected electricity requirements in Germany for the 2009/2010 and 2010/2011 fiscal years. For the years thereafter we have in part also already purchased electricity at favorable prices.

The third period of EU emissions trading from 2013 to 2020 may give rise to higher costs for emission allowances. The same would apply if the USA was also to introduce emissions trading.

**i**

The Group's materials expense in 2009/2010 will again amount to around 60% of sales.

**Environmental protection:** We expect expenditure for ongoing environmental protection measures in 2009/2010 to amount to more than €470 million, slightly higher than a year earlier. The greater part of this will once again be spent on water protection and air pollution control. Recycling costs for production wastes remain low as all business areas intensively reuse residual materials to conserve natural resources. An important environmental protection project is the construction of a new fabric filter system at our Duisburg iron and steel making plant: This system will significantly improve the air quality in the northern part of the city.

## Expected financial and liquidity situation



The Group's financing and liquidity remain secured in 2009/2010.

Despite the effects of the financial crisis and the resultant difficult conditions, the Group's financing and liquidity will remain on a solid basis in fiscal 2009/2010. Both private and institutional investors regard ThyssenKrupp as a solidly financed company. Due to major projects such as the new steel mill in Brazil, the new production and sales location in the USA and capacity optimization at the Duisburg site, our capital expenditure is currently higher than the average of the previous years.

## 03 /

**Consolidated financial statements**

177 /	Consolidated statement of income
178 /	Consolidated balance sheet
179 /	Consolidated cash flow statement
180 /	Consolidated statement of recognized income and expense
181 /	Notes to the consolidated financial statements
263 /	Auditors' report
264 /	Responsibility statement

A look at the facts /  
Education in transition

Number of courses offered at German universities

1959 / 1960 winter semester : 81  
1979 / 1980 winter semester : 176  
2008 / 2009 winter semester : 276

Conclusion : Increasing specialization and the establishment of new fields of knowledge are changing the face of university education. / →

.....

## 03 /

**Consolidated financial statements**

The following consolidated financial statements of ThyssenKrupp AG for fiscal year 2008 / 2009 including the management report on the Group were audited by KPMG AG Wirtschaftsprüfungsgesellschaft and awarded an unqualified audit opinion. The statements contain details of our business performance in the reporting year and provide a comprehensive overview of the Group's financial and earnings position.

A look at our solutions /  
Education in transition

→/ By cooperating with numerous universities, we maintain close contacts with students, chairs and research institutions. For ThyssenKrupp, a broader exchange between academia and practice is an important engine of innovation and development. This importance is reflected in joint research projects, support for high-caliber students and integrated teaching at national and international level.

To find out further solutions, go to [www.thyssenkrupp.com](http://www.thyssenkrupp.com)

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# ThyssenKrupp AG

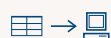
## Consolidated Statement of Income

million €, earnings per share in €

	Note	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Net sales	04, 32	53,426	40,563
Cost of sales*	12, 13	(44,270)	(36,905)
<b>Gross margin*</b>		<b>9,156</b>	<b>3,658</b>
Selling expenses*		(3,017)	(2,892)
General and administrative expenses*		(2,573)	(2,471)
Other operating income	05	342	382
Other operating expenses*	06, 12	(603)	(518)
Gain/(loss) on the disposal of subsidiaries, net		73	(5)
<b>Income/(loss) from operations</b>		<b>3,378</b>	<b>(1,846)</b>
Income from companies accounted for using the equity method		100	(29)
Interest income		281	263
Interest expense		(725)	(964)
Other financial income/(expense), net		94	212
<b>Financial income/(expense), net</b>	08	<b>(250)</b>	<b>(518)</b>
<b>Income/(loss) before income taxes</b>		<b>3,128</b>	<b>(2,364)</b>
Income tax (expense)/income	09	(852)	491
<b>Net income/(loss)</b>		<b>2,276</b>	<b>(1,873)</b>
<b>Thereof:</b>			
ThyssenKrupp AG's stockholders		2,195	(1,857)
Minority interest		81	(16)
<b>Net income/(loss)</b>		<b>2,276</b>	<b>(1,873)</b>
<b>Basic and diluted earnings per share based on</b>	10		
<b>Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)</b>		<b>4.59</b>	<b>(4.01)</b>

\* Prior year figure adjusted.

See accompanying notes to consolidated financial statements.



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# ThyssenKrupp AG

## Consolidated Balance Sheet

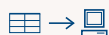
### ASSETS million €

	Note	Sept. 30, 2008	Sept. 30, 2009
Intangible assets	12	4,683	4,642
Property, plant and equipment	07, 13	11,266	13,793
Investment property	14	357	341
Investments accounted for using the equity method	15	515	480
Other financial assets	19	118	94
Other non-financial assets	20	902	455
Deferred tax assets	09	467	638
<b>Total non-current assets</b>		<b>18,308</b>	<b>20,443</b>
Inventories	17	9,494	6,735
Trade accounts receivable	18	7,885	5,120
Other financial assets	19	881	1,253
Other non-financial assets	20	1,953	1,724
Current income tax assets		381	252
Cash and cash equivalents		2,725	5,349
Assets held for sale	03	15	491
<b>Total current assets</b>		<b>23,334</b>	<b>20,924</b>
<b>Total assets</b>		<b>41,642</b>	<b>41,367</b>

### EQUITY AND LIABILITIES million €

	Note	Sept. 30, 2008	Sept. 30, 2009
Capital stock		1,317	1,317
Additional paid in capital		4,684	4,684
Retained earnings		6,519	4,025
Cumulative income and expense directly recognized in equity		(92)	(678)
thereof relating to disposal groups (Sept. 30, 2008: 0; Sept. 30, 2009: (12))			
Treasury stock		(1,421)	(1,421)
<b>Equity attributable to ThyssenKrupp AG's stockholders</b>		<b>11,007</b>	<b>7,927</b>
Minority interest		482	1,769
<b>Total equity</b>	21	<b>11,489</b>	<b>9,696</b>
Accrued pension and similar obligations	23	6,550	7,525
Other provisions	24	641	792
Deferred tax liabilities	09	1,128	307
Financial debt	25	3,068	7,160
Other financial liabilities	27	321	4
Other non-financial liabilities	28	20	46
<b>Total non-current liabilities</b>		<b>11,728</b>	<b>15,834</b>
Other provisions	24	1,746	2,040
Current income tax liabilities		555	794
Financial debt	25	1,348	305
Trade accounts payable	26	5,731	4,169
Other financial liabilities	27	1,544	1,585
Other non-financial liabilities	28	7,501	6,656
Liabilities associated with assets held for sale	03	0	288
<b>Total current liabilities</b>		<b>18,425</b>	<b>15,837</b>
<b>Total liabilities</b>		<b>30,153</b>	<b>31,671</b>
<b>Total equity and liabilities</b>		<b>41,642</b>	<b>41,367</b>

See accompanying notes to consolidated financial statements.



Download the tables at:  
[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

# ThyssenKrupp AG

## Consolidated Cash Flow Statement

million €

	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
<b>Operating:</b>		
Net income/(loss)	2,276	(1,873)
Adjustments to reconcile net income/(loss) to operating cash flows:		
Deferred income taxes, net	(46)	(719)
Depreciation, amortization and impairment of non-current assets	1,424	1,857
Reversals of impairment losses of non-current assets	(20)	(3)
(Income)/loss from companies accounted for using the equity method, net of dividends received	(95)	43
(Gain)/loss on disposal of non-current assets	(109)	(30)
Changes in assets and liabilities, net of effects of acquisitions and divestitures:		
- inventories	(613)	2,680
- trade accounts receivable	(331)	2,538
- accrued pension and similar obligations	(146)	(21)
- other provisions	159	578
- trade accounts payable	757	(1,504)
- other assets/liabilities not related to investing or financing activities	423	153
<b>Operating cash flows</b>	<b>3,679</b>	<b>3,699</b>
<b>Investing:</b>		
Purchase of investments accounted for using the equity method and financial assets	(51)	(43)
Expenditures for acquisitions of consolidated companies	(213)	(183)
Cash and cash equivalents acquired from acquisitions of consolidated companies	55	2
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(3,774)	(3,821)
Capital expenditures for intangible assets (inclusive of advance payments)	(244)	(191)
Proceeds from disposals of investments accounted for using the equity method and financial assets	85	59
Proceeds from disposals of previously consolidated companies	171	6
Cash and cash equivalents of disposed consolidated companies	(68)	(5)
Proceeds from disposals of property, plant and equipment and investment property	118	121
Proceeds from disposals of intangible assets	23	18
<b>Cash flows from investing activities</b>	<b>(3,898)</b>	<b>(4,037)</b>
<b>Financing:</b>		
Proceeds from issuance of bonds	0	2,986
Repayment of bonds	0	(500)
Proceeds from liabilities to financial institutions	1,041	3,245
Repayments of liabilities to financial institutions	(649)	(2,529)
Proceeds from notes payable and other loans	366	39
Increase/(decrease) in bills of exchange	3	(16)
Decrease of liabilities due to sales of receivables not derecognized from the balance sheet	(7)	(3)
Decrease/(increase) in current securities	83	(48)
Proceeds from minority interest to equity	0	465
Payments to repurchase treasury stock	(880)	0
Payment of ThyssenKrupp AG dividend	(635)	(603)
Profit attributable to minority interest	(55)	(47)
Other financing activities	28	(6)
<b>Cash flows from financing activities</b>	<b>(705)</b>	<b>2,983</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(924)</b>	<b>2,645</b>
Effect of exchange rate changes on cash and cash equivalents	(9)	5
Cash and cash equivalents at beginning of year	3,658	2,725
<b>Cash and cash equivalents at end of year</b>	<b>2,725</b>	<b>5,375</b>
[thereof cash and cash equivalents within the disposal groups]	[0]	[26]
<b>Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows:</b>		
Interest received	143	149
Interest paid	(269)	(342)
Dividends received	50	18
Income taxes (paid)/received	(660)	164

See Note 35 to the consolidated financial statements.

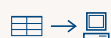
# ThyssenKrupp AG

## Consolidated Statement of Recognized Income and Expense

million €

	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
<b>Foreign currency translation adjustment:</b>		
Change in unrealized gains/(losses), net	(80)	(46)
Net realized (gains)/losses	0	0
<b>Net unrealized gains/(losses)</b>	<b>(80)</b>	<b>(46)</b>
<b>Unrealized gains/(losses) from available-for-sale financial assets:</b>		
Change in unrealized holding gains/(losses), net	(15)	7
Net realized (gains)/losses	0	0
<b>Net unrealized holding gains/(losses)</b>	<b>(15)</b>	<b>7</b>
<b>Actuarial gains/(losses) from pensions and similar obligations:</b>	<b>394</b>	<b>(1,073)</b>
<b>Gains/(losses) resulting from asset ceiling</b>	<b>(3)</b>	<b>3</b>
<b>Unrealized gains/(losses) on derivative financial instruments:</b>		
Change in unrealized gains/(losses), net	13	231
Net realized (gains)/losses	(21)	(9)
<b>Net unrealized gains/(losses)</b>	<b>(8)</b>	<b>222</b>
<b>Tax effect</b>	<b>(133)</b>	<b>284</b>
<b>Income and expense directly recognized in equity (net of tax)</b>	<b>155</b>	<b>(603)</b>
<b>Net income/(loss)</b>	<b>2,276</b>	<b>(1,873)</b>
<b>Total recognized income and expense for the period</b>	<b>2,431</b>	<b>(2,476)</b>
<b>Thereof:</b>		
<b>ThyssenKrupp AG's stockholders</b>	<b>2,344</b>	<b>(2,449)</b>
Minority interest	87	(27)
<b>Cumulative actuarial gains/(losses) from pensions and similar obligations as of year-end</b>	<b>506</b>	<b>(530)</b>

The presentation includes income and expense of €(6) million (2008: €19 million) attributable to investments accounted for using the equity method.  
See accompanying notes to consolidated financial statements.



Download the tables at:  
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# ThyssenKrupp AG

## Notes of the consolidated financial statements

### Corporate Information

ThyssenKrupp Aktiengesellschaft (“ThyssenKrupp AG” or “Company”) is a publicly traded corporation domiciled in Germany. The consolidated financial statements of ThyssenKrupp AG and its subsidiaries, collectively the “Group”, for the year ended September 30, 2009, were authorized for issuance in accordance with a resolution of the Executive Board on November 09, 2009.

### Statement of compliance

Applying Art. 315a of the German Commercial Code (HGB), the Group’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations of the International Accounting Standards Board (IASB) effective within the EU in accordance with the Regulation No. 1606/2002 of the European Parliament and the Council concerning the use of International Accounting Standards.

## 01 / Summary of significant accounting policies

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are stated at fair value. The consolidated financial statements are presented in Euros since this is the currency in which the majority of the Group’s transactions are denominated, with all amounts rounded to the nearest million except when otherwise indicated; this may result in differences compared to the unrounded figures.

### Consolidation

The Group’s consolidated financial statements include the accounts of ThyssenKrupp AG and all significant entities which are directly or indirectly controlled by ThyssenKrupp AG. Control is achieved where ThyssenKrupp AG possesses more than half of the voting rights of a company or has in another way the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. On acquisition, the identifiable assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority’s proportion of the fair values of the identifiable assets, liabilities and contingent liabilities recognized.

All significant inter-company transactions and balances between Group entities are eliminated on consolidation.

Included in the Group consolidated financial statements are 226 (2007/2008: 233) domestic and 518 (2007/2008: 518) foreign-controlled entities that are consolidated. During fiscal year 2008/2009, 32 entities were consolidated for the first time. During the same period, the scope of consolidation was reduced by 39 entities of which 29 resulted from the internal merging of Group entities.

33 (2007/2008: 51) controlled subsidiaries are not consolidated because their combined influence on the Group’s net assets, financial position and results of operations is not material. Their net sales amount to 0.03%, their income before tax amounts to (0.08)% and their total equity amounts to (0.01)% of the Group’s respective balances. These non-consolidated subsidiaries are measured at fair value or at cost when the fair value of unlisted equity instruments cannot be reliably measured; they are presented under the “Other financial assets, non-current” line item.

Investments in associates are accounted for using the equity method of accounting. An associate is an entity over which the Group is in a position to exercise significant influence, but not control, through participation in the financial and operating policies. Significant influence is presumed when the Group holds 20% or more of the voting rights (“Associated Companies”). Where a Group entity transacts with an associate of the Group, unrealized profits and losses are eliminated to the extent of the Group’s interest in the relevant associate.

The Group reports its interests in jointly-controlled entities (Joint Ventures) using the equity method of accounting. Where the Group transacts with its jointly-controlled entities, unrealized profits and losses are eliminated to the extent of the Group’s interest in the joint venture.

The Group has 16 (2007/2008: 17) Associated Companies and 20 (2007/2008: 21) Joint Ventures that are accounted for using the equity method of accounting. Another 24 (2007/2008: 27) Associated Companies are measured at fair value or at cost when the fair value of unlisted equity instruments cannot be reliably measured because their combined influence on the Group’s net assets, financial position and results of operations is not material; they are presented under the “Other financial assets, non-current” line item. The income/(loss) before tax of the immaterial Associated Companies amounts to (0.24)% and their total equity to 0.13% of the Group’s respective balances.

A complete listing of the Group's subsidiaries and equity interests is presented in Note 38.

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly-controlled entity at the date of acquisition. Goodwill is recognized as an asset and is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired.

Goodwill arising on the acquisition of an associate or a jointly-controlled entity is included within the carrying amount of the associate or the jointly-controlled entity, respectively. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary, associate or jointly-controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### Foreign currency translation

The functional and reporting currency of ThyssenKrupp AG and its relevant European subsidiaries is the Euro (€). Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in the net profit or loss for the period.

Financial statements of the foreign subsidiaries included in the Group consolidated financial statements where the functional currency is other than the Euro are translated using their functional currency which is generally the respective local currency. The translation is performed using the current rate method, in which balance sheet amounts are translated to the reporting currency using the rates of exchange prevailing on the balance sheet date, while income statement amounts are translated using the period's average exchange rates. Net exchange gains or losses resulting from the translation of foreign financial statements are accumulated and included in equity. Such translation differences are recognized as income or as expenses in the period in which the operation is disposed of.

Companies that manage their sales, purchases, and financing substantially not in their local currency use the currency of their primary economic environment as their functional currency. Using the functional currency in these cases involves translating non-monetary items such as non-current assets, including scheduled depreciation, and equity to the functional currency using the average exchange rates of the respective year of addition. All other balance sheet line items are translated using the exchange rate as of the balance sheet date and all other income statement line items are translated using the period's average exchange rates. The resulting translation differences are included in the consolidated statement of income as "Other operating income or expenses". Thereafter, the functional currency financial statements are translated into the reporting currency using the current rate method.

The exchange rates of those currencies significant to the Group have developed as follows:

### CURRENCIES

	Exchange rate as of (Basis €1)		Annual average exchange rate for the year ended (Basis €1)	
	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009
US Dollar	1.43	1.47	1.50	1.35
Canadian Dollar	1.50	1.57	1.52	1.59
Pound Sterling	0.80	0.91	0.76	0.87
Brazilian Real	2.76	2.61	2.57	2.88

### Revenue recognition

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer and the amount of revenue can be measured reliably. Revenue from services is recognized when services are rendered. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue is recognized net of applicable provisions for discounts and allowances.

Construction contract revenue and expense are accounted for using the percentage-of-completion method, which recognizes revenue as performance of the contract progresses. The contract progress is determined based on the percentage of costs incurred to date to total estimated cost for each contract after giving effect

to the most recent estimates of total cost. If the construction takes a substantial period of time, contract costs also include borrowing costs that are directly attributable. Contracts where the Group provides engineering services are also accounted for like construction contracts. Construction contracts under the percentage-of-completion method are measured at construction cost plus profits earned based on the percentage of the contract completed. Revenues net of advance payments received are recognized as trade accounts receivable in the balance sheet. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue which can be measured reliably.

Where the income of a construction contract cannot be estimated reliably, contract revenue that is probable to be recovered is recognized to the extent of contract costs incurred. Contract costs are recognized as expenses in the period in which they are incurred.

Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Revenues from contracts with multiple element arrangements, such as those including both goods and services, are recognized as each element is earned based on objective evidence of the relative fair value of each element.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable. Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

### Government grants

Government grants are recognized only if there is reasonable assurance that the associated conditions will be met and the grants will be received. Grants related to assets are reported as a reduction of cost of the assets concerned with a corresponding reduction of depreciation and amortization in subsequent periods. Grants related to income are stated as other operating income in the periods in which the expenses intended to be compensated by the grant are recognized.

### Research and development costs

Research costs are expensed as incurred.

Development costs, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalized if the product or process is technically and commercially feasible, there is a market for the output of the intangible asset, the attributable expenditure can be measured reliably, and the Group has sufficient resources to complete development. Other development costs are expensed as incurred. Capitalized development costs of completed projects are stated at cost less accumulated amortization. Costs include direct costs of material, direct labour, and allocable material and manufacturing overhead. Borrowing costs directly attributable to a production of assets that necessarily takes a substantial period of time to get the assets ready for their intended use, are included in the cost of those assets until the assets are ready for their intended use. Administrative costs are capitalized only if such costs are directly related to production. Capitalized development costs of projects not yet completed are reviewed for impairment annually or more frequently when an indicator of impairment arises during the reporting year.

### Earnings per share

Basic earnings per share amounts are computed by dividing net income/(loss) attributable to ThyssenKrupp AG's shareholders by the weighted average number of shares outstanding. Shares issued during the period and shares reacquired during the period are weighted for the portion of the period that they were outstanding. There were no dilutive securities in the periods presented.

### Intangible assets

Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis generally over a period of 3 to 15 years, depending on their estimated useful lives. Technology resulting from the acquisition of Howaldtswerke-Deutsche Werft (HDW) is amortized over a period of 40 years. Useful lives are examined on an annual basis and adjusted when applicable on a prospective basis. The amortization expense of intangible assets is primarily included in the "cost of sales" line item in the consolidated statement of income.

Goodwill is stated at cost and tested for impairment annually or on such other occasions that events or changes in circumstances indicate that it might be impaired. Goodwill impairment losses are included in other operating expenses.

### Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation. Capitalized production costs for self constructed assets include costs of material, direct labour, and allocable material and manufacturing overhead. Borrowing costs directly attributable to the production of assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Administrative costs are capitalized only if such costs are directly related to production. Maintenance and repair costs (day-to-day servicing) are expensed as incurred. The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing parts and major inspection of such an item if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. Where fixtures and equipment comprise of significant parts having different useful lives those parts are accounted for as separate units and depreciated accordingly.

Fixtures and equipment are depreciated using the straight-line method. Upon sale or retirement, the acquisition or production cost and related accumulated depreciation are removed from the balance sheet and any gain or loss is included in the consolidated statement of income.

The following useful lives are used as a basis for calculating depreciation:

#### USEFUL LIVES

Buildings (incl. investment property)	10 to 50 years
Building and land improvements	15 to 25 years
Technical machinery and equipment	8 to 25 years
Factory and office equipment	3 to 10 years

### Investment property

Investment property consists of investments in land and buildings that are held to earn rental income or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property is stated at cost less accumulated depreciation. The fair value of the Group's investment property is stated in Note 14.

### Impairment

At each balance sheet date, the Group reviews the carrying amounts of its intangible assets, property, plant and equipment and investment property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the greater of the fair value less cost to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Goodwill arising on acquisition is allocated to the Cash Generating Units that are expected to benefit from the synergies of the acquisition. Those groups of Cash Generating Units represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The recoverable amount of the Cash Generating Unit that carries a goodwill is tested for impairment annually as of October 01, or on such other occasions that events or changes in circumstances indicate that it might be impaired. For more details refer to Note 12.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

In case of impairment losses related to Cash Generating Units that carry a goodwill the carrying amount of any goodwill allocated to the Cash Generating Unit is reduced first. If the amount of impairment losses exceeds the carrying amount of goodwill, the difference is generally allocated proportionally to the remaining non-current assets of the Cash Generating Unit to reduce their carrying amounts accordingly.

Where an impairment loss subsequently reverses, the carrying amount of the asset (Cash Generating Unit) is increased to the revised estimate of its recoverable amount. The revised amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (Cash Generating Unit) in prior years. A reversal of an impairment loss is recognized as income immediately. However, impairment losses of goodwill may not be reversed.

### Leases

Leases are classified as either finance or operating. Lease transactions whereby the Group is the lessee and bears substantially all the risks and rewards incidental to ownership of an asset are accounted for as a finance lease. Accordingly, the Group capitalizes the leased asset at the lower of the fair value or the present value of the minimum lease payments and subsequently depreciates the leased asset over the shorter of the lease term and its useful life. In addition, the Group records a corresponding lease obligation on the balance sheet which is subsequently settled and carried forward using the effective interest method. All other lease agreements entered into by the Group, as a lessee, are accounted for as operating leases whereby the lease payments are expensed on a straight-line basis.

Lease transactions whereby the Group is the lessor and transfers substantially all of the benefits and risks incident to the ownership of property, are accounted for as a sale and financing of the leased asset. The Group recognizes a receivable at an amount equal to the net investment in the lease and includes interest income in the consolidated income statement. All other lease agreements entered into by the Group, as a lessor, are accounted for as operating leases whereby the leased asset remains on the Group's balance sheet and is depreciated. Scheduled lease payments are recognized in income on a straight-line basis over the lease term.

### Inventories

Inventories are stated at the lower of acquisition/manufacturing cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling costs. In general, inventories are valued using the average cost method. Manufacturing cost includes direct material, labor and allocable material and manufacturing overhead based on normal operating capacity.

### Financial instruments

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as ThyssenKrupp becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, the settlement date is used for initial recognition or derecognition. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

### Determining fair value

The fair value of financial instruments is generally equal to the amount the Group would receive or pay if it exchanged or settled the financial instruments on the balance sheet date. If available, quoted market prices are used for financial instruments, especially for those categorized as available-for-sale financial assets. Otherwise, fair values are calculated based on the market conditions prevailing on the balance sheet date – interest rates, exchange rates, commodity prices – using middle rates or prices. In doing so, fair values are calculated using common methods, such as the option pricing models for currency and interest rate options or the discounted cash flow method for interest rate swaps. The fair values of some derivatives are based on external valuations by our financial partners.

### Financial assets

In particular, financial assets include trade accounts receivable, cash and cash equivalents, derivative financial assets, as well as equity instruments and bonds held. Financial assets are initially recognized at fair value. This includes any transaction costs directly attributable to the acquisition of financial assets, which are not carried at fair value through profit or loss in future periods. The fair values recognized on the balance sheet usually reflect the market prices of the financial assets.

### Trade accounts receivable and other current receivables

Receivables are accounted for at amortized cost less valuation allowances.

Impairments in the form of individual allowances for doubtful accounts adequately consider default risk. When there is objective evidence of default, the receivable concerned is derecognized. Receivables that are immaterial, and receivables of similar default risk, are grouped together and tested collectively for impairment based on past experience. Partially, impairments are accounted for using separate allowance accounts. Whether default risk is recognized by means of an allowance account or a direct derecognition of the receivable depends on the probability of default and the reliability of its estimation.

Receivables that do not bear interest or bear below market interest rates and have an expected term of more than one year are discounted with the discount subsequently amortized to interest income over the term of the receivable.

The Group sells undivided interests in certain trade accounts and notes receivable both on an ongoing and one-time basis to special purpose entities, which are not required to be consolidated, or to other lending institutions. Financial assets sold under these arrangements are excluded from accounts receivable in the Group's balance sheet at the time of sale if it is assured that the cash flows related to those receivables will be passed through to the acquirer and substantially all risks and rewards have been transferred. If substantially all risks and rewards have neither been transferred nor retained, financial assets are excluded from the books at the time of the sale if it is assured that the cash flows of the receivables will be passed through to the acquirer and the acquirer has gained control over the receivables. If substantially all risks and rewards have been retained financial assets remain in the Group's balance sheet as collateral for borrowings.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits as well as financial assets that are readily convertible to cash and which are only subject to an insignificant risk of change in value, they are measured at amortized cost.

### Financial assets held for trading

Derivatives that are not part of an effective hedge accounting in accordance with IAS 39 must be assigned to this category when the fair value is positive as of measurement date. Gains or losses resulting from changes in fair value are recognized in profit or loss.

### Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets not assigned to any of the above categories (trade accounts receivable and other current receivables, cash and cash equivalents, and financial assets held for trading). This category includes primarily equity and debt instruments which are in general measured at fair value. Gains or losses resulting from the measurement of available-for-sale financial assets are recognized directly in equity, with the exception of impairment losses and foreign currency conversion effects. On disposal of these financial assets, a cumulative gain or loss recognized directly in equity until then is recognized in profit or loss of the respective period. When the fair value of unlisted equity instruments cannot be reliably measured, they are measured at cost.

### Financial assets measured at fair value through profit or loss

The Group does not use the option to categorize financial assets at fair value through profit or loss when initially recognized.

### Impairment of financial assets

At each balance sheet date, an assessment is made of whether there is any objective evidence that the carrying amounts of financial assets not carried at fair value through profit or loss are impaired. Objective evidence includes, for example, considerable financial difficulty of the debtor obligor, disappearance of an active market, and significant changes in the technological, market, economic or legal environment. A significant or prolonged decline in the fair value of an equity instrument is an objective evidence of impairment.

The impairment loss on a financial asset carried at amortized cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. An impairment loss is recognized in profit or loss.



If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss.

If the decrease in fair value of an available-for-sale financial asset was previously recognized directly in equity, such loss is transferred from equity to profit or loss as soon as an objective evidence of an impairment loss exists. The amount of the impairment represents the difference between historical cost (less any redemption and amortization) and the current fair value less any impairment loss on that financial asset previously recognized in profit or loss. Impairment losses on equity instruments classified as available-for-sale and recognized in the income statement are not reversed through profit or loss, but rather through equity. The amount of any reversal of any write-down of debt instruments, which objectively occurred after the impairment was recognized, is recognized in profit or loss.

#### Financial liabilities

Financial liabilities are liabilities that must be settled in cash or other financial assets. These especially include trade accounts payable, derivative financial liabilities and components of financial debt, mainly bonds and other securitized liabilities, liabilities to financial institutions and finance lease liabilities. Financial liabilities are initially carried at fair value. This includes any transaction costs directly attributable to the acquisition of financial liabilities, which are not carried at fair value through profit or loss in future periods.

#### Trade accounts payable and other non-derivative financial liabilities

Trade accounts payable and other non-derivative financial liabilities are in general measured at amortized cost using the effective interest method. Finance charges, including premiums payable on redemption or settlement, are periodically accrued and increase the liabilities' carrying amounts unless they have already been settled in the period in which they were incurred.

#### Financial liabilities carried at fair value through profit or loss

The Group does not use the option to categorize financial liabilities at fair value through profit or loss when initially recognized.

#### Financial liabilities held for trading

Derivatives that are not part of an effective hedge accounting in accordance with IAS 39 must be classified as "held for trading" and thus carried at fair value through profit or loss. In the event of negative fair values, such derivatives are recognized as "financial liabilities held for trading".

#### Derivative financial instruments

The Group generally uses derivative financial instruments to hedge its exposure to foreign currency exchange rate, interest rate and commodity price risks arising from operational, financing and investment activities. Derivatives are used generally to hedge existing or anticipated underlying transactions. Such derivatives and so-called "embedded derivatives", which are an integral part of a non-derivative host contract and must be accounted for separately, are measured initially and subsequently at fair value through profit or loss. Gains or losses due to fluctuations in fair value are recognized immediately in profit or loss.

If derivatives are used to hedge the exposure to variability in cash flows and to hedge balance sheet items, the hedging relationship qualifies for hedge accounting under IAS 39 if certain conditions are met. This can reduce volatility in the income statement. There are three types of hedging relationships: fair value hedge, cash flow hedge and hedge of a net investment in a foreign operation.

In a fair value hedge, which is a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, the hedging instrument is stated at fair value and any changes in fair value are immediately recognized in profit or loss. Changes in fair value of a hedged asset, liability or firm commitment, which are attributable to a particular hedged risk, are also recognized in profit or loss. Given a perfect hedge, changes in fair value of the underlying and hedging transactions are almost entirely offset. If the asset or liability is measured at amortized cost according to general accounting guidelines, its carrying amount must be adjusted for the cumulative changes in fair value resulting from the hedged risk. However, if the hedged item (e.g. available-for-sale security) is recognized at fair value without influencing the income statement in accordance with the general accounting guidelines, changes in fair value resulting from the hedged risk are recognized in profit or loss, contrary to the general guidelines.

A cash flow hedge is a hedge of the exposure to variability in cash flows associated with a recognized asset or liability, a highly probable forecast transaction, or foreign currency risk of a firm commitment. The effective portion of the fluctuations in fair value is immediately recognized in equity. The effective portion is reclassified from equity to profit or loss in the same period during which the hedged underlying transaction affects profit or loss. If a hedge subsequently results in the recognition of a non-financial asset (e.g. property, plant and equipment or inventories), then the fluctuations in fair value that were recognized in equity affect the value of the non-financial asset. When measuring the effectiveness between the underlying hedged transaction and the hedging instrument the remaining ineffective portion of the hedge and adjustments due to interest rate changes are immediately recognized in the consolidated statement of income. In the case of currency risks, the effectiveness of the hedging relationship is established by including changes in value due to spot rate changes as a hedged risk and excluding the interest component.

When the hedging instrument expires or is sold, terminated or exercised, or the hedging relationship is discontinued, but the forecast underlying transaction is still expected to occur, the cumulative gain or loss on the hedging instrument that has been recognized in equity remains separately in equity until the forecast transaction occurs. It is recognized in profit or loss as detailed above when the transaction affects the income statement. If the hedged forecast transaction is no longer expected to occur, any related cumulative unrealized gain or loss recognized in equity is recognized immediately in the consolidated statement of income.

The Group mainly uses cash flow hedges to hedge its exposure to changes in foreign currency rates, interest rates and commodity prices. In addition, the Group carries out hedging in accordance with the basic principles of risk management under which existing risks are hedged economically, but the hedges do not comply with the strict hedge accounting requirements under IAS 39. The Group does not use hedge accounting for foreign currency derivatives that have been concluded to hedge foreign currency risks arising from monetary balance sheet items. Thus, the effects from the foreign currency conversion of balance sheet items recognized in profit or loss are offset against the fluctuations in fair value of derivatives, which are also recognized in profit or loss.

Currently, the Group does not apply hedging of a net investment in a foreign operation.

More information about financial instruments is provided in Note 30.

#### Deferred income taxes

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill that is not taken into account for tax purposes.

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also recognized directly in equity.

#### Cumulative income and expense directly recognized in equity

The equity line item "Cumulative income and expense directly recognized in equity" includes changes in the equity of the Group that were not recognized in the consolidated statement of income of the period, except those resulting from investments by owners and distributions to owners. Cumulative income and expense directly recognized in equity includes foreign currency translation adjustments, recognized actuarial gains and losses relating to pensions and other postretirement obligations inclusive of asset ceiling impacts as well as unrealized holding gains and losses on available-for-sale financial assets and on derivative financial instruments.



### Accrued pension and similar obligations

The Group's net obligation for defined benefit and other postretirement benefit plans have been calculated for each plan using the projected unit credit method as of the balance sheet date. A quarterly valuation of pensions and health care obligations is performed on the basis of updated interest rates and fair values of plan assets.

All actuarial gains and losses as of October 01, 2004, the date of transition to IFRS, were recognized in equity. Actuarial gains and losses that arise subsequent to October 01, 2004, as well as gains and losses resulting from asset ceiling are recognized directly in equity and presented in the statement of recognized income and expense.

Where the plan calculation results in a benefit to the Group, the recognized prepaid benefit cost is limited to the net total of unrecognized past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Service cost for pensions and other postretirement obligations are recognized as an expense in income from operations, while interest cost and the expected return on plan assets recognized as components of net periodic pension cost are included in net financial income/(expense) in the Group's consolidated statement of income. When benefits of a plan are improved, the portion of the increased benefit relating to past service is recognized as an expense in income from operations on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately.

The Group's obligations for contributions to defined contribution plans are recognized as expense in income from operations as incurred.

The Group also maintains multi-employer plans. In principle, these multi-employer plans contain defined benefit plans as well as defined contribution plans. With respect to defined benefit multi-employer plans these are accounted for in the same way as any other defined benefit plan in case the required information is available. Otherwise these plans are accounted for as defined contribution plans.

### Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event which will result in a probable outflow of economic benefits that can be reasonably estimated. The amount recognized represents best estimate of the settlement amount of the present obligation as of the balance sheet date. Expected reimbursements of third parties are not offset but recorded as a separate asset if it is virtually certain that the reimbursements will be received. Where the effect of the time value of money is material, provisions are discounted using a risk adjusted market rate.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Provisions for restructuring costs are recognized when the Group has a detailed formal plan for the restructuring and has notified the affected parties.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

### Share-based compensation

The Group has management incentive plans which grant stock rights to executive and senior employees. The fair value of these rights is calculated on the date of grant and recognized as an expense on a straight-line basis over the vesting period with a corresponding increase in provisions. The provision is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the provision are recognized as part of income from operations.

The Group set up an Employee Share Purchase Program for selected executive employees that grants purchase of shares at a discount. Services received are recognized on a straight-line basis based on the estimated discount with regard to the shares during the period from the offer of the Employee Share Purchase Program until the grant date which is the date when the employees accept the offer. See also information provided in Note 22.

### Segment reporting

In accordance with the so-called management approach, segment reporting of the ThyssenKrupp Group is based on the internal organizational and reporting structure. The data used to determine the internal key figures are derived from the IFRS consolidated financial statements.

### Disposal Groups and Discontinued Operations

The Group reports as a disposal group non-current assets, that will be disposed of by sale together with other assets and liabilities in a single transaction, which collectively meet the held for sale criteria as specified in IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. The Group reports the assets and liabilities of a disposal group separately in the balance sheet line item “assets held for sale” and “liabilities associated with assets held for sale”, respectively. Unless a disposal group qualifies for discontinued operations reporting, the revenues and expenses of the disposal group remain within continuing operations until the date of disposal. The Group reports the results of a disposal group that also qualifies as a component of the Group as discontinued operations if it represents a separate major line of business or geographical area of operations. The Group reports the results of discontinued operations in the period in which they occur separately within the consolidated statement of income as “discontinued operations (net of tax)”. All prior period consolidated statements of income are adjusted to report the results of the component within discontinued operations.

On initial classification as held for sale, non-current assets are recognized at the lower of the carrying amount and fair value less costs to sell and depreciation and amortization ceases. A disposal group is initially measured in line with the respective IFRS standards to determine the carrying amount of the disposal group which is then compared to the fair value less costs to sell of the group in order to recognize the group at the lower of both amounts. Impairment losses on initial classification as held for sale are included in profit or loss, as are gains and losses on subsequent remeasurement.

### Financial statement classification

Certain line items in the consolidated statement of income and on the consolidated balance sheet have been combined. These items are disclosed separately in the Notes to the consolidated financial statements. Certain reclassifications have been made to the prior year presentation to conform to that of the current year.

In general the Group classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date. Group companies that have operating cycles longer than twelve months classify assets and liabilities as current if they are expected to be realized within the company's normal operating cycle.

### Use of estimates

The preparation of the Group consolidated financial statements 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting estimates and judgements made by Management in the application of IFRS that have a significant effect on the consolidated financial statements are presented in Note 33.

### Newly published accounting standards not early adopted

In fiscal year 2008/2009, the following Standards, Interpretations and Amendments to already existing Standards with relevance for ThyssenKrupp have been issued which still must be endorsed by the EU before they can be adopted:

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

In April 2009 the IASB issued the second omnibus standard “Improvements to IFRSs” as part of its annual improvement process project. This standard slightly adjusts ten existing standards and two interpretations by fifteen amendments. Unless otherwise specified, the amendments are effective for fiscal years beginning on or after January 01, 2010, while earlier application is permitted. Currently, Management does not expect the adoption of the amended

standards and interpretations – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

In June 2009 the IASB issued an amendment to IFRS 2 “Share-based Payment – Group Cash-settled Share-based Payment Transactions” that clarify the accounting for Group cash-settled share-based payment transactions in the individual financial statements of the subsidiary. Furthermore the amendment to IFRS 2

incorporates guidance previously included in IFRIC 8 “Scope of IFRS 2” and IFRIC 11 “IFRS 2 – Group and Treasury Share Transactions”. The application of the amended Standard is compulsory for fiscal years beginning on or after January 01, 2010, while earlier application is permitted. Currently, Management does not expect the adoption of the amended standards and interpretations – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

## 02 / Acquisitions and disposals

### Year ended September 30, 2009

In the year ended September 30, 2009 the Group acquired companies that are, on an individual basis, immaterial. Based on the values as of the acquisition date, these acquisitions affected in total the Group’s consolidated financial statements as presented below:

million €

	Year ended Sept. 30, 2009		
	Carrying amounts as of acquisition date	Adjustments	Fair values as of acquisition date
Goodwill	0	20	20
Other intangible assets	0	9	9
Property, plant and equipment	21	0	21
Deferred tax assets	1	0	1
Inventories	4	0	4
Trade accounts receivable	9	0	9
Other current financial assets	1	0	1
Other current non-financial assets	1	0	1
Cash and cash equivalents	2	0	2
<b>Total assets acquired</b>	<b>39</b>	<b>29</b>	<b>68</b>
Accrued pension and similar obligations	1	0	1
Deferred tax liabilities	0	2	2
Other current provisions	1	0	1
Current income tax liabilities	1	0	1
Current financial debt	24	0	24
Trade accounts payable	4	0	4
Other current financial liabilities	1	0	1
Other current non-financial liabilities	7	0	7
<b>Total liabilities assumed</b>	<b>39</b>	<b>2</b>	<b>41</b>
<b>Net assets acquired</b>	<b>0</b>	<b>27</b>	<b>27</b>
Minority interest			0
<b>Purchase prices (incl. incidental acquisition cost)</b>			<b>27</b>
thereof: paid in cash and cash equivalents			18

In addition, in the year ended September 30, 2009 the Group sold companies as part of the portfolio optimization that were, on an individual basis, immaterial. Based on the values as of the disposal date, these disposals affected in total the Group's consolidated financial statements as presented below:

million €	Year ended Sept. 30, 2009
Property, plant and equipment	13
Inventories	6
Trade accounts receivable	3
Other current non-financial assets	1
Cash and cash equivalents	5
<b>Total assets disposed of</b>	<b>28</b>
Accrued pension and similar obligations	1
Other current provisions	6
Trade accounts payable	7
Other current non-financial liabilities	2
<b>Total liabilities disposed of</b>	<b>16</b>
<b>Net assets disposed of</b>	<b>12</b>
Minority interest	3
Gain/(loss) resulting from the disposals	(5)
<b>Selling prices</b>	<b>4</b>
thereof: received in cash and cash equivalents	4

#### Year ended September 30, 2008

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 €96 million in cash. The other intangible assets are almost exclusively customer contracts. The final 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.

The acquisition of the Apollo group finally affected the Group's consolidated financial statements as presented below:

million €	Carrying amounts as of acquisition date	Adjustments	Fair values as of acquisition date
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
<b>Total assets acquired</b>	<b>109</b>	<b>53</b>	<b>162</b>
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
<b>Total liabilities assumed</b>	<b>65</b>	<b>0</b>	<b>65</b>
<b>Net assets acquired</b>	<b>44</b>	<b>53</b>	<b>97</b>
Minority interest	1	0	1
<b>Purchase price (incl. incidental acquisition cost)</b>			<b>96</b>
thereof: paid in cash and cash equivalents			96

Since the Apollo group joined the ThyssenKrupp Group in 2007/2008, it generated sales of €140 million and income before income taxes of €11 million, which are included in the consolidated statement of income of the year ended September 30, 2008.

If the acquisition had taken place on October 01, 2007 in 2007/2008, the Apollo group would have contributed sales of €187 million and income before income taxes of €19 million to the Group's consolidated income.

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

million €

	Year ended Sept. 30, 2008		
	Carrying amounts as of acquisition date	Adjustments	Fair values as of acquisition date
Goodwill	0	87	87
Other intangible assets	6	42	48
Property, plant and equipment	42	10	52
Investments accounted for using the equity method	0	(29)	(29)
Deferred tax assets	2	1	3
Inventories	66	0	66
Trade accounts receivable	75	0	75
Other current financial assets	6	0	6
Other current non-financial assets	8	0	8
Current income tax assets	1	0	1
Cash and cash equivalents	46	0	46
<b>Total assets acquired</b>	<b>252</b>	<b>111</b>	<b>363</b>
Accrued pension and similar obligations	1	0	1
Other non-current provisions	1	0	1
Deferred tax liabilities	2	9	11
Non-current financial debt	19	3	22
Other current provisions	9	0	9
Current income tax liabilities	2	0	2
Current financial debt	32	0	32
Trade accounts payable	49	0	49
Other current financial liabilities	16	0	16
Other current non-financial liabilities	27	1	28
<b>Total liabilities assumed</b>	<b>158</b>	<b>13</b>	<b>171</b>
<b>Net assets acquired</b>	<b>94</b>	<b>98</b>	<b>192</b>
Minority interest	20	3	23
<b>Purchase prices (incl. incidental acquisition cost)</b>			<b>169</b>
thereof: paid in cash and cash equivalents			167

In addition, in the year ended September 30, 2008 the Group sold companies as part of the portfolio optimization that were, on an individual basis, immaterial. Based on the values as of the disposal date, these disposals affected in total the Group's consolidated financial statements as presented below:

million €	Year ended Sept. 30, 2008
Goodwill	35
Property, plant and equipment	80
Investment property	4
Deferred tax assets	3
Inventories	54
Trade accounts receivable	48
Other current financial assets	4
Other current non-financial assets	21
Cash and cash equivalents	68
<b>Total assets disposed of</b>	<b>317</b>
Accrued pension and similar obligations	35
Other non-current provisions	7
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
<b>Total liabilities disposed of</b>	<b>219</b>
<b>Net assets disposed of</b>	<b>98</b>
Minority interest	0
Gain/(loss) resulting from the disposals	58
<b>Selling prices</b>	<b>156</b>
thereof: received in cash and cash equivalents	158

### 03 / Disposal groups

As part of the portfolio optimization program, in fiscal year 2008/2009 the Group has initiated the disposal of several businesses. These transactions have not met the requirements of IFRS 5 for a presentation as discontinued operations. Therefore, revenues and expenses will continue to be presented as income from continuing operations until the date of the disposal. For entities for which the disposal has not been completed as of September 30, 2009, the assets and liabilities of the disposal group have been disclosed separately in the consolidated balance sheet as of September 30, 2009 as "assets held for sale" and "liabilities associated with assets held for sale".

At the beginning of October 2009, the disposal of the ThyssenKrupp Industrieservice business was initiated in the Services segment. The lineup of the facility management services companies

embraces maintenance, supply chain services, location services and technical cleaning as well as industrial assembly and installation. The assets and liabilities of the disposal group as of September 30, 2009 are disclosed in the following table:

million €	Sept. 30, 2009
Intangible assets	25
Property, plant and equipment	23
Investments accounted for using the equity method	1
Deferred assets	2
Inventories	7
Trade accounts receivable, net	55
Other current financial assets	1
Other current non-financial assets	2
Cash and cash equivalents	20
<b>Assets held for sale</b>	<b>136</b>
Accrued pension and similar obligations	12
Other non-current provisions	1
Deferred tax liabilities	2
Other current provisions	7
Current financial debt	34
Trade accounts payable	8
Other current non-financial liabilities	26
<b>Liabilities associated with assets held for sale</b>	<b>90</b>

Also in the Services segment, the disposal of the American scaffolding services company Safway was initiated in October 2009. The assets and liabilities of the disposal group as of September 30, 2009 are disclosed in the following table:

million €	Sept. 30, 2009
Intangible assets	78
Property, plant and equipment	150
Other financial assets	2
Deferred assets	1
Inventories	14
Trade accounts receivable, net	97
Other current financial assets	4
Other current non-financial assets	3
Current income tax assets	6
<b>Cash and cash equivalents</b>	<b>355</b>
Other non-current provisions	28
Deferred tax liabilities	26
Other current provisions	28
Current income tax liabilities	2
Current financial debt	105
Trade accounts payable	8
Other current financial liabilities	1
<b>Liabilities associated with assets held for sale</b>	<b>198</b>

The above mentioned “assets held for sale” and “liabilities associated with assets held for sale” are included in the amounts disclosed in the notes to the consolidated financial statements.

## Notes to the consolidated statement of income

### 04 / Net sales

Net sales include revenues resulting from the rendering of services of €9,130 million (2007/2008: €11,145 million) as well as sales from construction contracts of €7,276 million (2007/2008: €6,721 million).

### 05 / Other operating income

million €	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Gains on the disposal of intangible assets, property, plant and equipment and investment property	61	37
Currency exchange differences	8	1
Insurance compensation	41	22
Miscellaneous	232	322
<b>Total</b>	<b>342</b>	<b>382</b>

Miscellaneous other operating income includes a multitude of minor single items resulting from the 744 (2007/2008: 751) consolidated entities.

### 06 / Other operating expenses

million €	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Losses on the disposal of intangible assets, property, plant and equipment and investment property	58	28
Additions to other provisions	55	99
Expenses in connection with non-customer related research and development activities	224	200
Other taxes	34	54
Miscellaneous	232	137
<b>Total</b>	<b>603</b>	<b>518</b>

Miscellaneous other operating income includes a multitude of minor single items resulting from the 744 (2007/2008: 751) consolidated entities.

### 07 / Government grants

Especially in connection with the construction of a new steel mill in the USA government grants related to assets led to a €124 million reduction of cost in fiscal year 2008/2009 (2007/2008: €98 million). In addition, government grants to compensate expenses of the Group were recognized in the amount of €15 million (2007/2008: €13 million).

Payment of the above-mentioned government grants is subject to certain conditions which are currently assumed to be met.

### 08 / Financial income / (expense), net

million €	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
<b>Income from companies accounted for using the equity method</b>	<b>100</b>	<b>(29)</b>
Interest income from financial receivables	143	150
Expected return on plan assets	138	113
<b>Interest income</b>	<b>281</b>	<b>263</b>
Interest expense from financial debt	(266)	(454)
Interest cost of pensions and health care obligations	(459)	(510)
<b>Interest expense</b>	<b>(725)</b>	<b>(964)</b>
Income from investments	9	8
Write-down of financial assets	0	(30)
Gain/(loss) from disposals of financial assets	(7)	0
Accretion of other provisions	(3)	(8)
Miscellaneous, net	95	242
<b>Other financial income/(expense), net</b>	<b>94</b>	<b>212</b>
<b>Financial income/(expense), net</b>	<b>(250)</b>	<b>(518)</b>

In addition to interest income from financial receivables, financial income/(expense), net, includes additional interest income from financial assets that are not measured at fair value through profit or loss of €44 million (2007/2008: €56 million) and in addition to interest expense from financial debt, financial income/(expense), net includes additional interest expense from financial liabilities that are not measured at fair value through profit or loss of €92 million (2007/2008: €42 million).

Borrowing costs in the amount of €235 million (2007/2008: €122 million) were capitalized during the period which reduced the line item “miscellaneous, net” as part of other financial income/(expense), net. If financing is directly allocable to a certain investment, the actual borrowing costs are capitalized. If no direct allocation is possible, the Group’s average borrowing interest rate of the current period is taken into account to calculate the borrowing costs.



## 09 / Income taxes

Income tax expense/(benefit) for the year ended September 30, 2009 and the previous year consists of the following:

million €

	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Current income tax expense for the reporting period	958	244
Deferred income tax benefit for the reporting period	(43)	(696)
Current income tax benefit for prior periods	(60)	(16)
Deferred income tax benefit for prior periods	(3)	(23)
<b>Total</b>	<b>852</b>	<b>(491)</b>
This total breaks down to:		
Current income tax expense Germany	510	25
Current income tax expense foreign	388	203
Deferred income tax expense/(benefit) Germany	10	(495)
Deferred income tax benefit foreign	(56)	(224)

The new German corporate income tax law applicable for 2008/2009 sets a statutory income tax rate of 15% (2007/2008: 15%) plus a solidarity surcharge of 5.5%. On average, the Group's German companies are subject to a trade tax rate of 15.1% (2007/2008: 15.1%). Therefore, at year-end September 30, 2009, deferred taxes of German companies are calculated with a combined income tax rate (including solidarity surcharge) of 30.9% (2007/2008: 30.9%). The applicable tax rates for companies outside Germany range from 5.7% to 40.4% (2007/2008: 5.7% to 40.4%). In fiscal year 2008/2009, changes in foreign tax rates resulted in deferred tax benefit in the amount of €5 million (2007/2008: €16 million). For domestic Group companies the dividend-dependent subsequent taxation of previously untaxed income components was replaced by a flat-rate tax payment under a tax law amendment in 2008. Therefore, a current tax liability of €6 million was recognized as a tax expense as of September 30, 2008.

The components of income taxes recognized in equity are as follows:

million €

	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Income tax expense/(benefit) as presented on the income statement	852	(491)
Income tax expense/(benefit) on cumulative income and expense directly recognized in equity	133	(284)
Tax effect resulting from the write-down of treasury stock	(156)	0
<b>Total</b>	<b>829</b>	<b>(775)</b>

As of September 30, 2009, domestic corporate tax loss carryforwards amount to €1,026 million (2008: €427 million) and domestic trade tax loss carryforwards amount to €608 million (2008: €63 million), and interest carryforwards amount to €297 million (2008: none). In addition, foreign tax loss carryforwards amount to €1,119 million (2008: €730 million), in particular €280 million (2008: €288 million) in Canada, €239 million (2008: €66 million) in Italy, and €152 million (2008: €74 million) in the People's Republic of China, and foreign interest carryforwards amount to €13 million (2008: none). In fiscal year 2008/2009, deferred tax benefit in the amount of €244 million (2007/2008: €32 million deferred tax expense) is attributable to tax loss carryforwards, interest carryforwards and tax credits.

Deferred tax assets are recognized only to the extent that the realization of such tax benefits is probable. In determining the related valuation allowance, all positive and negative factors, including prospective results, are taken into consideration in estimating whether sufficient taxable income will be generated to realize deferred tax assets. These estimates can change depending on the future course of events. As of September 30, 2009, tax loss carryforwards for which no deferred tax asset is recognized amount to €956 million (2008: €818 million). According to tax legislation as of September 30, 2009, an amount of €391 million (2008: €381 million) of these tax losses may be carried forward indefinitely and in unlimited amounts whereas an amount of €565 million (2008: €437 million) of these tax loss carryforwards will expire over the next 20 years if not utilized. Unrecognized deferred tax assets relating to tax loss carryforwards amount to €239 million as of September 30, 2009 (2008: €218 million). In addition, as of September 30, 2009, no deferred tax asset is recognized for the interest carryforwards in the amount of €310 million (2008: none) and deductible temporary differences in the amount of €624 million (2008: €452 million). In fiscal year 2008/2009, the benefit arising from previously unrecognized tax losses, tax credits and temporary differences that are used to reduce the Group's tax expense amounts to €6 million (2007/2008: €36 million). No deferred tax liabilities were recorded on undistributed profits of foreign subsidiaries, as such profits are not to be distributed in the foreseeable future.



Significant components of the deferred tax assets and liabilities are as follows:

million €

	Deferred tax assets		Deferred tax liabilities	
	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009
Intangible assets	126	195	356	347
Property, plant and equipment	86	120	818	852
Financial assets	76	153	39	7
Inventories	1,705	1,984	386	191
Other assets	333	384	497	368
Accrued pension and similar obligations	553	864	123	76
Other provisions	222	332	63	130
Other liabilities	448	276	1,867	2,181
Tax loss carryforwards	290	555	—	—
Interest carryforwards	—	84	—	—
<b>Gross value</b>	<b>3,839</b>	<b>4,947</b>	<b>4,149</b>	<b>4,152</b>
Valuation allowance	(351)	(489)	—	—
Offset	(3,021)	(3,817)	(3,021)	(3,817)
<b>Balance sheet amount</b>	<b>467</b>	<b>641</b>	<b>1,128</b>	<b>335</b>

Deferred tax assets and liabilities are offset if they pertain to future tax effects for the same taxable entity towards the same taxation authority. Deferred tax assets of €75 million relate to consolidation items as of September 30, 2009 (2008: €50 million).

For fiscal year 2008/2009, the income tax benefit of €491 million presented in the financial statements is €240 million lower than the expected income tax benefit of €731 million which would result if

the German combined income tax rate of 30.9% were applied to the Group's income/(loss) before income taxes. For fiscal year 2007/2008, the income tax expense of €852 million was €114 million lower than the expected income tax expense of €966 million with a German combined income tax rate of 30.9%. The following table reconciles the expected income tax expense/(benefit) to the income tax expense/(benefit) presented in the income statement.

million €

	Year ended Sept. 30, 2008		Year ended Sept. 30, 2009	
		in %		in %
Expected income tax expense/(benefit)	966	30.9	(731)	30.9
Foreign tax rate differential	(3)	(0.1)	9	(0.4)
Changes in tax rates or laws	(10)	(0.4)	(5)	0.2
Tax consequences of disposal of businesses	(38)	(1.2)	(6)	0.3
Permanent items	47	1.5	72	(3.0)
Change in valuation allowance	(13)	(0.4)	191	(8.1)
Tax benefit not related to the reporting period	(63)	(2.0)	(39)	1.7
Other, net	(34)	(1.1)	18	(0.8)
<b>Income tax expense/(benefit) as presented on the income statement</b>	<b>852</b>	<b>27.2</b>	<b>(491)</b>	<b>20.8</b>

## 10 / Earnings per share

Basic earnings per share are computed as follows:

	Year ended Sept. 30, 2008		Year ended Sept. 30, 2009	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
<b>Numerator:</b>				
Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)	2,195	4.59	(1,857)	(4.01)
<b>Denominator:</b>				
Weighted average shares	477,750,223		463,473,492	

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

Earnings per share have been computed by dividing income/(loss) 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 2008/2009, the weighted average number of outstanding shares was reduced by the acquisition of treasury stock in February/March 2008 and in July/August 2008.

There were no dilutive securities in the periods presented.



## 11 / Additional disclosures to the consolidated statement of income

Personnel expenses included in the consolidated statement of income are comprised of:

million €

	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Wages and salaries	7,450	6,948
Social security taxes	1,304	1,229
Net periodic pension costs - defined benefit*	130	116
Net periodic pension costs - defined contribution	140	140
Net periodic postretirement benefit cost other than pensions*	9	(43)
Other expenses for pensions and retirements**	198	835
Related fringe benefits	406	429
<b>Total</b>	<b>9,637</b>	<b>9,654</b>

\* Excluding expected return on plan assets and interest cost which are recognized as part of interest income/expense.

\*\* Prior year figure adjusted.

The annual average number of employees is as follows:

	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Steel	40,480	39,885
Stainless	12,102	12,018
Technologies	54,260	51,127
Elevator	41,226	43,186
Services	45,436	44,636
Corporate	2,322	1,767
<b>Total</b>	<b>195,826</b>	<b>192,619</b>
This total breaks down to:		
Wage earners	121,517	116,384
Salaried employees	69,930	71,700
Trainees	4,379	4,535

### Auditors' fees and services

For the services performed by the Group auditors KPMG AG Wirtschaftsprüfungsgesellschaft and the companies of the worldwide KPMG association in fiscal years 2007/2008 and 2008/2009 the following fees (including expenses) were recognized as expenses:

million €

	Year ended Sept. 30, 2008		Year ended Sept. 30, 2009	
	Total	thereof Germany	Total	thereof Germany
Audit fees	23	12	18	9
Audit-related fees	1	1	4	3
Tax fees	1	0	1	0
Fees for other services	1	1	1	1
<b>Total</b>	<b>26</b>	<b>14</b>	<b>24</b>	<b>13</b>

The audit fees include mainly fees for the year-end audit of the consolidated financial statements, the auditors' review of the interim consolidated financial statements, and the statutory auditing of ThyssenKrupp AG and the subsidiaries included in the consolidated financial statements. The audit-related fees essentially comprise the fees for due diligence services in connection with acquisitions and disposals. The tax fees include in particular fees for tax consulting services for current and planned transactions, for the preparation of tax returns, for tax due diligence services, for tax advice in connection with projects and Group-internal reorganizations as well as tax advice for employees sent to work abroad. The fees for other services are mainly fees for project-related consulting services.

Furthermore, the audit of entities that are included in the Group's consolidated financial statement resulted in expenses of €14 million (2007/2008: €11 million) paid to other audit firms in addition to the audit fees paid to the Group auditors.



Download the tables at:

[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

## Notes to the consolidated balance sheet

## 12 / Intangible assets

Changes in the Group's intangible assets were as follows:

million €

	Franchises, trademarks and similar rights and values as well as licenses thereto	Development costs, internally developed software and website	Goodwill	Total
<b>Gross amounts</b>				
Balance as of Sept. 30, 2007	1,188	319	4,658	6,165
Currency differences	(3)	5	(72)	(70)
Acquisitions/divestitures of businesses	36	(3)	69	102
Additions	57	103	49	209
Transfers	19	(2)	0	17
Disposals	(14)	(41)	(2)	(57)
Balance as of Sept. 30, 2008	1,283	381	4,702	6,366
Currency differences	(9)	4	(40)	(45)
Acquisitions/divestitures of businesses	7	0	71	78
Additions	85	90	2	177
Transfers	29	14	0	43
Disposals	(35)	(1)	(8)	(44)
Balance as of Sept. 30, 2009	1,360	488	4,727	6,575
<b>Accumulated amortization and impairment losses</b>				
Balance as of Sept. 30, 2007	584	156	863	1,603
Currency differences	(2)	2	(13)	(13)
Acquisitions/divestitures of businesses	1	(4)	(4)	(7)
Amortization expense	90	33	0	123
Impairment losses	5	8	0	13
Reversals of impairment losses	0	0	—	0
Transfers	0	1	0	1
Disposals	(14)	(21)	(2)	(37)
Balance as of Sept. 30, 2008	664	175	844	1,683
Currency differences	(4)	1	(17)	(20)
Acquisitions/divestitures of businesses	0	0	(2)	(2)
Amortization expense	103	37	0	140
Impairment losses	12	40	0	52
Reversals of impairment losses	0	0	—	0
Transfers	(3)	4	0	1
Disposals	(21)	(3)	0	(24)
Balance as of Sept. 30, 2009	751	254	825	1,830
<b>Net amounts</b>				
as of Sept. 30, 2007	604	163	3,795	4,562
as of Sept. 30, 2008	619	206	3,858	4,683
as of Sept. 30, 2009	609	234	3,902	4,745

The balance as of Sept. 30, 2009 includes gross amounts of €145 million (2008: €0 million) as well as accumulated amortization and impairment losses of €42 million (2008: €0 million) resulting in net amounts of €103 million (2008: €0 million) which relate to disposal groups.

### Impairment of goodwill

Goodwill impairment losses are included in other operating expenses.

In 2007/2008 and 2008/2009 neither the annual impairment test nor other events indicated that goodwill might be impaired because the recoverable amounts of all cash generating units exceeded the respective carrying amounts.

### Impairment of other intangible assets

Impairment losses of intangible assets other than goodwill are included in cost of sales.

In 2007/2008 the Stainless segment fully impaired in the ThyssenKrupp Acciai Speciali Terni business unit a capitalized intangible asset of €4 million resulting from a former favourable supply of energy which does not longer exist. Furthermore impairment losses of €6 million for capitalized development costs were recognized in the Automotive Solutions business unit as a result of weakening market conditions. The recoverable amounts used to calculate the impairment losses correspond in each case to the values in use. A discount rate of 10.6% was used to calculate the values in use.

In 2008/2009 the Steel segment fully impaired in the Auto business unit capitalized development costs of €9 million attributable to projects to improve the conditions and the surface structure of steel because the recognition criteria of IAS 38 were no longer met. Also, in the Stainless segment in the ThyssenKrupp Nirosta business unit capitalized development cost of €16 million of a strip casting equipment were fully impaired due to a lack of usability in the market. In the Technologies segment in the Automotive Solutions business unit capitalized development cost of €12 million were fully impaired because the recognition criteria of IAS 38 were no longer met.

### Goodwill

Goodwill (excluding goodwill of equity method investments) has been allocated to cash generating units within all segments. The recoverable amount of each cash generating unit is determined based on a value in use calculation using after-tax cash flow projections based on bottom-up prepared financial budgets approved by ThyssenKrupp AG's management covering a four-year period (Steel: five-year period). The budgeted last year is generally used to determine the cash flows beyond the budgeted period. No growth

rate is taken into account to extrapolate the budgeted last year. The weighted average cost of capital discount rate is based on a risk-free interest rate of 4.0% and risk premiums for equity and debt capital of 5.0 percentage-points and 2.5 percentage-points, respectively. Moreover for each CGU an individual beta derived from the relevant peer group, an individual tax rate and an individual capital structure is used. The following after-tax discount rate ranges have been applied to the cash flow projections by segment:

in %	After tax discount rate ranges	
	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Steel	7.4 - 9.5	8.1 - 8.6
Stainless	7.8 - 9.6	7.7 - 9.2
Technologies	5.8 - 10.0	6.8 - 10.8
Elevator	6.7 - 7.4	8.2 - 8.3
Services	7.2 - 8.9	7.7 - 8.8
Corporate	8.0	7.8

The goodwill impairment test performed as of September 30, 2009, to test certain goodwills whether they might be impaired due to events or changes in circumstances, used current betas. Compared to October 01, 2008, a modified risk-free interest rate of 4.25% and a debt capital spread of 2.4% were used in the calculations resulting in an after tax discount rate range between 8.5% and 8.9% for the CGUs of the Stainless segment and an after tax discount rate of 7.2% for the Marine Systems CGU. The tests did not indicate that any goodwill might be impaired.

The values in use for the CGUs are generally calculated on the basis of expected price inflation in the country in which the CGU is located and on the basis of estimated sales growth rates. These figures are determined based on both historical data and expected forecast market performance. The values assigned to the key assumptions are generally consistent with external information sources.

41 CGUs were identified in the ThyssenKrupp Group, of which 35 report goodwill. Total goodwill as of October 01, 2008 amounts to €3,858 million. 53% of this goodwill relates to the CGUs Metallurgy, Marine Systems and Americas, as shown in the following table:

## SIGNIFICANT GOODWILL

CGU (Segment)	Carrying amount of goodwill allocated to CGU (million €)	Proportion of total goodwill (in %)	Description of key assumptions of budgeting	Procedure used to determine key assumptions
Metallurgie (Steel)	246	6%	- Selling prices - Procurement prices - Business cycles	Internal estimates of sales and purchasing departments concerned and consideration of economic assumptions set by ThyssenKrupp AG (Economic Affairs and Market Research)
Marine Systems (Technologies)	1,047	27%	- Market growth rates	Naval shipbuilding: Consideration of long-term budget plans of potential customers and if appropriate concrete negotiations with customers, tightened competitive situation and at the same time decreased budgets of the customer countries Yachts: Due to the financial crisis temporarily reduced and now recurring demand for ambitious large yachts and mega-yachts, confirmation by external market studies
Americas (Elevator)	758	20%	- Procurement prices - Business cycles	Consideration of economic assumptions set by ThyssenKrupp AG and external local market studies

For none of the CGUs a goodwill impairment had to be recognized because the recoverable amount of all CGUs was higher than the

respective carrying amount. The recoverable amount of the CGU Presta Steering exceeded the carrying amount of the CGU by less than 10%.

## CRITICAL GOODWILL

CGU (Segment)	Carrying amount of CGU (million €)	Recoverable amount of CGU (million €)	Description of key assumptions of budgeting	Procedure used to determine key assumptions
Presta Steering (Technologies)	408	423	- Market growth rates	Consideration of the current sales base as well as external sources of information and customer information

A 10% increase in the discount rate of the CGU Presta Steering would result in a goodwill impairment of €53 million. However, the Management of ThyssenKrupp believes in the case of this CGU that no reasonably possible change in any of the key assumptions used

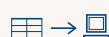
in calculating the recoverable amount would cause the carrying amount of the CGU to exceed the respective recoverable amount.

The change in the carrying amount of goodwill (excluding goodwill of equity method investments) is as follows:

million €

	Steel	Stainless	Technologies	Elevator	Services	Corporate	Total*
Balance as of Sept. 30, 2007	324	334	1,573	1,187	362	15	3,795
Currency differences	(1)	(1)	(2)	(47)	(8)	0	(59)
Acquisitions/(divestitures)	3	0	(21)	19	72	0	73
Additions	0	0	11	38	0	0	49
Balance as of Sept. 30, 2008	326	333	1,561	1,197	426	15	3,858
Currency differences	0	(2)	4	(20)	(5)	0	(23)
Acquisitions/(divestitures)	(1)	0	4	19	51	0	73
Additions	0	0	0	1	1	0	2
Disposals	0	0	(7)	(1)	0	0	(8)
Balance as of Sept. 30, 2009	325	331	1,562	1,196	473	15	3,902

\* excluding goodwill of equity method investments



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[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

# 13 / Property, plant and equipment

Changes in the Group's property, plant and equipment were as follows:

million €

	Land, leasehold rights and buildings including buildings on third-party land	Technical machinery and equipment	Other equipment, factory and office equipment	Assets under finance lease	Assets under operating lease	Construction in progress	Total
<b>Gross amounts</b>							
Balance as of Sept. 30, 2007	5,126	14,719	2,352	287	43	899	23,426
Currency differences	(2)	(32)	(13)	(1)	(3)	9	(42)
Acquisitions/divestitures of businesses	(7)	(89)	(10)	6	(11)	(13)	(124)
Additions	129	739	282	41	0	2,766	3,957
Transfers	114	507	(6)	(4)	(6)	(432)	173
Disposals	(72)	(268)	(167)	(89)	(7)	0	(603)
Balance as of Sept. 30, 2008	5,288	15,576	2,438	240	16	3,229	26,787
Currency differences	(31)	(65)	(17)	(1)	0	(100)	(214)
Acquisitions/divestitures of businesses	2	(12)	5	0	0	4	(1)
Additions	130	660	222	11	0	3,017	4,040
Transfers	113	442	32	(3)	0	(82)	502
Disposals	(42)	(223)	(122)	(19)	0	(11)	(417)
Balance as of Sept. 30, 2009	5,460	16,378	2,558	228	16	6,057	30,697
<b>Accumulated depreciation and impairment losses</b>							
Balance as of Sept. 30, 2007	2,560	10,556	1,573	139	7	1	14,836
Currency differences	(1)	(28)	(7)	(1)	0	0	(37)
Acquisitions/divestitures of businesses	(15)	(69)	(11)	2	(3)	0	(96)
Depreciation expense	157	838	235	25	1	0	1,256
Impairment losses	3	19	1	2	0	0	25
Reversals of impairment losses	(1)	(15)	0	0	0	0	(16)
Transfers	11	5	(5)	(4)	0	0	7
Disposals	(48)	(233)	(140)	(32)	(1)	0	(454)
Balance as of Sept. 30, 2008	2,666	11,073	1,646	131	4	1	15,521
Currency differences	(9)	(51)	(10)	(1)	0	0	(71)
Acquisitions/divestitures of businesses	(2)	(11)	1	0	0	4	(8)
Depreciation expense	140	854	222	21	1	0	1,238
Impairment losses	141	243	6	0	0	2	392
Reversals of impairment losses	(1)	(1)	0	0	0	0	(2)
Transfers	(2)	(4)	6	(3)	0	0	(3)
Disposals	(21)	(201)	(102)	(11)	(1)	0	(336)
Balance as of Sept. 30, 2009	2,912	11,902	1,769	137	4	7	16,731
<b>Net amounts</b>							
as of Sept. 30, 2007	2,566	4,163	779	148	36	898	8,590
as of Sept. 30, 2008	2,622	4,503	792	109	12	3,228	11,266
as of Sept. 30, 2009	2,548	4,476	789	91	12	6,050	13,966

The balance as of Sept. 30, 2009 includes gross amounts of €324 million (2008: €0 million) as well as accumulated amortization and impairment losses of €151 million (2008: €0 million) resulting in net amounts of €173 million (2008: €0 million) which relate to disposal groups.

Impairment losses of property, plant and equipment are included in cost of sales.

In 2007/2008 impairment losses of €6 million were recognized in the Metal Forming business unit of the Steel segment. €1 million of the total impairment refers to land and buildings and €2 million to assets under finance lease which both had to be fully impaired due to the intended closing of a location. Another €3 million of the impairment loss was recognized as a result of the weakening economic situation for technical machinery and equipment. The recoverable amounts used to calculate the impairment losses correspond in each case to the values in use. A discount rate of 15.7% was used to calculate the values in use. Furthermore, the Technologies segment recorded impairments of €15 million as a result of a weakening economic situation in the Mechanical Components, Automotive Solutions and Transrapid business units. €2 million of the total impairment relates to land and buildings and €13 million to technical machinery and equipment. The recoverable amounts used to calculate the impairment losses correspond in each case to the values in use. A discount rate of 12.7% was used to calculate the values in use.

In addition, in 2007/2008 in the ThyssenKrupp Acciai Speciali Terni business unit of the Stainless segment an impairment loss of €14 million on technical equipment has been reversed because compared to September 30, 2007, a higher selling price is expected for parts of the equipment. The amount of the reversal has been based on fair value less cost to sell.

In 2008/2009 impairment losses are mainly incurred in the context of the restructurings. The Steel segment recorded impairments of €13 million in the Industry and Auto business units. €4 million of the total impairment relates to land and buildings and

€9 million to technical machinery and equipment. The recoverable amounts used to calculate the impairment losses correspond in each case to the values in use. A discount rate of 13.1% and 14.7%, respectively, was used to calculate the values in use. In the Stainless segment impairment losses of €91 million were recognized, mainly in the ThyssenKrupp Nirosta und Shanghai Krupp Stainless business units. €14 million of the total impairment refers to land and buildings, €76 million to technical machinery and equipment and €1 million to other equipment. The recoverable amounts used to calculate the impairment losses correspond in each case to the values in use. A discount rate of 11.7% and 9.2%, respectively, was used to calculate the values in use. In the Technologies segment impairment losses of €286 million were recognized; thereof €122 million refers to land and buildings, €157 million to technical machinery and equipment and €7 million to other equipment. The impairment losses were mainly recognized in the Marine Systems (€148 million) and Mechanical Components (€114 million) business units. Given the weak order situation in the Marine Systems business unit, it was necessary to reduce overcapacities, resulting in significant impairments. In the Mechanical Components business unit the sharp drop in demand in the automotive and construction machinery businesses and in engineering sector in general resulted in a substantial decrease in orders that affected all areas, but in particular the production of construction machinery components and forged crankshafts. The recoverable amounts used to calculate the impairment losses correspond in each case to the values in use. A discount rate in a range between 10.1% and 17.4% was used to calculate the values in use.

Property, plant and equipment include leased buildings, technical machinery and equipment and other equipment that have been capitalized, where the terms of the lease require the Group, as lessee, to assume substantially all of the benefits and risks of use of the leased asset (finance lease).

million €

	Gross amounts		Accumulated depreciation and impairment losses		Net amounts	
	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009
Land, leasehold rights and buildings including buildings on third-party land	97	94	43	44	54	50
Technical machinery and equipment	95	85	59	59	36	26
Other equipment, factory and office equipment	48	49	29	34	19	15
<b>Assets under finance lease</b>	<b>240</b>	<b>228</b>	<b>131</b>	<b>137</b>	<b>109</b>	<b>91</b>

Property, plant and equipment have been pledged as security for financial payables of €129 million (2008: €174 million).

## 14 / Investment property

Changes in the Group's investment property were as follows:

million €

	2008	2009
<b>Gross amounts</b>		
Balance as of Sept. 30, 2007 and Sept. 30, 2008, respectively	569	506
Currency differences	0	0
Acquisitions/divestitures of businesses	0	0
Additions	1	1
Transfers	(8)	10
Disposals	(56)	(24)
<b>Balance as of Sept. 30, 2008 and 2009, respectively</b>	<b>506</b>	<b>493</b>
<b>Accumulated depreciation and impairment losses</b>		
Balance as of Sept. 30, 2007 and Sept. 30, 2008, respectively	180	149
Currency differences	0	0
Acquisitions/divestitures of businesses	0	0
Depreciation expense	3	2
Impairment losses	1	2
Reversals of impairment losses	(1)	0
Transfers	(8)	5
Disposals	(26)	(6)
<b>Balance as of Sept. 30, 2008 and 2009, respectively</b>	<b>149</b>	<b>152</b>
<b>Net amounts</b>		
as of Sept. 30, 2007	389	—
<b>Balance as of Sept. 30, 2008 and 2009, respectively</b>	<b>357</b>	<b>341</b>

The fair value of the Group's investment property is determined using various internationally accepted valuation methods such as the gross rental method, discounted cash flow method, asset value method and comparison to current market prices of similar real estate. Investment property located in Germany is primarily determined based on internally prepared valuations using the gross rental method which is regulated in Germany by the "Verordnung über Grundsätze für die Ermittlung der Verkehrswerte von Grundstücken – WertV". Investment property located outside Germany is determined by external appraisers.

As of September 30, 2009, the total fair value of the Group's investment property is €436 million (2008: €455 million) of which €13 million (2008: €16 million) are based on valuations of external appraisers.

Additions which are disclosed in the gross amounts include subsequent expenditure of €0 million (2008: €0.3 million).

The lease of investment property resulted in rental income of €20 million (2007/2008: €26 million) and direct operating expense of €10 million (2007/2008: €15 million). Direct operating expense of €6 million (2007/2008: €6 million) resulted from investment property that does not generate rental income.



## 15 / Investments accounted for using the equity method

### Investments in associates

As of September 30, 2009, the carrying amount of investments in associates accounted for using the equity method is €59 million (2008: €76 million). The income of investments in associates accounted for using the equity method is €(15) million (2007/2008: €28 million).

Summarized financial information of associates accounted for using the equity method is presented in the table below. The information given represents 100% and not the Group's interest in the associates:

million €	Sept. 30, 2008	Sept. 30, 2009
Total assets	774	717
Total liabilities	496	521
	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Net sales	781	629
Net income	57	(34)

In 2008/2009, the unrecognized share of losses of an associate accounted for using the equity method amounts to €2 thousand (2007/2008: 0). The unrecognized losses cumulate to €27 thousand (2007/2008: €314 thousand).

### Joint Ventures

The following table shows the summarized financial information of the Group's joint ventures. The information given represents the Group's interest in the joint ventures:

million €	Sept. 30, 2008	Sept. 30, 2009
Current assets	633	641
Non-current assets	399	418
Current liabilities	385	404
Non-current liabilities	308	327
	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Net sales	1,575	1,730
Net income	45	20

The associates and joint ventures are included in the list of the Group's subsidiaries and equity interests investments which is presented in Note 38.

## 16 / Operating lease as lessor

The Group is the lessor of various commercial real estates under operating lease agreements.

As of September 30, the future minimum lease payments to be received on non-cancellable operating leases are as follows:

million €	Sept. 30, 2008	Sept. 30, 2009
Not later than one year	24	24
Between one and five years	36	37
Later than five years	35	30
<b>Total</b>	<b>95</b>	<b>91</b>

The amounts reflected as future minimum lease payments do not contain any contingent rentals. No contingent rentals have been recognized in the consolidated statements of income in 2008/2009 (2007/2008: 0).

## 17 / Inventories

million €	Sept. 30, 2008	Sept. 30, 2009
Raw materials	2,145	1,362
Supplies	490	468
Work in process	2,159	1,958
Finished products, merchandise	4,700	2,968
<b>Total</b>	<b>9,494</b>	<b>6,756</b>

Inventories of €2,099 million (2008: €781 million) are carried at net realizable value. Inventories of €5 million (2008: €41 million) have a remaining term of more than 1 year. Inventories of €36,905 million (2008: €44,270 million) are recognized as an expense during the period. Included in cost of sales are write-downs of inventories of €317 million (2008: €76 million).

## 18 / Trade accounts receivable

million €

	Sept. 30, 2008	Sept. 30, 2009
Receivables from sales of goods and services	6,853	4,593
Amounts due from customers for construction work	1,032	679
<b>Total</b>	<b>7,885</b>	<b>5,272</b>

Receivables from the sales of goods and services in the amount of €723 million (2008: €873 million) have a remaining term of more than 1 year. As of September 30, 2009 cumulative impairment losses of €513 million (2008: €284 million) are recognized for doubtful accounts.

An analysis of the age of trade accounts receivable that are past due but not impaired as of the reporting date is presented in the table below:

million €

	Carrying amount	thereof:	thereof: not impaired but past due as of balance sheet date						thereof:
	Trade accounts receivable	neither impaired nor past due as of balance sheet date	past due up to 30 days	past due 31 to 60 days	past due 61 to 90 days	past due 91 to 180 days	past due 181 to 360 days	past due more than 360 days	impaired as of balance sheet date
Sept. 30, 2008	7,885	6,590	610	207	95	85	78	135	85
Sept. 30, 2009	5,272	4,399	333	113	79	90	80	45	133

Amounts due from customers for construction work are calculated as follows:

million €

	Sept. 30, 2008	Sept. 30, 2009
Contract costs incurred and recognized contract profits (less recognized losses)	2,836	3,318
Less advance payments received	(1,804)	(2,639)
<b>Total</b>	<b>1,032</b>	<b>679</b>

Advanced payments received are collateralized by assets of €99 million (2008: €48 million). Sales from construction contracts of €7,276 million were recognized in the period (2007/2008: €6,721 million).

The Group regularly primarily sells credit insured trade accounts receivable under asset backed securitization programs and other programs as well as under one-time transactions.

As of September 30, 2008, sales of receivables in the amount of €3 million did not result in a derecognition from the balance sheet because the Group retained substantially all the risks and rewards

of ownership. The corresponding liability is included in financial debt (see also Note 25). The sales resulted in net proceeds in the amount of €3 million. As of September 30, 2009, such sales of receivables did not exist.

The amount of receivables sold and derecognized from the balance sheet as of September 30, 2009, was €836 million (2008: €972 million), resulting in net proceeds in the amount of €816 million (2007/2008: €938 million). In some cases, when the Group sells receivables it retains rights and immaterial obligations; these retained interests mainly consist of servicing as well as providing limited cash reserve accounts and dilution reserves. The recognized assets and provided guarantees which serve as a cash reserve account amounted to €73 million (2008: €72 million) as of September 30, 2009. Continuing involvement primarily resulting from the dilution reserve was €19 million (2008: €26 million) as of September 30, 2009.

# 19 / Other financial assets

million €

	Sept. 30, 2008		Sept. 30, 2009	
	current	non-current	current	non-current
Loans and receivables	248	44	729	30
Available-for-sale financial assets	107	74	170	66
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	448	—	245	—
Derivatives that qualify for hedge accounting	78	—	114	—
<b>Total</b>	<b>881</b>	<b>118</b>	<b>1,258</b>	<b>96</b>

Other financial assets in the amount of €124 million (2008: €156 million) have a remaining term of more than 1 year. As of September 30, 2009 cumulative impairments amount to €60 million (2008: €75 million) regarding current other financial assets and €51 million (2008: €25 million) regarding non-current other financial assets.

An analysis of the age of other financial assets that are past due but not impaired as of the reporting date is presented in the table below:

million €

	Carrying amount	thereof:	thereof: not impaired but past due as of balance sheet date						thereof:
	Other financial assets	neither impaired nor past due as of balance sheet date	past due up to 30 days	past due 31 to 60 days	past due 61 to 90 days	past due 91 to 180 days	past due 181 to 360 days	past due more than 360 days	impaired as of balance sheet date
Sept. 30, 2008	999	931	0	0	0	0	0	0	68
Sept. 30, 2009	1,354	1,277	2	1	0	1	1	1	71

# 20 / Other non-financial assets

million €

	Sept. 30, 2008		Sept. 30, 2009	
	current	non-current	current	non-current
Advance payments on intangible assets	—	40	—	24
Advance payments on property, plant and equipment	—	862	—	431
Advance payments to suppliers of inventories	802	—	771	—
Other advance payments and prepayments	312	—	204	—
Reimbursement rights	83	—	76	—
Others	756	—	678	—
<b>Total</b>	<b>1,953</b>	<b>902</b>	<b>1,729</b>	<b>455</b>

Other non-financial assets in the amount of €43 million (2008: €47 million) have a remaining term of more than 1 year. As of September 30, 2009 cumulative impairments amount to €19 million (2008: €34 million).

## 21 / Total Equity

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

million € (except number of shares)

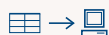
	Equity attributable to ThyssenKrupp AG's stockholders							Minority interest	Total equity
	Number of shares outstanding	Capital stock	Additional paid in capital	Retained earnings	Cumulative income and expense directly recognized in equity	Treasury stock	Total		
Balance as of Sept. 30, 2007	488,764,592	1,317	4,684	4,963	(241)	(697)	10,026	421	10,447
Net income				2,195			2,195	81	2,276
Income and expense directly recognized in equity					280		280	8	288
Tax effects on income and expense directly recognized in equity					(131)		(131)	(2)	(133)
Profit attributable to minority interest							0	(55)	(55)
Dividend payment				(635)			(635)	0	(635)
Treasury stock purchased	(25,291,100)					(880)	(880)	0	(880)
Tax effect resulting from the write-down of treasury stock						156	156	0	156
Share-based compensation				1			1	0	1
Other changes				(5)			(5)	29	24
Balance as of Sept. 30, 2008	463,473,492	1,317	4,684	6,519	(92)	(1,421)	11,007	482	11,489
Net loss				(1,857)			(1,857)	(16)	(1,873)
Income and expense directly recognized in equity					(869)		(869)	(18)	(887)
Tax effects on income and expense directly recognized in equity					277		277	7	284
Profit attributable to minority interest							0	(47)	(47)
Dividend payment				(603)			(603)	0	(603)
Share-based compensation				2			2	0	2
Other changes				(36)	6		(30)	1,361	1,331
Balance as of Sept. 30, 2009	463,473,492	1,317	4,684	4,025	(678)	(1,421)	7,927	1,769	9,696

€(1) million, €2 million and €2 million of the balance of cumulative income and expense directly recognized in equity result from associates as of Sept. 30, 2007, Sept. 30, 2008 and Sept. 30, 2009, respectively. €0 million (2007/2008: €3 million) of the changes of cumulative income and expense directly recognized in equity result from associates.

The following table shows the changes of the foreign currency translation adjustment which is part of cumulative income and expense directly recognized in equity:

million €

	Foreign currency translation adjustment
Balance as of Sept. 30, 2007	(202)
Change in unrealized gains/(losses), net	(83)
Net realized (gains)/losses	0
Balance as of Sept. 30, 2008	(285)
Change in unrealized gains/(losses), net	(48)
Net realized (gains)/losses	0
Balance as of Sept. 30, 2009	(333)



### Capital stock

The capital stock of ThyssenKrupp AG consists of 514,489,044 no-par bearer shares of stock, all of which have been issued, with 463,473,492 outstanding as of September 30, 2009 and 2008, respectively. Each share of common stock has a stated value of €2.56.

All shares grant the same rights. The stockholders are entitled to receive dividends as declared and are entitled to one vote per share at the stockholders' meetings.

### Additional paid in capital

Additional paid in capital include the effects of the business combination of Thyssen and Krupp as well as premiums resulting from capital increases at subsidiaries with minority interest.

### Retained earnings

Retained earnings include prior years' undistributed consolidated income. In addition, the recycling of actuarial gains and losses in the context of the disposal of accrued pension liabilities as well as equity impacts resulting from share-based compensation are included in this balance sheet item.

### Treasury stock

On the basis of the authorization granted by the Annual General Meeting on January 18, 2008, the Executive Board of ThyssenKrupp AG resolved on January 31, 2008, to acquire up to approximately 3% of the current capital stock issued. In the period from February 01, 2008 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. In addition, based on the authorization of the Annual General Meeting, the Executive Board resolved on July 14, 2008, to acquire up to approximately 2% of the capital stock issued. In the period from July 15, 2008 to August 13, 2008, ThyssenKrupp AG purchased a total of 10,500,000 treasury shares, representing approximately 2.0% of the capital stock, at an average price of €33.98. This represents a total amount of €357 million.

After the two acquisitions in 2007/2008 and the treasury share acquisition in 2005/2006, ThyssenKrupp AG holds 51,015,552 treasury shares in total as of September 30, 2009, representing approximately 9.9% of the capital stock.

### Minority interest

In fiscal year 2008/2009, the investment of the minority shareholder Vale S.A. in ThyssenKrupp CSA Siderúgica do Atlântico Ltda. resulted in an increase of minority interest of €1.4 billion.

### Management of capital

As of September 30, 2009, the equity ratio reached 23.4% (2008: 27.6%). Among the ThyssenKrupp Group's most important financial goals are a sustainable appreciation of entity value and ensuring solvency at all times. Creating sufficient liquidity reserves is therefore of great importance. These objectives are achieved by implementing various capital cost reduction and capital structure optimization measures as well as effective risk management.

The ThyssenKrupp Group's financial risks are assessed on the basis of ratings by rating agencies:

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BBB-	A-3	watch negative
Moody's	Baa3	Prime-3	negative
Fitch	BBB-	F3	negative

In 2008/2009 the ratings of ThyssenKrupp have been lowered by all agencies, mainly because of weaker earnings as a consequence of the worldwide recession. ThyssenKrupp is rated as investment grade by all rating agencies. For the financing of the ThyssenKrupp Group, an investment grade rating in the "BBB" range leads to an optimum of capital costs. Moreover, it basically ensures access to a broad base of investors. Capital management at ThyssenKrupp is based on debt ratios published by rating agencies, which calculate cash-flow-to-debt ratios periodically. ThyssenKrupp is not subject to statutory capital requirements.

### Authorizations

According to Art. 5 Para. 5 of the Articles of Association of ThyssenKrupp AG, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the capital stock on one or more occasions on or before January 18, 2012, by up to €500 million by issuing up to 195,312,500 new no-par shares in exchange for cash and/or contributions in kind (Authorized Capital).

By resolution of the Annual General Meeting on January 23, 2009, the Executive Board is authorized, subject to the approval of the Supervisory Board, to issue bearer bonds with a total par value up to €2 billion and to grant the bond holders the right to convert the bonds into a total of up to €50 million bearer shares of ThyssenKrupp with an arithmetical share in the Company's capital stock of up to €128 million (convertible bonds). The authorization is valid until January 22, 2014. In addition, by resolution of the Annual

General Meeting on January 23, 2009, ThyssenKrupp is authorized through July 22, 2010, to purchase treasury stock for certain defined purposes up to a total of 10% of the current capital stock issued.

### Dividend proposal

The Executive Board and Supervisory Board have agreed to propose to the Annual General Meeting a dividend in the amount of €0.30 per share entitled to dividend to be distributed from unappropriated net income of the stand-alone entity ThyssenKrupp AG for fiscal 2008/2009 as determined in conformity with the principles of the German Commercial Code (HGB). This would result in a dividend payout of €139 million in total.

## 22 / Share-based compensation programs

### Management incentive plans

In 2003, ThyssenKrupp implemented a performance based mid-term incentive plan which issues stock rights to eligible participants. All Executive Board members of ThyssenKrupp AG are eligible to participate. Starting with the second installment which was issued in 2004, the group of beneficiaries was expanded to include

the segment lead companies as well as several other selected executive employees. As of September 30, 2009, 293,992 stock rights were issued in the 5th installment, 229,562 stock rights in the 6th installment and 435,544 stock rights in the 7th installment.

The number of stock rights issued will be adjusted at the end of each performance period based on the average economic value added (EVA) over the three-year performance period, beginning October 01 of the year the stock rights were granted, compared to the average EVA over the previous three fiscal year period. At the end of the performance period the stock rights will be settled in cash based on the average price of ThyssenKrupp stock during the three month period immediately following the performance period.

To determine the fair value of the stock rights used to calculate the pro-rata liability as of the balance sheet date forward prices of the ThyssenKrupp stock are calculated taking into account partial caps starting in the 3rd installment. The forward calculation is carried out for predefined periods (averaging periods) taking into account the ThyssenKrupp stock price and the Euro interest rate curve as of the balance sheet date and the dividends assumed to be paid until the maturity of the stock rights. The following assumptions were used for the determination of the fair values as of September 30, 2008 and as of September 30, 2009:

#### YEAR ENDED SEPT. 30, 2008

	4th installment	5th installment	6th installment
Maturity	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010
Averaging period	Oct. 01 to Dec. 31, 2008	Oct. 01 to Dec. 31, 2009	Oct. 01 to Dec. 31, 2010
ThyssenKrupp stock price as of balance sheet date	€21.03	€21.03	€21.03
Assumed dividend payment(s) per stock until maturity	—	€1.30 on Jan. 26, 2009	€1.30 on Jan. 26, 2009 €1.30 on Jan. 25, 2010
Average dividend yield	—	5.80%	6.15%
Average interest rate (averaging period)	4.44%	4.95%	4.67%
<b>Fair value as of Sept. 30, 2008</b>			
- without caps	€20.87	€19.65	€18.43
- with caps	€20.87	€19.65	€18.43

#### YEAR ENDED SEPT. 30, 2009

	5th installment	6th installment	7th installment
Maturity	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011
Averaging period	Oct. 01 to Dec. 31, 2009	Oct. 01 to Dec. 31, 2010	Oct. 01 to Dec. 31, 2011
ThyssenKrupp stock price as of balance sheet date	€23.53	€23.53	€23.53
Assumed dividend payment(s) per stock until maturity	—	€0.30 on Jan. 22, 2010	€0.30 on Jan. 22, 2010 €0.30 on Jan. 24, 2011
Average dividend yield	—	1.16%	1.21%
Average interest rate (averaging period)	0.53%	1.29%	1.78%
<b>Fair value as of Sept. 30, 2009</b>			
- without caps	€23.50	€23.16	€22.85
- with caps	€23.50	€23.16	€22.85

In the 2nd quarter of 2008/2009, the 4th installment of the mid-term incentive plan was settled in cash with €15.82 per stock right resulting in a total payment of €23.5 million. In the 2nd quarter of 2007/2008, the 3rd installment of the mid-term incentive plan was settled in cash with €41.15 per stock right resulting in a total payment of €54.1 million. Due to a downward trend of the TKVA, the Group recorded an income of €19.4 million from the reversal of the obligations of the mid-term incentive plan in 2008/2009 (2007/2008: income of €3.5 million). There was no liability arising from the mid-term incentive plan amounts as of September 30, 2009 (2008: €43 million).

In February 2006, the Group implemented a Share Purchase Program for selected executive employees who are not beneficiaries of the mid-term incentive plan. Under the Program the beneficiaries are entitled to purchase up to a fixed amount ThyssenKrupp shares at a discount. In the 2nd quarter ended March 31, 2008, the Group's Share Purchase Program for fiscal year 2006/2007 was settled with the purchase of 229,664 shares at a discount. This resulted in compensation expense of €4.1 million in 2007/2008, having already recognized compensation expense of €8.1 million in 2006/2007. 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 ThyssenKrupp shares at a discount. The realization of the new Program was postponed to fiscal year 2009/2010. The Group recorded compensation expense from the new Program of €3.0 million in 2008/2009 and of €9.4 million in 2007/2008; thereof €1.6 million (2008: €5.1 million) were recognized in equity and the remaining amount of €1.4 million (2008: €4.3 million) as an obligation. In total, in 2008/2009 the Group recorded compensation expense for the Share Purchase Program in the amount of €3.0 million (2007/2008: €13.5 million).

### Employee share purchase program

In the 3rd quarter of 2007/2008, the Group primarily offered eligible members of its domestic and French workforce the right to purchase up to €270 in ThyssenKrupp shares at a 50% discount as part of an employee share purchase program. The program resulted in the Group recording compensation expense of €6.3 million. In 2008/2009 these programs had not been offered.

## 23 / Accrued pension and similar obligations

million €	Sept. 30, 2008	Sept. 30, 2009
Accrued pension liability	5,227	6,068
Accrued postretirement obligations other than pensions	1,029	1,076
Other accrued pension-related obligations	294	393
<b>Total</b>	<b>6,550</b>	<b>7,537</b>

Accrued pension and similar obligations in the amount of €6,928 million (2008: €5,970 million) have a remaining term of more than 1 year.

### Pension plans

The Group maintains defined benefit pension plans and defined contribution plans that cover the majority of the employees in Germany, the USA, Canada and Great Britain. In some other countries, eligible employees receive benefits in accordance with the respective local requirements.

In Germany, benefits generally take the form of pension payments that are indexed to inflation. Benefits for some senior staff are based on years of service and salary during a reference period, which is generally three years prior to retirement. Other employees receive benefits based on years of service. In addition, ThyssenKrupp offers certain German employees the opportunity to participate in a defined benefit program which allows for the deferral of compensation which earns interest at a rate of 6.00% per year.

In the USA and Canada, hourly paid employees receive benefits based on years of service. Salaried employee benefits are typically based on years of service and salary history. In Great Britain, employee benefits are based on years of service and an employee's final salary before retirement.

### Defined benefit obligations and funded status

The reconciliation of the changes in the defined benefit obligations and the fair value of plan assets are as follows:

million €

	Sept. 30, 2008		Sept. 30, 2009	
	Germany	Outside Germany	Germany	Outside Germany
<b>Change in defined benefit obligations (DBO):</b>				
DBO at beginning of fiscal year	5,773	2,158	5,013	1,925
Service cost	79	29	60	25
Interest cost	292	115	324	120
Participant contributions	0	8	0	9
Past service cost	5	3	22	0
Actuarial (gains)/losses	(691)	(113)	706	232
Acquisitions/(divestitures)	(26)	(7)	0	0
Curtailments and settlements	0	(36)	0	(43)
Termination benefits	0	0	8	8
Currency differences	0	(87)	0	(90)
Benefit payments	(421)	(144)	(421)	(157)
Others	2	(1)	0	13
<b>DBO at end of fiscal year</b>	<b>5,013</b>	<b>1,925</b>	<b>5,712</b>	<b>2,042</b>
<b>Change in plan assets:</b>				
Fair value of plan assets at beginning of fiscal year	167	1,910	180	1,544
Expected return on plan assets	12	126	11	102
Actuarial gains/(losses)	(26)	(313)	(2)	(21)
Acquisitions/(divestitures)	(1)	(2)	0	0
Employer contributions	37	79	0	115
Participant contributions	0	8	0	9
Settlements	0	(47)	0	(34)
Currency differences	0	(89)	0	(73)
Benefit payments	(9)	(128)	(10)	(142)
Others	0	0	0	13
<b>Fair value of plan assets at end of fiscal year</b>	<b>180</b>	<b>1,544</b>	<b>179</b>	<b>1,513</b>

As of the balance sheet date, defined benefit obligations related to plans that are wholly unfunded amount to €5,523 million (2008: €4,907 million) and defined benefit obligations that relate to plans that are wholly or partly funded amount to €2,231 million (2008: €2,031 million).

Actual return which amounts to €90 million (2008: €(201) million) is calculated as the total of expected return on plan assets and actuarial gains and losses, respectively.



The following represents the funded status of these plans:

million €	Sept. 30, 2008		Sept. 30, 2009	
	Germany	Outside Germany	Germany	Outside Germany
Funded status at end of fiscal year	(4,833)	(381)	(5,533)	(529)
Not recognized as an asset due to asset ceiling	0	(3)	0	(1)
<b>Net amount recognized</b>	<b>(4,833)</b>	<b>(384)</b>	<b>(5,533)</b>	<b>(530)</b>
Amounts recognized in the consolidated balance sheets consist of:				
Other non-financial assets	0	10	0	5
Accrued pension liability	(4,833)	(394)	(5,533)	(535)
<b>Net amount recognized</b>	<b>(4,833)</b>	<b>(384)</b>	<b>(5,533)</b>	<b>(530)</b>

### Net periodic pension cost

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

million €	Year ended Sept. 30, 2008		Year ended Sept. 30, 2009	
	Germany	Outside Germany	Germany	Outside Germany
Service cost	79	29	60	25
Interest cost	292	115	324	120
Expected return on plan assets	(12)	(126)	(11)	(102)
Past service cost	5	3	22	0
Settlement and curtailment loss/(gain)	0	14	0	(7)
Termination benefit expense	0	0	8	8
<b>Net periodic pension cost</b>	<b>364</b>	<b>35</b>	<b>403</b>	<b>44</b>

The interest cost and the expected return on plan assets components of net periodic pension cost are included in the line item "Interest expense" and "Interest income", respectively in the Group's consolidated statement of income.

### Assumptions

The assumptions for discount rates and the rates of compensation increase on which the calculation of the obligations are based were derived in accordance with standard principles and established for each country as a function of their respective economic conditions. Discount rates are generally determined based on market yields of high quality corporate bonds in the respective countries with terms corresponding to the estimated terms of the post-employment benefit obligations. The expected return on plan assets is determined based on detailed studies conducted by the plans' third party investment and actuarial advisors. The studies take into consideration the long-term historical returns and the future estimates of long-term investment returns based on the target asset allocation.

The Group applied the following weighted average assumptions to determine benefit obligations:

in %	Sept. 30, 2008		Sept. 30, 2009	
	Germany	Outside Germany	Germany	Outside Germany
Weighted-average assumptions:				
Discount rate	6.75	6.44	5.25	5.24
Expected return on plan assets	6.00	7.10	6.00	7.00
Rate of compensation increase	2.50	2.43	2.50	1.91

### Plan assets

In the Group, the majority of reported plan assets associated with the funded pension plans are located in the USA, Canada, Great Britain and to a lesser extent in Germany and some other European countries. The Group invests in diversified portfolios consisting of an array of asset classes that attempt to maximize returns while minimizing volatility. The asset classes include national and international stocks, fixed income government and non-government securities and real estate. Plan assets do not include any direct investments in ThyssenKrupp debt securities, equity securities or real estate.

The Group uses professional investment managers to invest plan assets based on specific investment guidelines developed by the plans' Investment Committees. The Investment Committees consist of senior financial management especially from treasury and other appropriate executives. The Investment Committees meet regularly to approve the target asset allocations, and review the risks and performance of the major pension funds and approve the selection and retention of external managers.

The Group's target portfolio structure has been developed based on asset-liability studies that were performed for the major pension funds within the Group.

The pension plan asset allocation and target allocation are as follows:

	Plan assets as of		Target allocation
	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2010
Equity securities	44%	39%	40-55%
Debt securities	48%	54%	45-60%
Real estate/other	8%	7%	0-10%
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Pension plan funding

In general, the Group's funding policy is to contribute amounts to the plans sufficient to meet the minimum statutory funding requirements relevant in the country in which the plan is located. In the USA and Canada, certain plans require minimum funding based on collective bargaining agreements. The Group may from time to time make additional contributions at its own discretion. ThyssenKrupp's expected contribution in fiscal year 2009/2010 is €103 million related to its funded plans, all of which is expected to be as cash contributions.

### Pension benefit payments

In fiscal year 2008/2009, pension benefit payments to the Group's German and Non-German plans were €421 million (2007/2008: €421 million) and €157 million (2007/2008: €144 million) respectively. The estimated future pension benefits to be paid by the Group's defined benefit pension plans are as follows:

	million €	
	Germany	Outside Germany
(for fiscal year)		
2009/2010	437	128
2010/2011	433	122
2011/2012	434	123
2012/2013	430	126
2013/2014	426	130
2014/2015 - 2018/19	2,064	654
<b>Total</b>	<b>4,224</b>	<b>1,283</b>

Amounts recognized for the current and the previous periods for defined benefit pension plans are as follows:

	million €				
	Sept. 30, 2005	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2009
Present value of defined benefit obligation	9,209	8,655	7,931	6,938	7,754
Fair value of plan assets	1,937	2,067	2,077	1,724	1,692
Surplus/(deficit) in the plans	(7,272)	(6,588)	(5,854)	(5,214)	(6,062)
Experience adjustments on plan liabilities	(43)	(52)	(89)	(47)	25
Experience adjustments on plan assets	112	13	44	(345)	(23)

### Defined Contribution Plans

The Group also maintains domestic and foreign defined contribution plans. Amounts contributed by the Group under such plans are based upon percentage of the employees' salary or the amount of contributions made by the employees. The total cost of pension

plans accounted for as defined contribution plans in the current fiscal year was €140 million (2007/2008: €140 million). Thereof, €84 million (2007/2008: €86 million) were related to multi-employer plans. In addition, contributions paid to public/state pension insurance institutions amounted to €345 million (2007/2008: €363 million).

### Postretirement obligations other than pensions

The Group provides certain postretirement health care and life insurance benefits to retired employees in the USA and Canada who meet certain minimum requirements regarding age and length of service. The plans primarily relate to the retained assets and liabilities of ThyssenKrupp Budd.

In December 2003, the us government signed into law the Medicare Prescription Drug, Improvement and Modernization Act. This law provides for a federal subsidy to sponsors of retiree health care benefit plans that provide benefit that is at least actuarially equivalent to the benefit established by the law. The Group accounts for these federal subsidies as reimbursement rights in accordance with IAS 19.

The changes in accumulated postretirement benefit obligations and reimbursement rights are as follows:

million €	Sept. 30, 2008 USA, Canada	Sept. 30, 2009 USA, Canada
<b>Change in accumulated postretirement benefit obligation:</b>		
Accumulated postretirement benefit obligation at beginning of fiscal year	893	1,013
Service cost	10	8
Interest cost	52	66
Past service cost	8	(53)
Actuarial (gains)/losses	103	109
Curtailments and settlements	0	(24)
Currency differences	(10)	(33)
Benefit payments	(43)	(46)
<b>Accumulated postretirement benefit obligation at end of fiscal year</b>	<b>1,013</b>	<b>1,040</b>
<b>Change in reimbursement rights relating to postretirement benefits:</b>		
Fair value of reimbursement rights at beginning of fiscal year	67	83
Expected return on reimbursement rights	4	(4)
Actuarial gains/(losses)	14	1
Employer contributions	3	3
Currency differences	0	(1)
Benefit payments	(6)	(6)
Others	1	0
<b>Fair value of reimbursement rights at end of fiscal year</b>	<b>83</b>	<b>76</b>

The following represents the funded status of these plans:

million €	Sept. 30, 2008 USA, Canada	Sept. 30, 2009 USA, Canada
Funded status at end of fiscal year	(1,013)	(1,040)
Unrecognized past service cost	(16)	(36)
<b>Net amount recognized for postretirement obligations other than pensions</b>	<b>(1,029)</b>	<b>(1,076)</b>

### Assumptions

The determination of the accumulated postretirement benefit obligations is based on the following weighted average assumptions:

in %	Sept. 30, 2008 USA, Canada	Sept. 30, 2009 USA, Canada
Weighted-average assumptions:		
Discount rate	6.97	5.50
Health care cost trend rate for the following year	9.73	9.80
<b>Ultimate health care cost trend rate (expected in 2032)</b>	<b>5.00</b>	<b>5.00</b>

### Net periodic postretirement benefit cost

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

million €	Year ended Sept. 30, 2008 USA, Canada	Year ended Sept. 30, 2009 USA, Canada
Service cost	10	8
Interest cost	52	66
Expected return on reimbursement rights	(4)	4
Past service cost	3	(31)
Settlement and curtailment loss/(gain)	0	(24)
<b>Net periodic postretirement benefit cost</b>	<b>61</b>	<b>23</b>

The interest cost component of net periodic postretirement benefit cost is included in the line item "Interest expense" in the Group's consolidated statement of income.

The effects of a one-percentage-point increase or decrease in the assumed health care cost trend rates are as follows:

million €

	one-percentage-point	
	Increase	Decrease
Effect on service and interest cost components	9	(7)
Effect on postretirement benefit obligation	124	(104)

Amounts recognized for the current and the previous period for postretirement obligations other than pensions are as follows:

million €

	Sept. 30, 2005	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2009
Present value of defined benefit obligation	1,290	1,122	893	1,013	1,040
Fair value of reimbursement rights	79	90	67	83	76
Surplus/(deficit)	(1,290)	(1,122)	(893)	(1,013)	(1,040)
Experience adjustments on plan liabilities	(19)	(33)	13	(41)	(1)
Experience adjustments on reimbursement rights	1	31	0	0	1

### Other pension related obligations

Some German companies have obligations resulting from partial retirement agreements. Under these agreements, employees work additional time prior to retirement, which is subsequently paid for in installments after retirement. For these obligations, accruals in the amount of €283 million (2008: €242 million) were recognized in accordance with IAS 19 “Employee Benefits”.

## 24 / Other provisions

million €

	Product warranties and product defects	Other contractual costs	Employee compensation and benefit costs	Restructurings	Decommissioning obligations	Environmental obligations	Litigation risks	Other obligations	Total
Balance as of Sept. 30, 2008	385	336	617	183	233	38	186	409	2,387
Currency differences	(6)	0	(4)	(1)	0	0	2	0	(9)
Acquisitions/(divestitures)	11	(30)	(1)	(2)	11	0	10	(44)	(45)
Additions	160	220	560	672	8	6	34	385	2,045
Accretion	0	4	0	0	2	0	0	2	8
Amounts utilized	(48)	(93)	(330)	(120)	(11)	(4)	(29)	(61)	(696)
Reversals	(69)	(127)	(282)	(13)	(8)	(6)	(21)	(268)	(794)
Balance as of Sept. 30, 2009	433	310	560	719	235	34	182	423	2,896

As of September 30, 2009, €2,075 million (2008: €1,746 million) of the total of other provisions are current, while €821 million (2008: €641 million) are non-current. Provisions of €746 million (2008: €548 million) have a remaining term of more than 1 year.

Product warranties and product defects represent the Group’s responsibility for the proper functioning of the goods sold (product warranty) as well as the obligation that arise from the use of the products sold (product defect).

Provisions for other contractual costs represent pending losses from uncompleted contracts.

Provisions for employee compensation and benefit costs primarily represent employment anniversary bonuses and obligations for the management incentive plans, while social plan and related costs pertaining to personnel related structural measures are reflected in the provision for restructuring activities. Pension related obligations for partial retirement agreements and early retirement programs, partly resulting from restructurings, are part of the provision for pensions and similar obligations.

The provision for restructurings consists of provisions for employee termination benefits and exit costs which have been established by operating divisions for costs incurred in connection with activities which do not generate any future economic benefits for the Group. Restructurings are being carried out in all segments. The balance as of September 30, 2009, consists of €282 million within

the Steel segment, €280 million within the Technologies segment and €80 million within the Services segment. As of 2008/2009, the corresponding expenses are included in the categories cost of sales, selling expenses as well as general and administrative expenses; prior year figures have been adjusted accordingly.

The provision for decommissioning obligations mainly consists of obligations associated with mining activities and recultivating landfills. Obligations associated with mining activities and recultivating landfills are generally handled over long periods of time, in some cases more than 30 years. The technical parameters are very complex. As a result, uncertainty exists with regard to the timing and concrete amount of the expenses.

Provisions for environmental obligations refer primarily to rehabilitating contaminated sites, redevelopment and water protection measures.

## 25 / Financial debt

### CARRYING AMOUNTS in million €

	Sept. 30, 2008	Sept. 30, 2009
Bonds	1,497	4,483
Notes payable	479	479
Liabilities to financial institutions	968	2,003
Finance lease liabilities	98	70
Other loans	26	125
<b>Non-current financial debt</b>	<b>3,068</b>	<b>7,160</b>
Bonds	500	0
Notes payable	50	0
Liabilities to financial institutions	711	381
Liabilities due to sales of receivables not derecognized from the balance sheet	3	0
Acceptance payables	31	19
Finance lease liabilities	27	34
Other loans	26	10
<b>Current financial debt</b>	<b>1,348</b>	<b>444</b>
<b>Financial debt</b>	<b>4,416</b>	<b>7,604</b>

Current financial debt includes financial debt with a remaining term up to one year, while the non-current financial debt has a remaining term of more than one year.

Financial debt in the amount of €129 million (2008: €174 million) is collateralized by real estate.

As of September 30, 2009, the financial debt reflects a total discount in the amount of €30 million (2008: €4 million), which is offset by a total premium in the amount of €12 million (2008: 0). Amortization of discounts and premiums of financial debt is included in "financial income/(expense), net".

## BONDS, NOTES PAYABLE

	Carrying amount in million € Sept. 30, 2008	Carrying amount in million € Sept. 30, 2009	Notional amount in million € Sept. 30, 2009	Interest rate in %	Fair value in million € Sept. 30, 2009	Maturity Date
ThyssenKrupp Finance Nederland B.V. bond (€500 million) 2002/2009	500	—	—	7.000	—	03/19/2009
ThyssenKrupp Finance Nederland B.V. bond (€1,000 million) 2009/2013	—	1,009	1,000	6.750	1,062	02/25/2013
ThyssenKrupp Finance Nederland B.V. bond (€1,000 million) 2009/2016	—	988	1,000	8.500	1,099	02/25/2016
ThyssenKrupp AG bond (€750 million) 2004/2011	748	749	750	5.000	776	03/29/2011
ThyssenKrupp AG bond (€1,000 million) 2009/2014	—	988	1,000	8.000	1,095	06/18/2014
ThyssenKrupp AG bond (€750 million) 2005/2015	749	749	750	4.375	735	03/18/2015
ThyssenKrupp AG note loan (€50 million) 2004/2009	50	—	—	4.500	—	01/19/2009
ThyssenKrupp AG note loan (€100 million) 2008/2013	100	100	100	5.150	103	04/15/2013
ThyssenKrupp AG note loan (€150 million) 2008/2013	149	149	150	5.300	155	04/25/2013
ThyssenKrupp AG note loan (€150 million) 2008/2014	150	150	150	5.375	152	05/21/2014
ThyssenKrupp AG note loan (€80 million) 2008/2016	80	80	80	5.710	77	09/15/2016
<b>Total</b>	<b>2,526</b>	<b>4,962</b>	<b>4,980</b>		<b>5,254</b>	

In 2008/2009 ThyssenKrupp issued bonds in the total volume of €3 billion. In February 2009, ThyssenKrupp Finance Nederland B.V. issued a €1.5 billion “dual tranche”-bond. The bond was issued in two tranches with a 4 year (€500 million) and a 7 year (€1,000 million) maturity. In April 2009, the 4 year maturity tranche was increased by €500 million. In June 2009, ThyssenKrupp AG issued another bond in the volume of €1 billion with a 5 year maturity.

ThyssenKrupp AG has assumed the unconditional and irrevocable guarantee for the payments pursuant to the terms and conditions of the bond of ThyssenKrupp Finance Nederland B.V.

As of September 30, 2009, the financing structure of liabilities to financial institutions and other loans comprise the following:

## LIABILITIES TO FINANCIAL INSTITUTIONS, OTHER LOANS

	Carrying amount in million € Sept. 30, 2008	Carrying amount in million € Sept. 30, 2009	Amount thereof in Euro	Weighted average interest rate % Sept. 30, 2009	Amount thereof in USD	Weighted average interest rate % Sept. 30, 2009	Amount thereof in other currencies	Fair value in million € Sept. 30, 2009
Bilateral credits (at variable interest rates)	—	510	305	1.16	205	0.78	—	510
Other credits at variable interest rates	1,221	1,099	83	1.77	93	2.45	923	1,099
Credits at fixed interest rates	510	910	890	5.52	6	—	14	952
<b>Total</b>	<b>1,731</b>	<b>2,519</b>	<b>1,278</b>	<b>4.24</b>	<b>304</b>	<b>1.28</b>	<b>937</b>	<b>2,561</b>

As of September 30, 2009, ThyssenKrupp has available a €2.5 billion syndicated joint credit multi-currency-facility agreement. The agreement was fixed in July 2005 and has a term until July 01, 2014. The facility agreement was not utilized as of the balance sheet date.

Another component of financial debt are revolving credit agreements with banking institutions whereby ThyssenKrupp AG, ThyssenKrupp Finance USA, Inc. or ThyssenKrupp Finance Nederland B.V. can borrow in Euros, U.S. dollars or in British pounds Sterling

up to €2.3 billion. Of these facilities, 50% have a remaining term of more than 5 years and 50% a remaining term of up to 5 years. As of September 30, 2009, cash loans of €0.5 billion were outstanding.

In total the Group has available unused, committed credit lines amounting to €4.2 billion.

The Group's Commercial Paper Program also provides up to €1.5 billion in additional financing. As of September 30, 2009, the program was not used.

As of the balance sheet date the future minimum lease payments reconcile to their present value (= finance lease liability) as follows:

million €

	Sept. 30, 2008			Sept. 30, 2009		
	Future minimum lease payments	Interest	Present value (finance lease liabilities)	Future minimum lease payments	Interest	Present value (finance lease liabilities)
Not later than one year	35	8	27	40	6	34
Between one and five years	92	16	76	64	11	53
Later than five years	29	7	22	22	5	17
<b>Total</b>	<b>156</b>	<b>31</b>	<b>125</b>	<b>126</b>	<b>22</b>	<b>104</b>

Maturity of financial debt is as follows:

million €

	Total financial debt	thereof: Liabilities to financial institutions
(for fiscal year)		
2009/2010	444	381
2010/2011	963	80
2011/2012	377	359
2012/2013	1,738	472
2013/2014	1,567	413
thereafter	2,515	679
<b>Total</b>	<b>7,604</b>	<b>2,384</b>

## 26 / Trade accounts payable

Trade accounts payable in the amount of €41 million (2008: €40 million) have a remaining term of more than 1 year.

## 27 / Other financial liabilities

million €

	Sept. 30, 2008		Sept. 30, 2009	
	current	non-current	current	non-current
Financial liabilities measured at amortized cost	999	321	1,390	4
Derivatives that do not qualify for hedge accounting	369	—	138	—
Derivatives that qualify for hedge accounting	176	—	58	—
<b>Total</b>	<b>1,544</b>	<b>321</b>	<b>1,586</b>	<b>4</b>

Other financial liabilities amounting to €8 million (2008: €328 million) have a remaining term of more than 1 year.

## 28 / Other non-financial liabilities

million €

	Sept. 30, 2008		Sept. 30, 2009	
	current	non-current	current	non-current
Amounts due to customers for construction work	3,445	—	2,883	—
Advance payments	1,084	—	957	—
Selling and buying market related liabilities	642	—	725	—
Liabilities due to put options	180	19	22	0
Liabilities to the employees	965	—	738	—
Liabilities for social security	122	—	100	—
Deferred income	187	—	117	—
Tax liabilities (without income taxes)	370	—	349	—
Other	506	1	791	46
<b>Total</b>	<b>7,501</b>	<b>20</b>	<b>6,682</b>	<b>46</b>

Other non-financial liabilities amounting to €506 million (2008: €883 million) have a remaining term of more than 1 year.

Amounts due to customers for construction work are calculated as follows:

million €

	Sept. 30, 2008	Sept. 30, 2009
Contract costs incurred and recognized contract profits (less recognized losses)	5,382	5,881
Less advance payments received	(8,827)	(8,764)
<b>Total</b>	<b>(3,445)</b>	<b>(2,883)</b>

## 29 / Contingencies and commitments

### Contingencies

ThyssenKrupp AG and its segment lead companies as well as – in individual cases – its subsidiaries have issued or have had guarantees issued in favour of customers 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		Provision as of	
	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009
Advance payment bonds	145	231	1	1
Performance bonds	67	80	1	0
Third party credit guarantee	42	39	0	0
Residual value guarantees	45	45	1	1
Other guarantees	79	48	1	2
<b>Total</b>	<b>378</b>	<b>443</b>	<b>4</b>	<b>4</b>

Guarantees include no (2008: €0 million) contingent liabilities of associates and €248 million (2008: €189 million) of contingent liabilities of joint ventures.

The terms of these 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 always the non-performance of the principal debtor under a contractual agreement, e.g. late delivery, delivery of non-conforming goods under a contract, non-performance with respect to the warranted quality or default under a loan agreement.

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

ThyssenKrupp bears joint and several liability as a member of certain civil law partnerships, ordinary partnerships and consortiums.

Former stockholders of Thyssen and of Krupp have petitioned per Art. 305 UmwG (Reorganization Act) for a judicial review of the share exchange ratios used in the merger of Thyssen AG and Fried. Krupp AG Hoesch-Krupp to form ThyssenKrupp AG. The proceedings are pending with the Düsseldorf Regional Court. Should a ruling be made in favour of the petitioners, the Court would require settlement to be made via an additional cash payment plus interest. The additional payment also would be required to be made to all affected stockholders, even if they were not petitioners in the judicial proceedings. However, the Group expects no such payments to become due as the exchange ratios were duly determined, negotiated between unrelated parties and audited and confirmed by the auditor that has been appointed by court.



As a result of the integration of Thyssen Industrie AG into Thyssen AG, the Group is defendant to court proceedings from minority stockholders of Thyssen Industrie AG to examine the appropriateness of the merger consideration received. If the court rules that the consideration offered was inappropriate, the increased consideration will be granted to all outside stockholders by an additional cash payment.

The Group is involved in pending and threatened litigation in connection with the purchase and sale of certain companies, which may lead to partial repayment of purchase price or to the payment of damages. In addition, damage claims may be payable to customers, consortium partners and subcontractors under performance contracts. Certain of these claims have proven unfounded or have expired under the statute of limitations. Some of these lawsuits are still pending.

### Commitments and other contingencies

The Group is the lessee to property, plant and equipment classified as operating leases. Rental expense amounting to €274 million (2007/2008: €272 million) resulting from rental contracts, long-term leases and leasing contracts classified as operating leases was incurred in fiscal 2008/2009. It comprises as follows:

million €	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Minimum rental payments	272	276
Contingent rental payments	0	0
less income from sublease agreements	0	(2)
<b>Total</b>	<b>272</b>	<b>274</b>

The future minimum rental payments, excluding accrued interest from such non-cancellable contracts that have an initial or remaining term of more than one year as of the balance sheet date are (at face amounts):

million €	Sept. 30, 2008	Sept. 30, 2009
Not later than one year	258	236
Between one and five years	565	552
Later than five years	453	382
<b>Total</b>	<b>1,276</b>	<b>1,170</b>

The future minimum rental income from non-cancelable sublease contracts amounting to €5 million (2007/2008: €4 million) is not included in the total of future minimum rental payments.

The commitment to enter into investment projects amounts to €3,028 million (2008: €5,090 million) and relates mainly to the Steel segment.

Payment commitments and obligations to make further contributions to corporations and cooperative associations exist in the total amount of €3 million (2008: €3 million). In addition, other financial commitments exist in the amount of €2,957 million (2008: €3,539 million), primarily from the commitments to purchase coking coal, coal and lime under long term supply contracts and obligations under ship-charter contracts in the Steel segment as well as purchasing commitments resulting from the Group's electricity and gas supply contracts. In addition, in the Steel segment long term iron ore and iron ore pellets supply contracts exist which will result in purchasing commitments over a period of up to 14 years. Due to the high volatility of iron ore prices, the measurement of the complete purchasing commitments is based on the iron ore price as of the current balance sheet date resulting in purchasing commitments of €11,485 million in total.

Under property and business interruption insurance policies, substantial deductibles exist for some production units of the Steel and Stainless segments. One or more damages at these units could significantly impact the Group's net assets, financial position and results of operations.

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 was lodged with the European Court of First Instance (Luxembourg). An action has already been filed with the competent court in Athens against the seller of HSY for exemption from contingent recovery claims of the Greek government. The recovery obligation of the Greek government only refers to the non-naval business of HSY, and not to the naval one. Discussions to achieve an agreement with all parties involved were not finalized in 2008/2009. Should this matter in total not be resolved favourably, a material impact on the consolidated financial statements of ThyssenKrupp cannot be ruled out currently.

## 30 / Financial instruments

The following table shows financial assets and liabilities by measurement categories and classes. Finance lease receivables and liabilities, and derivatives that qualify for hedge accounting are also included although they are not part of any IAS 39 measurement category.

million €

	Carrying amount on balance sheet Sept. 30, 2008	Measurement in accordance with IAS 39		Measurement in accordance with IAS 17	Fair value Sept. 30, 2008
		(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity	
Trade accounts receivable, net (excluding finance lease)	7,870	7,870			7,870
Loans and receivables		7,870			7,870
Finance lease receivables	15				15
Other financial assets	999	349	454	196	999
Loans and receivables		292			292
Available-for-sale financial assets		57		124	181
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)			448		448
Derivatives that qualify for hedge accounting			6	72	78
Cash and cash equivalents	2,725	2,725			2,725
Loans and receivables		2,725			2,725
<b>Total of financial assets</b>	<b>11,609</b>				
<b>thereof by measurement categories of IAS 39:</b>					
<b>Loans and receivables</b>	<b>10,887</b>	<b>10,887</b>			<b>10,887</b>
<b>Available-for-sale financial assets</b>	<b>181</b>	<b>57</b>		<b>124</b>	<b>181</b>
<b>Derivatives that do not qualify for hedge accounting (Financial assets held for trading)</b>	<b>448</b>		<b>448</b>		<b>448</b>
Financial debt (excluding finance lease)	4,291	4,291			4,209
Financial liabilities measured at amortized cost		4,291			4,209
Finance lease liabilities	125				125
Trade accounts payable	5,731	5,731			5,731
Financial liabilities measured at amortized cost		5,731			5,731
Other financial liabilities	1,865	1,320	370	175	1,865
Financial liabilities measured at amortized cost		1,320			1,320
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)			369		369
Derivatives that qualify for hedge accounting			1	175	176
<b>Total of financial liabilities</b>	<b>12,012</b>				
<b>thereof by measurement categories of IAS 39:</b>					
<b>Financial liabilities measured at amortized cost</b>	<b>11,342</b>	<b>11,342</b>			<b>11,260</b>
<b>Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)</b>	<b>369</b>		<b>369</b>		<b>369</b>

million €

	Carrying amount on balance sheet Sept. 30, 2009	Measurement in accordance with IAS 39		Measurement in accordance with IAS 17	Fair value Sept. 30, 2009
		(Amortized) cost	Fair value recognized in profit or loss	Amortized cost	
Trade accounts receivable, net (excluding finance lease)	5,260	5,260			5,260
Loans and receivables		5,260			5,260
Finance lease receivables	12			12	12
Other financial assets	1,354	810	245	299	1,354
Loans and receivables		759			759
Available-for-sale financial assets		51		185	236
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)			245		245
Derivatives that qualify for hedge accounting			0	114	114
Cash and cash equivalents	5,375	5,375			5,375
Loans and receivables		5,375			5,375
<b>Total of financial assets</b>	<b>12,001</b>				
<b>thereof by measurement categories of IAS 39:</b>					
Loans and receivables	11,394	11,394			11,394
Available-for-sale financial assets	236	51		185	236
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	245		245		245
Financial debt (excluding finance lease)	7,500	7,500			7,834
Financial liabilities measured at amortized cost		7,500			7,834
Finance lease liabilities	104			104	104
Trade accounts payable	4,185	4,185			4,185
Financial liabilities measured at amortized cost		4,185			4,185
Other financial liabilities	1,590	1,394	138	58	1,590
Financial liabilities measured at amortized cost		1,394			1,394
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)			138		138
Derivatives that qualify for hedge accounting			0	58	58
<b>Total of financial liabilities</b>	<b>13,379</b>				
<b>thereof by measurement categories of IAS 39:</b>					
Financial liabilities measured at amortized cost	13,079	13,079			13,413
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)	138		138		138

The carrying amounts of trade accounts receivable, other current receivables as well as cash and cash equivalents equal their fair values. The fair value of fixed rate loans equals the present value of expected cash flows which are discounted on the basis of interest rates prevailing on the balance sheet date.

Available-for-sale financial assets primarily include equity and debt instruments. They are in general measured at fair value, which is based to the extent available on market prices as of the balance sheet date. When no quoted market prices in an active market are available and the fair value cannot be reliably measured, available-for-sale financial assets are measured at cost.

The fair value of foreign currency forward transactions is determined on the basis of the middle spot exchange rate applicable as of the balance sheet date, and taking account of forward premiums or discounts arising for the respective remaining contract term compared to the contracted forward exchange rate. Common methods for calculating option prices are used for foreign currency options. The fair value of an option is influenced not only by the remaining term of an option, but also by other factors, such as current amount and volatility of the underlying exchange or base rate.

Interest rate swaps and cross currency swaps are measured at fair value by discounting expected cash flows on the basis of market interest rates applicable for the remaining contract term. In the case of cross currency swaps, the exchange rates for each foreign currency, in which cash flows occur, are also included.

The fair value of commodity futures is based on published price quotations. It is measured as of the balance sheet date, both internally and by external financial partners.

The carrying amounts of trade accounts receivable and other current liabilities equal their fair values. The fair value of fixed rate liabilities equals the present value of expected cash flows. Discounting is based on interest rates applicable as of the balance sheet date. The carrying amounts of floating rate liabilities equal their fair values.

The following table shows net gains and losses from financial instruments by measurement categories. Gains or losses arising from finance lease and from derivatives that qualify for hedge accounting are not included, as they are not part of any IAS 39 measurement category.

million €		
	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Loans and receivables	136	(145)
Available-for-sale financial assets	140	112
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	107	151
Financial liabilities measured at amortized cost	(291)	(120)

Net losses under “loans and receivables” mainly comprises interest on financial receivables, impairment allowances on trade accounts receivable and gains and losses on foreign currency receivables.

The category “available-for-sale financial assets” mainly includes current earnings from equity and debt instruments as well as gains or losses on their disposal.

Gains and losses arising from changes in fair value of foreign currency, interest rate and commodity derivatives that do not comply with the hedge accounting requirements under IAS 39 are included in the “derivatives that do not qualify for hedge accounting” category.

The category “financial liabilities measured at amortized cost” includes interest expenses on financial liabilities as well as gains and losses on foreign currency liabilities.

#### Derivative financial instruments

The Group uses various derivative financial instruments, including foreign currency forward contracts, foreign currency options, interest rate swaps, cross currency swaps and commodity forward contracts. Derivative financial instruments are generally used to hedge existing or anticipated underlying transactions so as to reduce foreign currency, interest rate and commodity price risks.

The following table shows the notional amounts and fair values of derivatives used within the Group:

million €

	Notional amount Sept. 30, 2008	Carrying amount Sept. 30, 2008	Notional amount Sept. 30, 2009	Carrying amount Sept. 30, 2009
<b>Assets</b>				
Foreign currency derivatives that do not qualify for hedge accounting	4,041	150	4,024	163
Foreign currency derivatives qualifying as cash flow hedges	1,466	55	292	32
Embedded derivatives	189	8	377	19
Interest rate derivatives that do not qualify for hedge accounting*	71	21	36	8
Interest rate derivatives qualifying as cash flow hedges*	0	0	750	29
Commodity derivatives that do not qualify for hedge accounting	1,113	269	669	55
Commodity derivatives qualifying as cash flow hedges	116	17	129	53
Commodity derivatives qualifying as fair value hedges	44	6	41	0
<b>Total</b>	<b>7,040</b>	<b>526</b>	<b>6,318</b>	<b>359</b>
<b>Liabilities</b>				
Foreign currency derivatives that do not qualify for hedge accounting	3,534	179	2,349	91
Foreign currency derivatives qualifying as cash flow hedges	2,415	137	1,562	56
Embedded derivatives	855	52	201	8
Interest rate derivatives that do not qualify for hedge accounting*	750	21	0	0
Interest rate derivatives qualifying as cash flow hedges*	148	4	1	0
Commodity derivatives that do not qualify for hedge accounting	670	117	310	39
Commodity derivatives qualifying as cash flow hedges	143	34	23	2
Commodity derivatives qualifying as fair value hedges	10	1	41	0
<b>Total</b>	<b>8,525</b>	<b>545</b>	<b>4,487</b>	<b>196</b>

\* inclusive of cross currency swaps

### Derivatives that qualify for hedge accounting

Hedge accounting in accordance with IAS 39 is used to hedge foreign currency risks of firm commitments, future receivables and liabilities denominated in foreign currency, commodity price risks arising from sales and purchase transactions, and interest rate risks from non-current financings.

### Cash-Flow-Hedges

Cash flow hedges are mainly used to hedge future cash flows against foreign currency and commodity price risks arising from future sales and purchase transactions as well as interest rate risks from non-current liabilities. These derivatives are measured at fair value, divided into an effective and ineffective portion. Until realization of the hedged underlying transaction, the effective portion of fluctuations in fair value of these derivatives is recognized directly in equity in the cumulative income and expense position, while the ineffective portion is recognized in profit or loss. The cumulative gain or loss recognized in equity is reclassified to profit or loss in the same period during which the future underlying transactions (hedged items) affect profit or loss. As of 30 September 2009, hedging instruments with positive fair value totaled €114 million (2008: €72 million) and those with negative fair value totaled €58 million (2008: €175 million). For the 2008/2009 financial year, €33 million (2007/2008: €(189) million)

(before tax) in unrealized gains or losses have been recognized directly in equity in the cumulative income and expense position. Cash flows from future transactions are currently hedged for a maximum of 60 months.

During the current fiscal year, €9 million (2008: €21 million) in cumulative gain or loss recognized directly in equity were reclassified to profit or loss as a result of the underlying transactions being realized during the year; of this amount €9 million (2007/2008: €21 million) are attributable to sales and €0 million (2007/2008: 0) to other financial income/(expense), net. In addition, €40 million in cumulative gain or loss recognized directly in equity were reclassified to decrease cost of inventories (2008: €191 million to increase cost of inventories), as the hedged commodities were recognized, although the underlying transaction had not yet been taken to profit or loss. This resulted in decreased expenses of €48 million in 2008/2009; an expense of €8 million of that reclassified amount is expected to impact earnings in the subsequent fiscal year. Furthermore, €147 million (2008: €0 million) in cumulative gain or loss recognized directly in equity were reclassified to cost of property, plant and equipment. €2 million of that reclassified amount is expected to impact earnings in 2010/2011, €7 million in 2011/2012 and €131 million in subsequent fiscal years.

As of September 30, 2009, net income from the ineffective portions of derivatives classified as cash flow hedges totaled €41 million (2007/2008: €(3) million).

The cancellation of cash flow hedges during the current fiscal year resulted in earnings of €84 million (2007/2008: €1 million) due to reclassification from cumulative gain or loss recognized directly in equity to profit or loss. These fluctuations in fair value of derivatives originally recognized in equity were reclassified to profit or loss when the hedged underlying transaction was no longer probable to occur. This was mainly the result of decreased purchases of commodities due to the economic crisis.

In the subsequent fiscal year fluctuations in fair value of derivatives included under cumulative change in equity as of the reporting date is expected to impact earnings by expenses of €19 million. During the 2010/2011 fiscal year, earnings are expected to be impacted by income of €17 million, during the 2011/2012 fiscal year by income of €8 million and during the following fiscal years by income of €27 million.

#### Fair-Value-Hedges

Fair value hedges are mainly used to hedge the exposure to changes in fair value of a firm commitment and exposure to inventory price risks. These commodity derivatives as well as their corresponding underlying transactions are measured at fair value. As of September 30, 2009, hedging instruments with positive fair value totalled €191 thousand (2008: €6 million) and those with negative fair value totalled €317 thousand (2008: €1 million). Fluctuations in fair value are recognized immediately in profit or loss under sales or cost of sales, depending on the type of underlying transaction. During the fiscal year, income/(expense), net from the measurement of fair value hedging instruments totaled €(1) million (2007/2008: €(3) million), while income/(expense), net from the corresponding underlying transactions during the same period amounted to €1 million (2007/2008: €3 million).

#### Derivates that do not qualify for hedge accounting

If a hedging relationship does not meet the requirements for hedge accounting in accordance with the conditions under IAS 39, the derivative financial instrument is recognized as a derivative that does not qualify for hedge accounting. The resulting impact on profit or loss is shown in the table on net gains and losses from financial instruments by measurement categories. This item also includes embedded derivatives. They exist in the ThyssenKrupp Group in the

way that regular supply and service transactions with suppliers and customers abroad are not concluded in the functional currency (local currency) of either contracting parties.

#### Financial risks

The management of ThyssenKrupp AG has implemented a risk management system that is monitored by the Supervisory Board. The general conditions for compliance with the requirements for proper and future-oriented risk management within the ThyssenKrupp Group are set out in the risk management principles. These principles aim at encouraging all Group members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The risk management manual and other Group guidelines specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims at identifying, analyzing, managing, controlling and communicating risks promptly throughout the Group. ThyssenKrupp Group's risk environment is updated at least twice a year by carrying out a risk inventory in all Group companies. The results of the risk inventory process are communicated to both ThyssenKrupp AG's Executive Board and the Supervisory Board's audit committee. Risk management reporting is a continuous process and part of regular Group reporting. Group guidelines and information systems are checked regularly and adapted to current developments. In addition, the internal auditing department regularly checks whether Group companies comply with risk management system requirements.

Being a global Group, ThyssenKrupp is exposed to credit, liquidity and market risks (foreign currency, interest rate and commodity price risks) during the course of ordinary activities. The aim of risk management is to limit the risks arising from operating activities and associated financing requirements by applying selected derivative and non-derivative hedging instruments.

#### Credit risk (counterparty default risk)

To the Group, financial instruments bear default risk resulting from one party's possible failure to meet its payment obligations, with the maximum default risk being equal to the positive fair value of the respective financial instrument. Against the background of the financial crisis, default risks take on greater significance; we are therefore managing them very carefully. In order to minimize default risk, the ThyssenKrupp Group only enters into financial instruments for financing purposes with contracting parties that have a very good credit standing or are members of a deposit protection fund.

For further risk minimizing transactions are concluded in compliance with specified risk limits. In the operative area, receivables and default risks are monitored by Group companies on an ongoing basis and partially covered by merchandise credit insurance. Risks arising from the delivery of goods to major customers are subject to a special credit watch. In addition, letters of credit and indemnity bonds are used to hedge receivables from major customers. However, receivables from these contracting parties do not reach levels that would result in extraordinary risk concentrations. Default risk is taken into account by valuation allowances.

### Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its existing or future obligations due to insufficient availability of cash or cash equivalents. Managing liquidity risk, and therefore allocating resources and hedging the Group's financial independence, are some

of the central tasks of ThyssenKrupp AG. Against the background of the financial crisis, liquidity risk is an increasing focus of attention. In order to be able to ensure the Group's solvency and financial flexibility at all times, long-term credit limits and cash and cash equivalents are reserved on the basis of perennial financial planning and monthly rolling liquidity planning. Cash pooling and external financing focus primarily on ThyssenKrupp AG and specific financing companies. Funds are provided internally to Group companies according to need. Despite the difficult market environment as a consequence of the financial crisis, our financing is also secured for the next fiscal year. In particular with the issue of bonds with a volume of €3 billion in 2008/2009, the maturity profile was improved and the liquidity situation was further strengthened.

The following table shows future undiscounted cash outflows (positive amounts) and cash inflows (negative amounts) from financial liabilities based on contractual agreements:

million €

	Carrying amount Sept. 30, 2008	Cash flows in 2008/2009	Cash flows in 2009/2010	Cash flows between 2010/2011 and 2012/2013	Cash flows after 2012/2013
Bonds	1,997	605	70	886	816
Liabilities to financial institutions	1,679	796	146	666	559
Finance lease liabilities	125	35	38	54	29
Other financial debt	615	145	29	336	264
Trade accounts payable	5,731	5,690	31	9	1
Derivative financial liabilities that do not qualify for hedge accounting	369	308	32	22	(15)
Derivative financial liabilities that qualify for hedge accounting	176	156	16	0	0
Other financial liabilities	1,320	994	4	322	0

million €

	Carrying amount Sept. 30, 2009	Cash flows in 2009/2010	Cash flows in 2010/2011	Cash flows between 2011/2012 and 2013/2014	Cash flows after 2013/2014
Bonds	4,483	303	1,053	2,728	1,953
Liabilities to financial institutions	2,384	484	220	1,557	817
Finance lease liabilities	104	40	25	39	22
Other financial debt	633	56	138	478	99
Trade accounts payable	4,185	4,144	15	24	2
Derivative financial liabilities that do not qualify for hedge accounting	138	129	7	1	1
Derivative financial liabilities that qualify for hedge accounting	58	53	5	0	0
Other financial liabilities	1,394	1,391	2	1	0



Cash flows from derivatives are offset by cash flows from hedged underlying transactions, which have not been considered in the analysis of maturities. If cash flows from the hedged underlying transactions were also considered, the cash flows shown in the table would be accordingly lower.

#### Market risks

Market risk is the risk that fair values or future cash flows of non-derivative or derivative financial instruments will fluctuate due to changes in risk factors. Among market risks relevant to ThyssenKrupp are foreign currency, interest rate, commodity price, and especially raw material price risks. Associated with these risks are fluctuations in income, equity and cash flow. The objective of risk management is to eliminate or limit emerging risks by taking appropriate precautions, especially by applying derivatives. The application of derivatives is subject to strict controls set up on the basis of guidelines as part of regular reporting. The Group primarily concludes over-the-counter (OTC) forward foreign currency transactions, cross currency derivatives and commodity forward contracts with banks and trading partners. In addition, exchange-traded futures are used to hedge commodity prices.

The following analysis and amounts determined by means of sensitivity analyses represent hypothetical, future-oriented data that can differ from actual outcomes because of unforeseeable developments in financial markets. Moreover, non-financial or non-quantifiable risks, such as business risks, are not considered here.

#### Foreign currency risk exposures

The international nature of our business activities generates numerous cash flows in different currencies – especially in US dollars. Hedging the resulting currency risk exposures is an essential part of our risk management.

Group-wide regulations form the basis for ThyssenKrupp Group's currency management. Principally, all group companies are obliged to hedge foreign currency positions at the time of inception. Affiliated companies based in the Euro zone are obliged to submit all unhedged positions from trade activities in major transaction currencies to a central clearing office. Depending on the derivatives' hedging purpose and resulting accounting treatment, the offered positions are either hedged under a portfolio hedge approach or directly hedged with banks on a back-to-back basis taking into

account the respective maturity. Financial transactions and the transactions undertaken by our subsidiaries outside the Euro zone are hedged in close cooperation with central Group management. Compliance with the Group's requirements is regularly ascertained by our Central Internal Audit Department.

Foreign currency hedging is used to fix prices on the basis of hedging rates as protection against any unfavorable exchange rate fluctuations in the future. When hedging anticipated production-related ore, coal and coke purchases, favorable developments in the Euro/US dollar exchange rate are also systematically exploited.

Hedging periods are generally based on the maturities of underlying transactions. Foreign currency derivative contracts usually have maturities of twelve months or less, but can also be significantly longer in exceptional cases. The hedging periods for forecasted ore, coal and coke purchases have been established on the basis of a theoretical fair exchange rate (based on purchasing power parity) and the margin of fluctuation between the US dollar and the Euro based on historical data. In accordance with a set pattern, purchases forecasted for a specific period are hedged whenever defined hedging rates are reached.

The US dollar is the only relevant risk variable for sensitivity analyses under IFRS 7, as the vast majority of foreign currency cash flows occurs in US dollars. As hedging transactions are generally used to hedge underlying transactions, opposite effects in underlying and hedging transactions are almost entirely offset over the total period. Thus, the currency risk exposure described here results from hedging relationships with off-balance sheet underlying transactions, i.e. hedges of firm commitments and forecasted sales. Based on our analysis, the US dollar exposure as of September 30, 2009 was as follows:

If the Euro had been 10% stronger against the US dollar as of September 30, 2009, the hedge reserve in equity and fair value of hedging transactions would have been €42 million (2008: €229 million) lower and earnings resulting from the measurement as of the balance sheet date €85 million (2007/2008: €32 million) higher. If the Euro had been 10% weaker against the US dollar as of September 30, 2009, the hedge reserve in equity and fair value of hedging transactions would have been €51 million (2008: €280 million) higher and earnings resulting from the measurement as of the balance sheet date €100 million (2007/2008: €41 million) lower.



### Interest rate risk

Due to the international focus of ThyssenKrupp's business activities, the Group procures liquidity in international money and capital markets in different currencies – predominantly in Euros and US dollars – and with various maturities. Some of the resulting financial debt and financial investments are exposed to interest rate risk. The Group's central interest rate management manages and optimizes interest rate risk. This includes regular interest analyses. In some cases, the Group uses derivatives to hedge interest rate risk. These instruments are contracted with the objective of minimizing interest rate volatilities and finance costs for underlying transactions.

Major parts of the interest derivatives are immediately and directly allocated to particular financings as cash flow hedges. These are derivatives that qualify for hedge accounting. The sum total of interest expenses from these derivatives' underlying transactions and allocated interest derivatives recognized in the statement of income represents the hedging relationship's fixed interest rate.

Another part of the interest derivatives is not specifically allocated to an individual financing but hedges a portfolio of individual loans using a macro hedge approach.

Cross currency swaps have been contracted primarily in connection with the US dollar financing activities. In 2008/2009 these derivatives were classified as cash flow hedges.

Interest rate instruments can result in cash flow risks, opportunity effects, as well as interest rate risks affecting the balance sheet and earnings. Refinancing and variable-rate financial instruments are subject to cash flow risk which expresses the uncertainty of future interest payments. Cash flow risk is measured by means of cash flow sensitivity. Opportunity effects arise from non-derivatives, as these are measured at amortized cost rather than fair value, in contrast to interest derivatives. This difference, the so-called opportunity effect, affects neither the balance sheet nor the statement of income. On-balance sheet interest rate risks affecting equity result from the measurement of interest derivatives qualifying as micro hedges. Interest rate risks affecting earnings arise from the remaining interest derivatives. Opportunity effects and interest rate risks affecting the balance sheet and earnings are determined by calculating fair value sensitivity analyses and changes.

As of September 30, 2009, a +100/(20) basis point parallel shift in yield curves is assumed for all currencies in interest analyses. In the previous year the parallel shift was +100/(100) basis points. Due

to the current low interest level the shift was reduced from (100) basis points to (20) basis points to avoid negative interest rates. The analysis results in the opportunities (positive values) and risks (negative values) shown in the following table:

million €		
	Changes in all yield curves as of Sept. 30, 2009 by	
	+ 100 basis points	(20) basis points
Cash flow risk	46	(9)
Opportunity effects	256	(53)
Interest rate risks resulting from interest rate derivatives affecting balance sheet	(1)	0
Interest rate risks resulting from interest rate derivatives affecting earnings	0	0

In the previous year the analysis resulted in the opportunities (positive values) and risks (negative values) shown in the following table:

million €		
	Changes in all yield curves as of Sept. 30, 2008 by	
	+ 100 basis points	(100) basis points
Cash flow risk	21	(21)
Opportunity effects	100	(106)
Interest rate risks resulting from interest rate derivatives affecting balance sheet	1	(1)
Interest rate risks resulting from interest rate derivatives affecting earnings	2	(2)

If, as of September 30, 2009, all yield curves combined had been 100 basis points higher, the hedge reserve in equity and fair value of the relevant interest derivatives would have been €1 million lower (2008: €1 million higher) and earnings resulting from the measurement as of the balance sheet date €46 million (2007/2008: €23 million) higher. If, as of September 30, 2009, all yield curves combined had been 20 basis points lower, the hedge reserve in equity and fair value of the relevant interest derivatives would have been unchanged (2008: shift by (100) basis points €1 million lower) and earnings resulting from the measurement as of the balance sheet date €9 million (2007/2008: shift by (100) basis points €23 million) lower.

### Commodity price risks

The Group uses various nonferrous metals, especially nickel, as well as commodities such as ore, coal, coke and energy, for different production processes. Purchase prices for commodities and energy can vary significantly depending on market conditions. Fluctuations in commodity prices cannot always be passed on to customers.

This causes commodity price risks which can affect income, equity and cash flow. Long-term supply contracts have been concluded with suppliers, especially for ore, coal and coke, to hedge commodity price risks. In addition, some Group companies use derivatives, especially for nickel and copper, so as to minimize risks arising from commodity price volatilities. These instruments are in general hedged locally, and the contracting of such financial derivatives is subject to strict guidelines which are checked for compliance by internal auditing. Only marketable instruments are used, as there are mainly commodity forward contracts. Commodity forward contracts are measured at fair value. Fluctuations in fair value are recognized predominately in profit or loss under sales revenue or cost of sales. Sometimes cash flow hedge accounting is used when commodity derivatives are immediately and directly allocated to a particular firm commitment. In some cases, fair value hedges are used to hedge the exposure to changes in fair value of a firm commitment and exposure to inventory price risks.

Risks resulting from rising energy prices are limited by structuring procurement on the electricity market and concluding or extending long-term natural gas contracts. These contracts are subject to the so-called “own use exemption” and therefore not carried as derivatives.

Only hypothetical changes in market prices for derivatives are included in scenario analysis, required for financial instruments under IFRS 7. Offsetting effects from underlying transactions are not taken into account and would reduce their effect significantly.

In assuming oversupply of various metals, we used market prices at production cost level of important manufacturers; depending on said commodities, this equates to a hypothetical maximum price reduction of 71% (2007/2008: 73%). The reason for this assumption is that downturns in metal production, and even closures, are usually the consequence of significantly lower market prices for a sustained period of time. As usual at times of oversupply, there are high forward mark-ups (“contango”) on each metal. The estimated hypothetical impact on profit or loss resulting from the measurement as of the balance sheet date is €117 million (2007/2008: €275 million), and on equity €(37) million (2008: €(64) million). Historical peak market prices are used in a scenario of high prices associated with severe shortages. Forward discounts (“backwardation”) usually associated with undersupplied markets also reflect historical peak prices. Depending on commodity, price rises of up to 214% (2007/2008: 252%) are assumed. The estimated hypothetical impact on profit or loss

resulting from the measurement as of the balance sheet date is €(336) million (2007/2008: €(295) million), and on equity €149 million (2008: €116 million).

## 31 / Related parties

Based on the notification received in accordance with German Securities Trade Act (WpHG) Art. 21 as of December 21, 2006, the Alfried Krupp von Bohlen und Halbach Foundation holds an interest of 25.10% in ThyssenKrupp AG; based on a voluntary notification of the Foundation as of October 06, 2009, the interest in ThyssenKrupp AG amounts to 25.33% as of September 30, 2009. Outside the services and considerations provided for in the by-laws (Article 21 of the Articles of Association of ThyssenKrupp AG), there are no other significant delivery and service relations except for the following transactions. In 2006/2007, a Group subsidiary received a €2 million elevator modernization contract from an entity belonging to the Alfried Krupp von Bohlen und Halbach Foundation. Based on this contract, a Group subsidiary realized sales of €1.4 million in 2007/2008 and of €0.2 million in 2008/2009.

In 2008/2009, the Group has business relations with non-consolidated subsidiaries, associates and joint ventures. Transactions with these related parties result from the delivery and service relations in the ordinary course of business; the extent of the business relations is presented in the following table:

	million €			
	Sales	Supplies and services	Receivables	Payables
	Year ended Sept. 30, 2009	Year ended Sept. 30, 2009	Sept. 30, 2009	Sept. 30, 2009
Non-consolidated subsidiaries	1	0	2	1
Associates	88	8	50	15
Joint ventures	180	1,049	53	295

In 2007/2008, the Group had business relations with non-consolidated subsidiaries to a minor extent. With joint ventures of major importance the Group realized sales of €257 million in 2007/2008 resulting in receivables of €160 million as of September 30, 2008. At the same time the Group purchased supplies and services in the amount of €1,524 million from major joint ventures in 2007/2008 resulting in payables of €290 million as of September 30, 2008. With associates of major importance the Group realized sales of €40 million in 2007/2008 resulting in receivables of €18 million as of September 30, 2008. At the same time the Group purchased supplies and services in the amount of €38 million from major associates which did not result in any payables as of September 30, 2008. The transactions resulted from the delivery and service relations in the ordinary course of business.

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 of ThyssenKrupp AG is a managing director. In 2008/2009 the Group realized sales of €0.3 million (2007/2008: €1.7 million) with ESG Legierungen GmbH from the sale of zinc. In the same period the Group purchased zinc alloy with a value of €0.1 million (2007/2008: €0.2 million) from ESG Legierungen GmbH. The transactions were carried out at market conditions and resulted in trade accounts payable of €48 thousand (2008: trade accounts receivable of €0.1 million) as of September 30, 2009.

The Heitkamp & Thumann Group located in Düsseldorf and the Heitkamp Baugruppe located in Herne are classified as related parties due to the fact that a member of the Supervisory Board has significant influence on both Groups. In the period from November, 16, 2008 to September 30, 2009, the ThyssenKrupp Group realized sales of €14.4 million with the Heitkamp & Thumann Group from the sale of steel and stainless material as well as from industrial servicing. In the same period ThyssenKrupp purchased tools with a value of €0.5 million from the Heitkamp & Thumann Group and services with a value of €1.9 million from the Heitkamp Baugruppe. The transactions were carried out at market conditions. As of September 30, 2009, the transactions with the Heitkamp & Thumann Group resulted in trade accounts receivable of €1.2 million and trade accounts payable of €3 thousand, the transactions with the Heitkamp Baugruppe resulted in trade accounts receivable of €2 thousand and trade accounts payable of €0.7 million.

### Compensation of current Executive and Supervisory Board members

The Group's key management personnel compensation which has to be disclosed in accordance with IAS 24 comprises of the compensation of the current Executive and Supervisory Board members.

Compensation of the current Executive Board members is as follows:

Thousand €		
	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Short-term benefits (without share-based compensation)	18,871	5,423
Post-employment benefits	1,502	879
Share-based compensation	963	1,120

Service cost resulting from the pension obligations of the current members of the Executive Board is disclosed as post-employment benefits. The disclosure of share-based compensation refers to the fair value at grant date.

In addition, in fiscal 2008/2009, the Executive Board members received payments of €4,745 thousand (2007/2008: €13,272 thousand) from share-based compensation.

As of September 30, 2008 and 2009, respectively, no loans or advance payments were granted to members of the Executive Board; also as in the previous year no contingencies were assumed for the benefit of Executive Board members.

Compensation of the current Supervisory Board members is as follows:

Thousand €		
	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Short-term benefits	2,721	1,717
Long-term benefits	895	162

In addition, members of the Supervisory Board of ThyssenKrupp AG received compensation of €124 thousand in fiscal 2008/2009 (2007/2008: €223 thousand) for supervisory board mandates at Group subsidiaries.

As of September 30, 2008 and 2009, respectively, no loans or advance payments were granted to members of the Supervisory Board; also as in the previous year no contingencies were assumed for the benefit of Supervisory Board members.

For individualized presentation and further details of Executive and Supervisory Board compensation refer to the presentation of the audited compensation report which is part of the "Corporate Governance" chapter on pages 59 - 65 and following of the annual report.

### Compensation of former Executive and Supervisory Board members

Total compensation paid to former members of the Executive Board and their surviving dependants amounted to €24.4 million (2007/2008: €13.7 million); this includes benefits according to IAS 24.16(d) in the amount of €9.9 million (2007/2008: 0). Under IFRS an amount of €173.5 million (2008: €142.3 million) is accrued for pension obligations benefiting former Executive Board members and their surviving dependants.

Former Supervisory Board members who left the Supervisory Board prior to October 01, 2008 receive a proportional payment from the long-term compensation component in the total amount of €4 thousand (2007/2008: €16 thousand).

## 32 / Segment reporting

The segments described below follow the internal organizational and reporting structure of the Group. The various products and services of the Group are considered in the segmentation.

### Steel

The Steel segment concentrates on the production and sale of high-quality carbon steel flat products. The product range is focused on products with high value added along the value chain. The segment's capabilities are characterized by intelligent materials solutions, product-specific processing, services and extensive customer support.

### Stainless

This segment combines all production and sales functions for flat-rolled stainless steel, nickel alloys and titanium. With its strong delivery performance, flexibility and full range of services, Stainless supports customers in the manufacture of high-quality end products.

### Technologies

The companies of the Technologies segment produce high-tech plants and components. They include Plant Technology, Marine Systems, Mechanical Components, Automotive Solutions and Transrapid. Plant Technology provides project management for the engineering and construction of specialized and large-scale plants for the chemical, petrochemical, cement, mining/handling and coke sectors. Marine Systems specializes in building, repair, conversion and service in particular of naval ships, i.e. conventional submarines and surface vessels. In non-naval shipbuilding, Marine Systems builds mega-yachts and container ships. The Mechanical Components companies produce components for the mechanical engineering and automotive industries, including large-diameter antifriction bearings, assembled camshafts, crankshafts, castings and undercarriages for construction machinery. Automotive Solutions develops solutions to meet the needs of the auto industry. Products and services range from steering and damping systems to the entire body technology process chain, systems solutions for chassis applications to assembly equipment for the auto industry. Transrapid is involved in engineering, project management and construction of high-speed maglev train systems.

### Elevator

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

### Services

The Services segment is a service provider for industrial materials, raw materials and industrial processes. Alongside the distribution and sale of rolled and specialty steel, tubular products, nonferrous metals and plastics, it offers services ranging from primary processing and logistics to warehouse and inventory management and supply chain management. The process services include production support as well as complex maintenance activities. Other capabilities include the worldwide supply of metallurgical raw materials and development of innovative technical system solutions.

### Corporate

Corporate includes the Group's head office and internal service providers as well as inactive companies which could not be assigned to an individual segment. In addition, the non-operating property is managed and utilized centrally by Corporate. Also the retained assets and liabilities of ThyssenKrupp Budd were assigned to Corporate.

Corporate loss before taxes consists of:

million €

	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009
Corporate administration	(192)	(109)
Pension expenses	(20)	(23)
R&D promotion	(6)	(12)
Interest cost of financial debt	(2)	(52)
Interest cost of pensions	(159)	(206)
Miscellaneous financial income/(expense)	(22)	46
Risk and insurance services	21	18
Special items	(47)	(7)
<b>Loss Corporate Headquarters</b>	<b>(427)</b>	<b>(345)</b>
<b>Income Corporate Real Estate</b>	<b>10</b>	<b>1</b>
<b>Loss Corporate before income taxes</b>	<b>(417)</b>	<b>(344)</b>

### Consolidation

Consolidation essentially contains the elimination of intercompany profits in inventories. The elimination of the income from equity investments in which the segments Steel and Services are jointly involved also takes place in the Group consolidation. These jointly owned companies are fully consolidated by the Steel segment in which they are managed. In the Services segment, the equity method of accounting for investments is used. Within Services, results on investments from intra-group joint ventures amount to €0 million (2007/2008: €19 million).

Apart from the compensation for expenses outlined above, the accounting principles for the segments are the same as those described for the Group in the summary of significant accounting principles. The measure of segment profit and loss, which is used to

evaluate the performance of the operating segments of the Group, is the "Income before income taxes" line item presented in the consolidated statements of income.

Inter-segment pricing is determined on an arm's length basis.

**INFORMATION BY SEGMENTS** million €

	Steel	Stainless	Technologies	Elevator	Services	Corporate	Consolidation	Group
<b>For the fiscal year ended Sept. 30, 2008</b>								
External sales	12,826	6,592	12,347	4,926	16,632	103	0	<b>53,426</b>
Internal sales within the Group	1,532	828	65	4	704	21	(3,154)	<b>0</b>
Total sales	14,358	7,420	12,412	4,930	17,336	124	(3,154)	<b>53,426</b>
Equity in the net income of investees accounted for using the equity method	54	2	19	0	44	1	(20)	<b>100</b>
Aggregate investment in investees accounted for using the equity method	259	15	156	2	75	8	0	<b>515</b>
Interest income	152	35	359	51	315	793	(1,424)	<b>281</b>
Interest expense	(311)	(123)	(297)	(66)	(398)	(954)	1,424	<b>(725)</b>
Income/(loss) before income taxes	1,540	126	741	434	750	(417)	(46)	<b>3,128</b>
Segment assets	15,124	6,270	14,575	4,833	9,122	18,560	(26,842)	<b>41,642</b>
Depreciation and amortization expense	639	157	347	57	154	28	0	<b>1,382</b>
Impairment losses of intangible assets, property, plant and equipment and investment property	8	6	21	2	0	2	0	<b>39</b>
Impairment losses of investments accounted for using the equity method and of financial assets	0	0	3	0	0	0	0	<b>3</b>
Reversals of impairment losses of intangible assets, property, plant and equipment and investment property	1	14	1	0	0	1	0	<b>17</b>
Reversals of impairment losses of investments accounted for using the equity method and of financial assets	0	0	3	0	0	0	0	<b>3</b>
Segment liabilities	11,573	4,356	11,756	3,376	6,634	19,594	(27,136)	<b>30,153</b>
Significant non-cash items	(380)	(24)	(147)	(118)	(72)	1	(53)	<b>(793)</b>
Capital expenditures (intangible assets, property, plant, equipment and investment property)	2,576	387	710	100	208	66	(29)	<b>4,018</b>
<b>For the fiscal year ended Sept. 30, 2009</b>								
External sales	9,046	4,087	10,576	5,304	11,452	98	0	<b>40,563</b>
Internal sales within the Group	899	399	64	4	444	29	(1,839)	<b>0</b>
Total sales	9,945	4,486	10,640	5,308	11,896	127	(1,839)	<b>40,563</b>
Equity in the net income of investees accounted for using the equity method	(24)	0	7	1	(12)	0	(1)	<b>(29)</b>
Aggregate investment in investees accounted for using the equity method	249	14	150	1	61	6	0	<b>481</b>
Interest income	134	25	224	40	120	680	(960)	<b>263</b>
Interest expense	(370)	(106)	(256)	(50)	(204)	(938)	960	<b>(964)</b>
Income/(loss) before income taxes	(486)	(946)	(868)	558	(271)	(344)	(7)	<b>(2,364)</b>
Segment assets	20,199	5,255	15,352	4,999	6,959	25,136	(36,533)	<b>41,367</b>
Depreciation and amortization expense	612	157	361	66	157	27	0	<b>1,380</b>
Impairment losses of intangible assets, property, plant and equipment and investment property	26	107	307	3	0	3	0	<b>446</b>
Impairment losses of investments accounted for using the equity method and of financial assets	0	0	30	0	1	0	0	<b>31</b>
Reversals of impairment losses of intangible assets, property, plant and equipment and investment property	0	0	1	0	0	1	0	<b>2</b>
Segment liabilities	15,820	4,574	13,362	3,396	4,952	26,937	(37,370)	<b>31,671</b>
Significant non-cash items	(283)	(77)	(544)	(124)	(222)	(8)	(1)	<b>(1,259)</b>
Capital expenditures (intangible assets, property, plant, equipment and investment property)	2,593	343	814	135	210	126	17	<b>4,238</b>



In presenting information for geographical areas, allocation of sales is based on the location of the customer. Allocation of segment assets and capital expenditures is based on the location of the assets. Capital expenditures are presented in line with the definition of the cash flow statement.

The geographical segment “Other EU” comprises of all member states of the European Union (besides Germany) as of the current reporting date. European countries which are currently not member

of the European Union are part of the “Other countries” segment. The “Americas” segment includes the countries of the Nafta and of South America. The “Asia/Pacific” segment consists of Asia and Australia.

Due to the high volume of customers and the variety of business activities, there are no individual customers that generate sales values that are material to the Group’s consolidated net sales.

#### INFORMATION BY GEOGRAPHICAL AREA million €

	Germany	Other EU*	Americas	Asia / Pacific	Other countries	Group
External sales (location of the customer)						
Year ended Sept. 30, 2008	19,161	16,677	9,706	4,852	3,030	53,426
<b>Year ended Sept. 30, 2009</b>	<b>13,031</b>	<b>12,142</b>	<b>7,858</b>	<b>4,341</b>	<b>3,191</b>	<b>40,563</b>
Non-current assets (intangible assets, property, plant and equipment, investment property and other non-financial assets) (location of the assets)						
Sept. 30, 2008	8,129	2,515	5,437	795	332	17,208
<b>Sept. 30, 2009</b>	<b>7,943</b>	<b>2,377</b>	<b>7,972</b>	<b>822</b>	<b>393</b>	<b>19,507</b>

\* member states as expanded as of January 01, 2007

## 33 / Accounting estimates and judgements

The preparation of the Group’s consolidated financial statements requires management estimates and assumptions that affect reported amounts and related disclosures. All estimates and assumptions are made to the best of management’s knowledge and belief in order to fairly present the Groups financial position and results of operations. The following accounting policies are significantly impacted by management’s estimates and judgements.

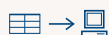
### Business combinations

As a result of acquisitions the Group recognized goodwill in its balance sheet. In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair value. One of the most significant estimates relates to the determination of the fair value of these asset and liabilities. Land, buildings and equipment are usually independently appraised while marketable securities are valued at market price. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, the Group either consults with an independent external valuation

expert or develops the fair value internally, using an appropriate valuation technique which is generally based on a forecast of the total expected future net cash flows. These evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

### Goodwill

As stated in the accounting policy in Note 01, the Group tests annually and in addition if any indicators exist, whether goodwill has suffered an impairment. If there is an indication, the recoverable amount of the cash-generating unit has to be estimated which is the greater of the fair value less costs to sell and the value in use. The determination of the value in use involves making adjustments and estimates related to the projection and discounting of future cash flows (see Note 12). Although management believes the assumptions used to calculate recoverable amounts are appropriate, any unforeseen changes in these assumptions could result in impairment charges to goodwill which could adversely affect the future financial position and operating results.





### Recoverability of assets

At each balance sheet date, the Group assesses whether there is any indication that the carrying amounts of its property, plant and equipment, investment property or intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the fair value less costs to sell and the value in use. In assessing the value in use, discounted future cash flows from the related assets have to be determined. Estimating the discounted future cash flows involves significant assumptions, including particularly those regarding future sale prices and sale volumes, costs and discount rates. Although management believes that its estimates of the relevant expected useful lives, its assumptions concerning the economic environment and developments in the industries in which the Group operates and its estimations of the discounted future cash flows are appropriate, changes in the assumptions or circumstances could require changes in the analysis. This could lead to additional impairment charges in the future or to reversal of impairments if the trends identified by management reverse or the assumptions or estimates prove incorrect.

### Revenue recognition on construction contracts

Certain Group entities, particularly in the Technologies and Elevator segments, conduct a portion of their business under construction contracts which are accounted for using the percentage-of-completion method, recognizing revenue as performance on the contract progresses. This method requires accurate estimates of the extent of progress towards completion. Depending on the methodology to determine contract progress, the significant estimates include total contract costs, remaining costs to completion, total contract revenues, contract risks and other judgements. The managements of the operating companies continually review all estimates involved in such construction contracts and adjust them as necessary.

### Income taxes

The Group operates and earns income in numerous countries and is subject to changing tax laws in multiple jurisdictions within the countries. Significant judgements are necessary in determining the worldwide income tax liabilities. Although management believes they have made reasonable estimates about the ultimate resolution of tax uncertainties, no assurance can be given that the final tax outcome of these matters will be consistent with what is reflected in the historical income tax provisions. Such differences could have an effect on the income tax liabilities and deferred tax liabilities in the period in which such determinations are made.

At each balance sheet date, the Group assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgement on the part of management with respect to, among other things, benefits that could be realized from available tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available tax strategies are lowered, or if changes in current tax regulations are enacted that impose restrictions on the timing or extent of the Group's ability to utilize future tax benefits. See Note 09 for further information on potential tax benefits for which no deferred tax asset is recognized.

### Employee benefits

The Group accounts for pension and other postretirement benefits in accordance with actuarial valuations. These valuations rely on statistical and other factors in order to anticipate future events. These factors include key actuarial assumptions including the discount rate, expected return on plan assets, expected salary increases, mortality rates and health care cost trend rates. These actuarial assumptions may differ materially from actual developments due to changing market and economic conditions and therefore result in a significant change in postretirement employee benefit obligations and the related future expense. (See Note 23 for further information regarding employee benefits).

### Legal contingencies

ThyssenKrupp companies are parties to litigations related to a number of matters as described in Note 29. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. For the assessments internal and external lawyers are used. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against ThyssenKrupp companies or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

## 34 / Subsequent events

Since 2006, the Group subsidiaries HDW and HSY from the Marine Systems business unit have been exposed to an increasing risk of default by the defense ministry of the Republic of Greece as contracting authority for a newbuild and modernization program for a total of 7 submarines. The total nominal value of the overdue payments had reached €534 million. Against this background, continuation of the contractual relationship was no longer defensible. The underlying construction contracts were terminated for cause with immediate effect on September 21, 2009. In view of this situation the financing commitments of ThyssenKrupp AG to HSY were terminated at September 25, 2009. An interim financing commitment of the parent company ThyssenKrupp Marine Systems AG expired at October 31, 2009. As a result, HSY's financial situation worsened to the extent that the going-concern assumption could no longer be maintained for this Group subsidiary. Negotiations are currently ongoing to try to reach a change-of-ownership solution that meets the interests of the parties concerned. This includes in particular ThyssenKrupp's interest in settlement of the outstanding receivables.

## Notes to the consolidated cash flow statement

## 35 / Additional information to the consolidated cash flow statement

The liquid funds considered in the consolidated cash flow statement correspond to the "Cash and cash equivalents" line item in the balance sheet.

### Non-cash investing activities

In fiscal 2008/2009, the acquisition and first-time consolidation of companies created an increase in non-current assets of €51 million (2007/2008: €167 million).

The non-cash addition of assets under capital leases in fiscal 2008/2009 amounted to €11 million (2007/2008: €42 million).

### Non-cash financing activities

In fiscal 2008/2009, the acquisition and first-time consolidation of companies resulted in an increase in gross financial debt in the amount of €24 million (2007/2008: €72 million).

## Other information

## 36 / Declarations of conformity with the German Corporate Governance Code in accordance with Art. 161 of the German Stock Corporation Act (AktG)

On October 01, 2009, the Executive Board and the Supervisory Board of ThyssenKrupp AG issued the declaration of conformity in accordance with Art. 161 of the Stock Corporation Act (AktG) and is now publicly available to the shareholders on the company's website. ThyssenKrupp AG complies with all recommendations of the German Corporate Governance Code as amended on June 18, 2009.

The declaration of conformity of our exchange-listed subsidiary Eisen- und Hüttenwerke AG was issued on October 01, 2009 and is now publicly available to the shareholders on the company's website.



## 37 / Application of Art. 264 Par. 3 and Art. 264b of German Commercial Code (HGB)

The following domestic subsidiaries in the legal form of a capital corporation or a commercial partnership as defined in Art. 264a partly made use of the exemption clause included in Art. 264 Par. 3 and Art. 264b of German Commercial Code.

<b>A</b>	
AGOZAL Oberflächenveredelung GmbH,	Neuwied
Aloverzee Handelsgesellschaft mbH,	Düsseldorf
AWG Industrieanlagen und Wassertechnik GmbH Berlin,	Berlin
<b>B</b>	
Becker & Co. GmbH,	Neuwied
BERCO Deutschland GmbH,	Ennepetal
BIS Blohm + Voss Inspection Service GmbH,	Hamburg
Bleuel & Röhling GmbH,	Burghaun
Blohm + Voss Repair GmbH,	Hamburg
Blohm + Voss Shipyards & Services GmbH,	Hamburg
Blohm + Voss Shipyards GmbH,	Hamburg
<b>C</b>	
Christian Hein GmbH,	Langenhagen
<b>D</b>	
Deutsche Gesellschaft für Verkehrsmittelwartung Pura mbH,	Düsseldorf
Dortmunder Eisenhandel Hansa GmbH,	Dortmund
Dr. Mertens Edelstahlhandel GmbH,	Offenbach
DWR - Deutsche Gesellschaft für Weißblechrecycling mbH,	Andernach
<b>E</b>	
EBOR Edelstahl GmbH,	Sachsenheim
EH Güterverkehr GmbH,	Duisburg
Eisen und Metall GmbH,	Stuttgart
Eisenbahn und Häfen GmbH,	Duisburg
Eisenmetall Handelsgesellschaft mbH,	Gelsenkirchen
ELEG Europäische Lift + Escalator GmbH,	Düsseldorf
Erich Weit GmbH,	Munich
<b>F</b>	
Freiburger Stahlhandel GmbH,	Freiburg i.Br.
<b>G</b>	
Gesellschaft für Meß- und Regeltechnik mit beschränkter Haftung,	Essen
GMT Aufzug-Service GmbH,	Ettlingen
GWH Aufzüge GmbH,	Himmelstadt
<b>H</b>	
Haisch Aufzüge GmbH,	Gingen/Fils
Hanseatische Aufzugsbau GmbH,	Rostock
HDW-Gaarden GmbH,	Kiel
Health Care Solutions GmbH,	Düsseldorf
Herzog Coilex GmbH,	Stuttgart
HF Vermögensverwaltungsgesellschaft im Ruhrtal GmbH,	Hagen
Hoesch Hohenlimburg GmbH,	Hagen
Hövelmann & Co. Eisengroßhandlung GmbH,	Gelsenkirchen
Howaldtswerke-Deutsche Werft GmbH,	Kiel
<b>I</b>	
IKL Ingenieurkontor Lübeck GmbH,	Kiel
Immovert Gesellschaft für Grundstücksverwaltung mbH,	Essen
Innovative Meerestechnik GmbH,	Emden
<b>J</b>	
Jacob Bek GmbH,	Ulm
<b>K</b>	
KBS Kokereibetriebsgesellschaft Schweglern GmbH,	Duisburg
Kraemer & Freund GmbH & Co. KG,	Hagen
Krupp Industrietechnik GmbH,	Essen
Kunststoff-Service-Partner GmbH,	Düsseldorf
<b>L</b>	
Leichsenring HUS Aufzüge GmbH,	Hamburg
LiftEquip GmbH Elevator Components,	Neuhausen a.d.F.
Liftservice und Montage GmbH,	Saarbrücken
<b>M</b>	
Max Cochius GmbH,	Berlin
Metall Service Partner GmbH,	Gelsenkirchen
MgF Magnesium Flachprodukte GmbH,	Freiberg
MONTAN GmbH Assekuranz-Makler,	Düsseldorf
<b>N</b>	
Nothelfer Planung GmbH,	Wadern-Lockweiler
<b>O</b>	
Otto Wolff Handelsgesellschaft mbH,	Düsseldorf
Otto Wolff U.S. Sales GmbH,	Andernach
<b>P</b>	
Peiniger International GmbH,	Gelsenkirchen
Polysius AG,	Beckum
<b>R</b>	
Rasselstein GmbH,	Andernach
Rasselstein Verwaltungs GmbH,	Neuwied
Reisebüro Dr. Tigges GmbH,	Essen
Rothe Erde Beteiligungs GmbH,	Essen
Rothe Erde GmbH,	Dortmund
<b>S</b>	
SBS Brenn- und Schneidbetrieb Rinteln GmbH,	Rinteln
smbChromstahl GmbH,	Hannover-Langenhagen
Stahlhauser Liegenschaften Verwaltungsgesellschaft mbH,	Essen
SVG Steinwerder Verwaltungsgesellschaft mbH,	Hamburg
<b>T</b>	
Tepper Aufzüge GmbH,	Münster
Thyssen Altwert Umweltservice GmbH,	Düsseldorf
Thyssen Duro Metall GmbH,	Kornwestheim
Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co. KG Industrie,	Essen
Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co. KG Stahl,	Essen
Thyssen Rheinstahl Technik GmbH,	Düsseldorf
Thyssen Schulte Werkstoffhandel GmbH,	Düsseldorf
Thyssen Stahl GmbH,	Düsseldorf
ThyssenKrupp Academy GmbH,	Düsseldorf
ThyssenKrupp Accessibility Holding GmbH,	Essen

ThyssenKrupp AdMin GmbH,	Düsseldorf
ThyssenKrupp Aufzüge Deutschland GmbH,	Stuttgart
ThyssenKrupp Aufzüge die Erste GmbH,	Stuttgart
ThyssenKrupp Aufzüge GmbH,	Neuhausen a.d.F
ThyssenKrupp Aufzugswerke GmbH,	Neuhausen a.d.F
ThyssenKrupp Automotive Systems GmbH,	Essen
ThyssenKrupp Automotive Systems Leipzig GmbH,	Leipzig
ThyssenKrupp Bauservice GmbH,	Hückelhoven
ThyssenKrupp Bausysteme GmbH,	Kreuztal
ThyssenKrupp Bilstein Suspension GmbH,	Ennepetal
ThyssenKrupp Bilstein Tuning GmbH,	Ennepetal
ThyssenKrupp Coferal GmbH,	Essen
ThyssenKrupp DAVEX GmbH,	Duisburg
ThyssenKrupp DeliCate GmbH,	Düsseldorf
ThyssenKrupp Dienstleistungen GmbH,	Düsseldorf
ThyssenKrupp Drauz Nothelfer GmbH,	Heilbronn
ThyssenKrupp EGM GmbH,	Langenhagen
ThyssenKrupp Electrical Steel GmbH,	Gelsenkirchen
ThyssenKrupp Electrical Steel Verwaltungsgesellschaft mbH,	Gelsenkirchen
ThyssenKrupp Elevator (CENE) GmbH,	Essen
ThyssenKrupp Elevator (ES/PBB) GmbH,	Essen
ThyssenKrupp Elevator AG,	Düsseldorf
ThyssenKrupp Elevator die Vierte GmbH,	Düsseldorf
ThyssenKrupp EnCoke GmbH,	Dortmund
ThyssenKrupp Energievertriebs GmbH,	Essen
ThyssenKrupp Erste Beteiligungsgesellschaft mbH,	Düsseldorf
ThyssenKrupp ExperSite GmbH,	Kassel
ThyssenKrupp Facilities Services GmbH,	Düsseldorf
ThyssenKrupp Fahrtreppen GmbH,	Hamburg
ThyssenKrupp Fahrzeugtechnik GmbH,	Emden
ThyssenKrupp Federn GmbH,	Hagen
ThyssenKrupp Fördertechnik GmbH,	Essen
ThyssenKrupp Gerlach GmbH,	Homburg/Saar
ThyssenKrupp GfT Bautechnik GmbH,	Essen
ThyssenKrupp GfT Gleistechnik GmbH,	Essen
ThyssenKrupp GfT Tiefbautechnik GmbH,	Essen
ThyssenKrupp Grundbesitz Verwaltungs GmbH,	Essen
ThyssenKrupp Grundbesitz-Vermietungs GmbH & Co. KG,	Essen
ThyssenKrupp Grundstücksgesellschaft Dinslaken mbH,	Essen
ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Krupp	Essen
Hoesch Stahl,	Essen
ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Stahl,	Essen
ThyssenKrupp Immobilienentwicklungs Concordiahütte GmbH,	Oberhausen
ThyssenKrupp Immobilienentwicklungs Krefeld GmbH,	Oberhausen
ThyssenKrupp Industrial Services Holding GmbH,	Düsseldorf
ThyssenKrupp Industrieservice GmbH,	Düsseldorf
ThyssenKrupp Information Services GmbH,	Düsseldorf
ThyssenKrupp Krause GmbH,	Bremen
ThyssenKrupp KST GmbH,	Chemnitz
ThyssenKrupp Langschienen GmbH,	Essen
ThyssenKrupp Lasertechnik GmbH,	Ravensburg
ThyssenKrupp Management Consulting GmbH,	Düsseldorf
ThyssenKrupp Mannex GmbH,	Düsseldorf
ThyssenKrupp Marine Systems AG,	Hamburg
ThyssenKrupp Marine Systems Beteiligungen GmbH,	Essen
ThyssenKrupp Maßblech GmbH,	Duisburg
ThyssenKrupp Materials Logistics & Services GmbH,	Düsseldorf
ThyssenKrupp Materials Zweite Beteiligungsgesellschaft mbH,	Düsseldorf

ThyssenKrupp Metallcenter GmbH,	Wörth a. Rhein
ThyssenKrupp Metallurgie GmbH,	Essen
ThyssenKrupp MinEnergy GmbH,	Essen
ThyssenKrupp Nirosta AG,	Krefeld
ThyssenKrupp Nirosta Präzisionsband GmbH,	Krefeld
ThyssenKrupp Nutzeisen GmbH,	Düsseldorf
ThyssenKrupp OneOcean GmbH,	Hamburg
ThyssenKrupp Presta Chemnitz GmbH,	Chemnitz
ThyssenKrupp Presta Ilseburg GmbH,	Ilseburg
ThyssenKrupp Presta München/Esslingen GmbH,	München
ThyssenKrupp Presta SteerTec GmbH,	Düsseldorf
ThyssenKrupp Presta SteerTec Mülheim GmbH,	Mülheim
ThyssenKrupp Presta SteerTec Schönebeck GmbH,	Schönebeck
ThyssenKrupp Printmedia GmbH,	Duisburg
ThyssenKrupp Real Estate GmbH,	Essen
ThyssenKrupp Risk and Insurance Services GmbH,	Essen
ThyssenKrupp Röhm Kunststoffe GmbH,	Düsseldorf
ThyssenKrupp Sägenstahlcenter GmbH,	Duisburg
ThyssenKrupp Schulte GmbH,	Düsseldorf
ThyssenKrupp Services AG,	Düsseldorf
ThyssenKrupp Sicherheitsdienstleistungen GmbH,	Düsseldorf
ThyssenKrupp Special Products GmbH,	Essen
ThyssenKrupp Stahl Immobilien GmbH,	Duisburg
ThyssenKrupp Stahlkontor GmbH,	Düsseldorf
ThyssenKrupp Stahl-Service-Center GmbH,	Leverkusen
ThyssenKrupp Stainless International GmbH,	Krefeld
ThyssenKrupp Steel AG,	Duisburg
ThyssenKrupp Steel Beteiligungen GmbH,	Düsseldorf
ThyssenKrupp Steel Zweite Beteiligungsgesellschaft mbH,	Duisburg
ThyssenKrupp System Engineering GmbH,	Essen
ThyssenKrupp Systems & Services GmbH,	Düsseldorf
ThyssenKrupp Tailored Blanks GmbH,	Duisburg
ThyssenKrupp Tailored Blanks Nord GmbH,	Duisburg
ThyssenKrupp Technologies AG,	Essen
ThyssenKrupp Technologies CoE GmbH,	Essen
ThyssenKrupp TKW Verwaltungs GmbH,	Bochum
ThyssenKrupp Transrapid GmbH,	Kassel
ThyssenKrupp Treppenlifte GmbH,	Neuss
ThyssenKrupp Umformtechnik GmbH,	Ludwigsfelde
ThyssenKrupp VDM GmbH,	Werdohl
ThyssenKrupp Verkehr GmbH,	Duisburg
TKMS Blohm + Voss Nordseewerke GmbH,	Emden und Hamburg

## U

Uhde GmbH,	Dortmund
Uhde High Pressure Technologies GmbH,	Hagen
Uhde Inventa-Fischer GmbH,	Berlin
Uhde Services and Consulting GmbH,	Dortmund
Uhde Services GmbH,	Haltern am See

## V

Vermögensverwaltungsgesellschaft EZM mbH,	Grünwald
Vermögensverwaltungsgesellschaft KWT mbH,	Grünwald
Vermögensverwaltungsgesellschaft S + S mbH,	Grünwald
Vermögensverwaltungsgesellschaft TIS mbH,	Grünwald

# 38 / List of the Group's subsidiaries and equity interests

## FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
<b>STEEL</b>					
1	ThyssenKrupp Steel Europe AG, Duisburg		438,771	99.53	693
<b>Corporate TKS</b>					
2	Eisen- und Hüttenwerke AG, Andernach		45,056	87.98	1
3	ThyssenKrupp Printmedia GmbH, Duisburg		26	100.00	1
4	ThyssenKrupp Stahl Immobilien GmbH, Duisburg		50	100.00	1 94.90 %
					670 5.10 %
5	ThyssenKrupp Steel Zweite Beteiligungsgesellschaft mbH, Duisburg		25	100.00	1
6	AirSteel Comercial Gases Industriais Ltda., Rio de Janeiro, Brazil	BRL	100	0.00 <sup>1)</sup>	1
7	ThyssenKrupp CSA Siderúrgica do Atlântico Ltda., Rio de Janeiro, Brazil	BRL	14,624,403	74.06	8
8	ThyssenKrupp Slab International B.V., Brielle, Netherlands		80	100.00	19
9	ThyssenKrupp Steel and Stainless USA, LLC, Wilmington, DE, USA	USD	1,000	100.00	722
10	ThyssenKrupp Steel USA, LLC, Wilmington, DE 1908, USA	USD	1,000	100.00	9
11	White Martins Steel Gases Industriais Ltda., Rio de Janeiro, Brazil	BRL	100	0.00 <sup>1)</sup>	1
<b>Steelmaking</b>					
12	EH Güterverkehr GmbH, Duisburg		1,534	100.00	13
13	Eisenbahn und Häfen GmbH, Duisburg		2,046	100.00	1
14	KBS Kokereibetriebsgesellschaft Schwelgern GmbH, Duisburg		25	100.00	1
15	Pruna Betreiber GmbH, Grünwald		150	0.00 <sup>1)</sup>	1
16	ThyssenKrupp Verkehr GmbH, Duisburg		260	100.00	1
17	B.V. Stuwadoors-Maatschappij Kruwal, Rotterdam, Netherlands		45	75.00	19 50.00 %
					1 25.00 %
18	Ertsoverslagbedrijf Europoort C.V., Rotterdam, Netherlands		4,583	75.00	19 50.00 %
					1 25.00 %
19	ThyssenKrupp Veerhaven B.V., Rotterdam, Netherlands		5,000	100.00	720
<b>Industry</b>					
20	AGOZAL Oberflächenveredelung GmbH, Neuwied		1,540	100.00	1
21	Herzog Coilex GmbH, Stuttgart		4,100	74.90	24
22	ThyssenKrupp Bausysteme GmbH, Kreuztal		7,670	100.00	1
23	ThyssenKrupp Sägenstahlcenter GmbH, Duisburg		1,023	100.00	1
24	ThyssenKrupp Stahl-Service-Center GmbH, Leverkusen		9,287	99.55	498 94.89 %
					670 4.66 %
25	EURISOL S.A., Steenvoorde, France		151	75.00	28
26	Hoesch Bausysteme Gesellschaft m.b.H., Vienna, Austria		1,454	100.00	703
27	Isocab France S.A.S., Dunkerque, France		610	100.00	716
28	Isocab N.V., Harelbeke-Bavikhove, Belgium		10,750	100.00	19 99.98 %
					1 0.02 %
29	Isocab Vietnam JV Company, Ho Chi Minh, Vietnam	USD	2,280	53.68	28
30	ThyssenKrupp Aceros y Servicios S.A., Santiago, Chile	CLP	4,988,440 <sup>2)</sup>	100.00	1
31	ThyssenKrupp Bouwsystemen B. V., Veenendaal, Netherlands		1,357	100.00	19
32	ThyssenKrupp Building Systems Ltd., Birmingham, Great Britain	GBP	5	100.00	721
33	ThyssenKrupp Byggesystem A/S, Støvring, Denmark	DKK	500	100.00	22
34	ThyssenKrupp Comercial Colombia S.A., Bogota, Columbia	COP	272,610 <sup>2)</sup>	100.00	30
35	ThyssenKrupp Electrical Steel India Private Ltd., Mumbai/Nashik, India	INR	3,149,349	100.00	88 100.00 % <sup>3)</sup>
					89 0.00 % <sup>3)</sup>
36	ThyssenKrupp Electrical Steel Italia S.r.l., Milan, Italy		2,000	100.00	718
37	ThyssenKrupp Épitöelemek Kft, Budapest, Hungary	HUF	2,520,000	100.00	26
38	ThyssenKrupp gradjevinski elementi d.o.o., Lepoglava, Croatia	HRK	20	100.00	26
39	ThyssenKrupp Service Acier S.A.S., Fosses, France		14,000	100.00	716

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

## FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
40	ThyssenKrupp Sisteme pentru Constructii S.R.L., Bucharest, Rumania	RON	55	100.00	26
41	ThyssenKrupp Stål Danmark A/S, Copenhagen, Denmark	DKK	800	100.00	19
42	ThyssenKrupp Stal Serwis Polska Sp. z o.o., Dabrowa Górnicza, Poland	PLN	28,000	100.00	24
43	ThyssenKrupp stavební systémy s.r.o., Nymburk, Czech Republic	CZK	1,000 <sup>2)</sup>	100.00	26 98.00 %
					22 2.00 %
44	ThyssenKrupp Steel (Asia Pacific) Pte Ltd, Singapore, Singapore	SGD	500	100.00	19
45	ThyssenKrupp Steel Belgium N.V., Harelbeke-Bavikhove, Belgium		16,312	100.00	693 100.00 % <sup>3)</sup>
					1 0.00 % <sup>3)</sup>
46	ThyssenKrupp Systembau Austria Gesellschaft m.b.H., Vienna, Austria		51	100.00	703
<b>Auto</b>					
47	DOC Dortmunder Oberflächencentrum GmbH, Dortmund		5,880	75.10	1
48	MgF Magnesium Flachprodukte GmbH, Freiberg		500	100.00	1
49	ThyssenKrupp DAVEX GmbH, Duisburg		26	100.00	51
50	ThyssenKrupp Lasertechnik GmbH, Ravensburg		25	100.00	1
51	ThyssenKrupp Tailored Blanks GmbH, Duisburg		4,116	100.00	1
52	ThyssenKrupp Tailored Blanks Nord GmbH, Duisburg		8,692	100.00	51
53	LAGERMEX S.A. de C.V., Puebla, Mexico	MXN	74,774	100.00	498 71.95 %
					1 28.05 %
54	Sidcomex S.A. de C.V., Puebla, Mexico	MXN	50 <sup>2)</sup>	100.00	53 99.99 %
					498 0.01 %
55	ThyssenKrupp Galmed, S.A., Sagunto, Spain		48,150	100.00	700 75.00 %
					1 25.00 %
56	ThyssenKrupp Steel Japan Ltd., Tokyo, Japan	JPY	10,000	100.00	19
57	ThyssenKrupp Steel North America, Inc., Dover/Delaware, USA	USD	54,501	100.00	722
58	ThyssenKrupp Tailored Blanks Celik Sanayi VE Ticaret Ltd., Nilüfer/ Bursa, Turkey	TRY	2,803	100.00	51 96.47 %
					61 3.53 %
59	ThyssenKrupp Tailored Blanks Czech Republik, s.r.o., Ostrava, Czech Republic	CSK	42,000	100.00	51 99.95 %
					52 0.05 %
60	ThyssenKrupp Tailored Blanks S.A. de C.V., Puebla, Mexico	MXN	50	100.00	65 100.00 % <sup>3)</sup>
					66 0.00 % <sup>3)</sup>
61	ThyssenKrupp Tailored Blanks S.r.l., Turin, Italy		2,000	100.00	718
62	ThyssenKrupp Tailored Blanks Sverige AB, Olofström, Sweden		1,940	100.00	51
63	ThyssenKrupp Tailored Blanks (Wuhan) Ltd., Wuhan, PR China	USD	21,000 <sup>2)</sup>	100.00	712 68.43 %
					51 31.57 %
64	TKAS (Changchun) Tailored Blanks Ltd., Changchun, PR China	USD	10,000	55.00	712
65	TWB Company, LLC, Detroit, USA	USD	1,500	55.00	57
66	TWB de Mexico, S.A. de C.V., Saltillo, Coahuila, Mexico	MXN	50	100.00	65 99.00 %
					69 1.00 %
67	TWB Industries, S.A. de C.V., Saltillo, Coahuila, Mexico	MXN	50	100.00	65 99.00 %
					69 1.00 %
68	TWB of Indiana, Inc., North Vernon/ Indiana, USA	USD	1	100.00	65
69	TWB of Ohio, Inc., Columbus/Ohio, USA	USD	0	100.00	65
<b>Metal Forming</b>					
70	ThyssenKrupp Umformtechnik GmbH, Ludwigsfelde		15,000	100.00	1 94.99 %
					670 5.01 %
71	Krupp Camford Pressings Ltd., Llanelli, Great Britain	GBP	24,594	100.00	146
72	ThyssenKrupp Automotive Chassis Products UK PLC, Durham, Great Britain	GBP	10,208	100.00	146
73	ThyssenKrupp Body Stampings Ltd., Cannock, Great Britain	GBP	132	100.00	146
74	ThyssenKrupp Metal Forming (Wuhan) Ltd., Wuhan, PR China		20,000 <sup>2)</sup>	100.00	712
75	ThyssenKrupp Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi, GEBZE Kocaeli, Turkey	TRY	5 <sup>2)</sup>	100.00	73 99.50 %
					146 0.50 %
76	ThyssenKrupp Prisma S.A.S., Messempré, France		5,400	100.00	716

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
77	ThyssenKrupp Sofedit España, S.A., Valladolid, Spain		361	100.00	79
78	ThyssenKrupp Sofedit Polska Sp. z o.o., Wrocław, Poland	PLN	3,676	100.00	79
79	ThyssenKrupp Sofedit S.A.S., Versailles, France		8,761	100.00	716
80	ThyssenKrupp Sofedit Sud Ouest S.A.S., Arudy, France		37	100.00	79
81	ThyssenKrupp Tallent Ltd., County Durham, Great Britain	GBP	1,000	100.00	72
<b>Processing</b>					
82	Becker & Co. GmbH, Neuwied		768	100.00	87
83	DWR - Deutsche Gesellschaft für Weißblechrecycling mbH, Andernach		25	100.00	86
84	Hoesch Hohenlimburg GmbH, Hagen		15,340	99.50	1
85	Otto Wolff U.S. Sales GmbH, Andernach		26	100.00	86
86	Rasselstein GmbH, Andernach		40,960	99.50	87
87	Rasselstein Verwaltungs GmbH, Neuwied		93,500	100.00	1 59.23 % 2 40.77 %
88	ThyssenKrupp Electrical Steel GmbH, Gelsenkirchen		14,000	99.54	89 94.90 % 693 4.64 %
89	ThyssenKrupp Electrical Steel Verwaltungsgesellschaft mbH, Gelsenkirchen		30,000	100.00	1 62.46 % 2 37.54 %
90	ThyssenKrupp Electrical Steel France S.A.S., Paris, France		51	100.00	91
91	ThyssenKrupp Electrical Steel UGO S.A.S., Isbergues, France		5,235	100.00	88
<b>STAINLESS</b>					
<b>ThyssenKrupp Stainless Corporate</b>					
92	ThyssenKrupp Nirosta GmbH, Krefeld		110,000	99.61	693
<b>ThyssenKrupp Nirosta</b>					
93	EBOR Edelstahl GmbH, Sachsenheim		511	100.00	92
94	smbChromstahl GmbH, Hannover-Langenhagen		277	100.00	92
95	ThyssenKrupp Nirosta Präzisionsband GmbH, Krefeld		1,000	100.00	92
96	ThyssenKrupp Nirosta North America, Inc., Wilmington, DE 19808, USA	USD	2,000	100.00	722
<b>ThyssenKrupp Acciai Speciali Terni</b>					
97	ThyssenKrupp Titanium GmbH, Essen		1,534	100.00	92
98	Aspasiel S.r.l., Rome, Italy		260	100.00	101
99	Società delle Fucine S.r.l., Terni, Italy		7,988	100.00	101
100	Terninox S.p.A., Terni, Italy		20,800	100.00	101
101	ThyssenKrupp Acciai Speciali Terni S.p.A., Terni, Italy		159,682	100.00	718
102	ThyssenKrupp AST USA, Inc., Albany, New York 12207 - 2543, USA	USD	30	100.00	722
103	ThyssenKrupp Titanium S.p.A., Terni, Italy		5,000	100.00	101
104	Tubificio di Terni S.p.A., Terni, Italy		5,944	97.00	101
<b>ThyssenKrupp Mexinox</b>					
105	Mexinox Trading S.A. de C.V., Mexico D.F., Mexico	MXN	129,258 <sup>2)</sup>	100.00	108 99.98 % 106 0.02 %
106	Mexinox USA Inc., Brownsville/Texas, USA	USD	2,000	100.00	108
107	ThyssenKrupp Mexinox CreatelT, S.A. de C.V., San Luis Potosi, Mexico	MXN	50 <sup>2)</sup>	100.00	108 99.98 % 105 0.02 %
108	ThyssenKrupp Mexinox S.A. de C.V., San Luis Potosi, Mexico	MXN	4,621,499 <sup>2)</sup>	100.00	720 100.00 % <sup>3)</sup> 109 0.00 % <sup>3)</sup>
<b>ThyssenKrupp Stainless USA</b>					
109	ThyssenKrupp Stainless USA, LLC, Wilmington, DE 19808, USA	USD	1,000	100.00	9
<b>Shanghai Krupp Stainless</b>					
110	Shanghai Krupp Stainless Co., Ltd., Pudong New Area/Shanghai, PR China	CNY	2,618,815 <sup>2)</sup>	60.00	92
<b>ThyssenKrupp Stainless International</b>					
111	ThyssenKrupp Stainless International GmbH, Krefeld		26	100.00	92
112	ThyssenKrupp Eurinox Paslanmaz Çelik Servis Merkezi A.S., Istanbul, Turkey		1,049	100.00	114
113	ThyssenKrupp SILCO-INOX Szervizközpont Kft, Batonyterenye, Hungary	HUF	765,980	100.00	114
114	ThyssenKrupp Stainless Benelux B.V., Rotterdam, Netherlands		18,151	100.00	720

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company



**FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)**

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
115	ThyssenKrupp Stainless DVP, S.A., Barcelona, Spain		5,344	100.00	700
116	ThyssenKrupp Stainless France S.A., Paris, France		4,864	100.00	716
117	ThyssenKrupp Stainless International (Guangzhou) Ltd., Guangzhou, PR China	USD	9,500	100.00	712
118	ThyssenKrupp Stainless International (HK) Ltd., Hongkong, PR China	HKD	5 <sup>2)</sup>	100.00	111
119	ThyssenKrupp Stainless Polska Sp.z o.o., Dabrowa Goricza, Poland	PLN	33,499	100.00	111
120	ThyssenKrupp Stainless UK Ltd., Birmingham, Great Britain	GBP	100	100.00	721
<b>ThyssenKrupp VDM</b>					
121	ThyssenKrupp VDM GmbH, Werdohl		31,620	98.04	92
122	ThyssenKrupp VDM Australia Pty. Ltd., Mulgrave, Victoria, Australia	AUD	2,000	100.00	121
123	ThyssenKrupp VDM Austria Gesellschaft m.b.H., Vienna, Austria		50	100.00	703
124	ThyssenKrupp VDM Benelux B.V., Dordrecht, Netherlands		51	100.00	121
125	ThyssenKrupp VDM Canada Ltd., Markham, Canada	CAD	300	100.00	121
126	ThyssenKrupp VDM (GZ) Trading Co., Ltd., Guangzhou, PR China		470	100.00	712
127	ThyssenKrupp VDM Hongkong Ltd., Hongkong, PR China	HKD	10 <sup>2)</sup>	99.98	121
128	ThyssenKrupp VDM Italia S.r.l., Sesto San Giovanni, Italy		10	100.00	718
129	ThyssenKrupp VDM Japan K.K., Tokyo, Japan	JPY	30,000	100.00	121
130	ThyssenKrupp VDM Korea Co. Ltd., Seoul, Korea, Republic	KRW	100,000	100.00	121
131	ThyssenKrupp VDM Mexico S.A. de C.V., Naucalpan de Juarez, Mexico	MXN	550	100.00	121
132	ThyssenKrupp VDM S.A.S., Rueil-Malmaison, France		120	100.00	716
133	ThyssenKrupp VDM (Schweiz) AG, Basel, Switzerland	CHF	100	100.00	121
134	ThyssenKrupp VDM UK Ltd., Claygate-Esher, Great Britain	GBP	60	100.00	121
135	ThyssenKrupp VDM USA, Inc., Reno/Nevada, USA	USD	600	100.00	722
<b>TECHNOLOGIES</b>					
<b>Corporate</b>					
136	Brüninghaus Schmiede GmbH, Ludwigsfelde		511	100.00	142
137	Buckau-Walther GmbH, Sankt Ingbert		9,216	100.00	142
138	Rothe Erde Beteiligungs GmbH, Essen		256	100.00	142
139	ThyssenKrupp EnCoke GmbH, Dortmund		26,587	100.00	142 94.90 %
					670 5.10 %
140	ThyssenKrupp IT Services GmbH, Essen		25	100.00	142
141	ThyssenKrupp Marine Systems Beteiligungen GmbH, Essen		1,857	100.00	142 70.00 %
					672 30.00 %
142	ThyssenKrupp Technologies AG, Essen		130,000	100.00	670
143	Uhde Services and Consulting GmbH, Dortmund		26	100.00	142
144	QDF Components Ltd., Derby, Great Britain	GBP	19,680	100.00	146
145	ThyssenKrupp Automotive Systems UK Ltd., Coventry, Great Britain	GBP	200	100.00	146
146	ThyssenKrupp Automotive (UK) Ltd., Newton Aycliffe, Great Britain	GBP	13,519	100.00	721
147	ThyssenKrupp Technologies Japan Co., Ltd., Tokyo, Japan	JPY	10,000	100.00	142
<b>Plant Technology</b>					
148	AWG Industrieanlagen und Wassertechnik GmbH Berlin, Berlin	DEM	50	100.00	161
149	Bleuel & Röhling GmbH, Burghaun	DEM	290	51.03	154
150	Gesellschaft für Meß- und Regeltechnik mit beschränkter Haftung, Essen	DEM	50	100.00	153
151	GKI-OFU Industrieofenbau GmbH, Dortmund		26	100.00	161
152	Nothelfer Planung GmbH, Wadern-Lockweiler		51	100.00	154
153	Polysius AG, Beckum	DEM	21,000	100.00	142 94.90 %
					670 5.10 %
154	ThyssenKrupp Drauz Nothelfer GmbH, Heilbronn		11,500	100.00	159 94.90 %
					670 5.10 %
155	ThyssenKrupp EGM GmbH, Langenhagen	DEM	250	100.00	157 94.92 %
					142 5.08 %
156	ThyssenKrupp Fördertechnik GmbH, Essen		22,344	100.00	142 94.90 %
					670 5.10 %

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
157	ThyssenKrupp Krause GmbH, Bremen		5,113	100.00	159 94.90 %
					142 5.10 %
158	ThyssenKrupp KST GmbH, Chemnitz		26	100.00	157
159	ThyssenKrupp System Engineering GmbH, Essen		50	100.00	142
160	ThyssenKrupp Transrapid GmbH, Kassel		767	100.00	142
161	Uhde GmbH, Dortmund	DEM	97,000	100.00	142 94.90 %
					670 5.10 %
162	Uhde High Pressure Technologies GmbH, Hagen		1,023	100.00	161
163	Uhde Inventa-Fischer GmbH, Berlin		3,210	100.00	161
164	Uhde Services GmbH, Haltern am See		588	100.00	139
165	A-C Equipment Services Corp., Milwaukee, WI, USA	USD	4,500	100.00	174
166	Krupp Canada Inc., Calgary/Alberta, Canada	CAD	5,000	100.00	156
167	Maerz Ofenbau AG, Zurich, Switzerland	CHF	1,000	100.00	153
168	Mining Plants & Systems Bulgaria EOOD, Sofia, Bulgaria	BGN	5	100.00	156
169	OOO Polysius, Moscow, Russia	RUB	17,000	100.00	153
170	OOO Uhde, Dzerzhinsk, Russia	RUB	3,058 <sup>2)</sup>	100.00	161
171	OSC Process Engineering Ltd., Stockport, Great Britain	GBP	350	90.00	721
172	Polysius Asia Pacific Pte. Ltd., Singapore, Singapore	SGD	100	100.00	153
173	Polysius Australia Pty. Ltd., Perth, Australia	AUD	50	100.00	153
174	Polysius Corp., Atlanta/Georgia, USA	USD	0	100.00	722
175	Polysius de Argentina S.A., Buenos Aires, Argentina	ARS	120	100.00	153
176	Polysius de Mexico S.A. de C.V., Mexico-City, Mexico	MXN	12,000	100.00	153
177	Polysius del Peru S.A., Arequipa, Peru	PEN	28,678	100.00	153 99.01 %
					176 0.99 %
178	Polysius do Brasil Ltda., São Paulo, Brazil	BRL	62,179	100.00	153
179	Polysius Engineering Sdn. Bhd., Kuala Lumpur, Malaysia	MYR	500	100.00	153
180	Polysius Ltd., Ascot/Berkshire, Great Britain	GBP	300	100.00	721
181	Polysius Polska Sp. z o.o., Warsaw, Poland	PLN	50	100.00	153
182	Polysius S.A., Madrid, Spain		601	100.00	700
183	Polysius S.A.S., Aix en Provence, France		2,400	100.00	716
184	Polysius (Shanghai) Co., Ltd., Shanghai, PR China		12,082	100.00	712
185	PWH Materials Handling Systems Inc., Calgary/Alberta, Canada	CAD	20	100.00	156
186	ThyssenKrupp BulkTec (China) Ltd., Beijing, PR China		5,000 <sup>2)</sup>	100.00	712
187	ThyssenKrupp Engineering (Australia) Pty. Ltd., Stirling, Australia	AUD	170	100.00	156
188	ThyssenKrupp Engineering (Proprietary) Ltd., Gabarone, Botsuana	BWP	3	100.00	189 99.97 %
					153 0.03 %
189	ThyssenKrupp Engineering (Proprietary) Ltd., Sunninghill, Republic of South Africa	ZAR	101	100.00	161 60.00 %
					156 30.00 %
					153 10.00 %
190	ThyssenKrupp Industries India Pvt. Ltd., Pimpri, India	INR	97,865	54.73	137
191	ThyssenKrupp Ingenieria Chile Ltda., Santiago de Chile, Chile	USD	15	100.00	196
192	ThyssenKrupp KH Mineral S.A.S., Sarreguemines, France		1,000	100.00	716
193	ThyssenKrupp Krause Ltd., Redhill/Surrey, Great Britain	GBP	580	100.00	721
194	ThyssenKrupp Materials Handling Pty. Ltd., Stirling WA, Australia	AUD	25	100.00	156
195	ThyssenKrupp Production Systems Ltda., Diadema-São Paulo, Brazil	BRL	110,959	100.00	142 99.75 %
					301 0.25 %
196	ThyssenKrupp Robins Inc., Denver/Colorado, USA	USD	0	100.00	722
197	ThyssenKrupp Servicios S.A. de C.V., Mexico D.F., Mexico	MXN	50	100.00	176 98.00 %
					153 2.00 %
198	ThyssenKrupp System Engineering, Inc., Auburn Hills/Michigan, USA	USD	150	100.00	722
199	ThyssenKrupp System Engineering Ltd., Coventry, Great Britain	GBP	130	100.00	721
200	ThyssenKrupp System Engineering O.O.O., Kaluga, Russian Federation, Russia	RUB	4,500	100.00	159

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

## FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
201	ThyssenKrupp System Engineering S.A., Barcelona, Spain		60	100.00	700
202	ThyssenKrupp System Engineering, S.A. de C.V., Santiago de Querétaro, Mexico	MXN	4,929 <sup>2)</sup>	100.00	157
203	ThyssenKrupp System Engineering S.A.S., Ensisheim, France		458	100.00	716
204	ThyssenKrupp System Engineering (Shanghai) Co., Ltd., Shanghai, PR China		500 <sup>2)</sup>	100.00	712
205	ThyssenKrupp System Engineering Sp. z o.o., Gdansk, Poland	PLN	23,646	100.00	157
206	TOV Polysius Ukraine, Kiev, Ukraine		300	100.00	153
207	Uhde Arabia Ltd., Al-Khobar, Saudi Arabia	SAR	2,000	60.00	161
208	Uhde Asia Pacific Pty. Ltd., West Melbourne, Victoria, Australia	AUD	857	100.00	161
209	Uhde Corporation of America, Bridgeville/Pennsylvania, USA	USD	0	100.00	722
210	Uhde Edeleanu S.E. Asia Pte. Ltd., Singapore, Singapore	SGD	1,000	100.00	161
211	Uhde Engineering Consulting (Shanghai) Co., Ltd., Shanghai, PR China		364 <sup>2)</sup>	100.00	219
212	Uhde Engineering de México, S.A. de C.V., Mexico D.F., Mexico	MXN	8,919	100.00	217 99.99 %
					161 0.01 %
213	Uhde Engineering Egypt Company (S.A.E.), Cairo, Egypt	EGP	250	100.00	161
214	Uhde Fertilizer Technology B.V., Amsterdam, Netherlands		18	100.00	720
215	Uhde India Private Ltd., Mumbai, India	INR	29,440	80.43	161
216	Uhde Inventa-Fischer AG, Domat / Ems, Switzerland	CHF	100	100.00	161
217	Uhde Mexico S.A. de C.V., Mexico City, Mexico	MXN	45,219	100.00	161 98.06 %
					700 1.22 %
					153 0.72 %
218	Uhde Services Slovakia s.r.o., Lazaretská, Slovakia	SKK	200	100.00	164 85.00 %
					139 15.00 %
219	Uhde Shedden (Australia) Pty. Ltd., South Melbourne/Victoria, Australia	AUD	5,757	100.00	208
220	Uhde Shedden (Thailand) Ltd., Bangkok, Thailand	THB	31,000	48.38	208
<b>Marine Systems</b>					
221	BIS Blohm + Voss Inspection Service GmbH, Hamburg		26	100.00	225
222	Blohm + Voss Industries GmbH, Hamburg		10,226	100.00	672
223	Blohm + Voss Repair GmbH, Hamburg		2,560	100.00	234
224	Blohm + Voss Shipyards & Services GmbH, Hamburg		25	100.00	234
225	Blohm + Voss Shipyards GmbH, Hamburg		8,950	100.00	234
226	HDW-Gaarden GmbH, Kiel		1,000	100.00	228
227	Hörn-Beteiligungs-GmbH, Kiel		25	100.00	228
228	Howaldtswerke-Deutsche Werft GmbH, Kiel		30,000	100.00	234
229	IKL Ingenieurkontor Lübeck GmbH, Kiel		26	100.00	228
230	Innovative Meerestechnik GmbH, Emden		1,023	100.00	236
231	Schiffahrtskontor "MARITIM" GmbH, Kiel		26	100.00	228
232	SVG Steinwerder Verwaltungsgesellschaft mbH, Hamburg		30	100.00	234
233	ThyssenKrupp Fahrzeugtechnik GmbH, Emden		1,050	100.00	236
234	ThyssenKrupp Marine Systems AG, Hamburg		34,087	100.00	141
235	ThyssenKrupp OneOcean GmbH, Hamburg		100	100.00	223
236	TKMS Blohm + Voss Nordseewerke GmbH, Emden und Hamburg		12,790	100.00	234
237	Blohm & Voss Industries (China) Ltd., Hongkong, PR China	HKD	300	100.00	222
238	Blohm + Voss Industries (Shanghai) Ltd., Shanghai, PR China	USD	140	100.00	237
239	Blohm + Voss (Korea) Ltd., Pusan, Korea, Republic	KRW	75,000	75.00	222
240	Blohm+Voss El Djazair S.a.r.l., Algier, Algeria	DZD	10,000	100.00	247
241	Blohm+Voss Oil Tools, LLC, Wilmington, DE 19808, USA	USD	5,000	100.00	722
242	Greek Naval Shipyards Holdings S.A., Skaramanga, Greece		62,265	100.00	228
243	Hellenic Shipyards S.A., Skaramanga, Greece		121,105	100.00	242
244	Kockums AB, Malmö, Sweden	SEK	50,000	100.00	228
245	ThyssenKrupp Marin Sistem Gemi Sanayi ve Ticaret A.S., Istanbul, Turkey	TRY	200 <sup>2)</sup>	60.00	234
246	ThyssenKrupp Marine Systems Canada Inc., Ottawa, Ontario, Canada	CAD	100	100.00	234
247	ThyssenKrupp Marine Systems International Pte. Ltd., Singapore, Singapore	SGD	26,418	100.00	234

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company



FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
<b>Components Technology</b>					
248	BERCO Deutschland GmbH, Ennepetal	DEM	4,668	100.00	142
249	BMB Steering Innovation GmbH, Schönebeck		512	50.00	263
250	HF Vermögensverwaltungsgesellschaft im Ruhrtal GmbH, Hagen		2,098	99.95	258
251	Kraemer & Freund GmbH & Co. KG, Hagen		511	100.00	258
252	PSL Wälzlager GmbH, Dietzenbach		26	100.00	287
253	Rothe Erde GmbH, Dortmund		12,790	100.00	138 80.00 % 683 20.00 %
254	ThyssenKrupp Automotive Systems GmbH, Essen		2,557	100.00	142
255	ThyssenKrupp Automotive Systems Leipzig GmbH, Leipzig		100	100.00	254
256	ThyssenKrupp Bilstein Suspension GmbH, Ennepetal		5,982	99.50	142 94.49 % 670 5.01 %
257	ThyssenKrupp Bilstein Tuning GmbH, Ennepetal		100	100.00	256
258	ThyssenKrupp Federn GmbH, Hagen		15,595	100.00	256 94.99 % 670 5.01 %
259	ThyssenKrupp Gerlach GmbH, Homburg/Saar		34,257	100.00	142
260	ThyssenKrupp Presta Chemnitz GmbH, Chemnitz		25	100.00	142
261	ThyssenKrupp Presta Ilsenburg GmbH, Ilsenburg		307	100.00	142 94.98 % 670 5.02 %
262	ThyssenKrupp Presta München/Esslingen GmbH, Munich		50	100.00	254
263	ThyssenKrupp Presta SteerTec GmbH, Düsseldorf	DEM	10,000	100.00	142 94.99 % 670 5.01 %
264	ThyssenKrupp Presta SteerTec Mülheim GmbH, Mülheim		26	100.00	263
265	ThyssenKrupp Presta SteerTec Schönebeck GmbH, Schönebeck		26	100.00	263
266	Berco Bulgaria EOOD, Apriltsi 5641, Bulgaria	BGN	780	100.00	270
267	Berco of America Inc., Waukesha/Wisconsin, USA	USD	50	100.00	722
268	Berco (Shanghai) Undercarriage Technology Co., Ltd., Shanghai, PR China		4,000	100.00	712
269	Berco (Shanghai) Undercarriage Trading Co., Ltd., Shanghai, PR China		2,000	100.00	712
270	Berco S.p.A., Copparo, Italy		38,700	100.00	718 99.95 % 670 0.05 %
271	Berco (UK) Ltd., Birmingham, Great Britain	GBP	120	100.00	721
272	Berco Undercarriages (India) Private Ltd., Andrah Pradesh, India	INR	265,500	100.00	270 99.00 % 248 1.00 %
273	BercoSul Ltda., Diadema-São Paulo, Brazil	BRL	14,062	100.00	270
274	BMB Inc., Fort Mill, Lancaster County, USA	USD	6,500	100.00	249
275	Definox (Beijing) Stainless Steel Equipment Ltd., Beijing, PR China	CNY	1,341 <sup>2)</sup>	100.00	280
276	Defontaine Ibérica S.A., Viana, Spain		721	100.00	280
277	Defontaine Italia S.r.l., Sesto San Giovanni, Italy		99	100.00	280
278	Defontaine of America, Inc., New Berlin/Wisconsin, USA	USD	50	100.00	722
279	Defontaine (Qingdao) Machinery Co., Ltd., Jiaonan City, Shandong Province, PR China		33,500	100.00	712
280	Defontaine S.A., Saint Herblain, France		4,603	100.00	716 99.99 % 253 0.01 %
281	Defontaine Tunisie S.A., Ben Arous, Tunisia	TND	1,500	50.97	280
282	Defontaine (U.K.) Ltd., Malmesbury, Great Britain	GBP	200	100.00	280
283	KS Automotive Suspensions Asia Pte. Ltd., Singapore, Singapore	SGD	15,054 <sup>2)</sup>	100.00	258
284	Nippon Roballo Company Ltd., Minato-ku/Tokyo, Japan	JPY	740,000	100.00	253
285	Olympic Tracks, Inc., Puyallup/Washington, USA	USD	50	100.00	267
286	OOO PSL, Moscow, Russia	RUB	100 <sup>2)</sup>	100.00	287 99.00 % 252 1.00 %
287	PSL a.s., Povazská Bystrica, Slovakia	SKK	234,000	100.00	253
288	PSL of America Inc., Twinsburg/Ohio, USA	USD	1	100.00	287
289	REX (Xuzhou) Slewing Bearing Co., Ltd., Xuzhou, PR China	USD	39,500 <sup>2)</sup>	60.00	712

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

## FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
290	Roballo Engineering Company Ltd., Peterlee, Great Britain	GBP	1,000	100.00	717
291	Robrasa Rolamentos Especiais Rothe Erde Ltda., Diadema, Brazil	BRL	10,119	100.00	142
292	Rotek Incorporated, Aurora/Ohio, USA	USD	100	100.00	722
293	Rothe Erde - Metallurgica Rossi S.p.A., Visano, Italy		1,612	100.00	718
294	Rothe Erde Ibérica S.A., Zaragoza, Spain		1,369	100.00	700
295	Rothe Erde India Private Ltd., Maharashtra, India	INR	1,190,570	100.00	253
296	Systrand Presta Engine Systems, LLC, Danville, IL, USA	USD	1,000 <sup>2)</sup>	100.00	319
297	ThyssenKrupp Automotive Sales & Technical Center, Inc., Troy/Michigan, USA	USD	3	100.00	722
298	ThyssenKrupp Automotive Systèmes France S.A.R.L., Hambach, France		152	100.00	716
299	ThyssenKrupp Automotive Systems de México S.A. de C.V., Puebla, Mexico	MXN	50	100.00	254 100.00 % <sup>3)</sup>
					320 0.00 % <sup>3)</sup>
300	ThyssenKrupp Automotive Systems do Brasil Ltda., São Bernardo do Campo, Brazil	BRL	45,611	100.00	254 91.03 %
					312 8.97 %
301	ThyssenKrupp Bilstein Brasil Molas e Componentes de Suspensão Ltda., São Paulo, Brazil	BRL	76,090	100.00	258 100.00 % <sup>3)</sup>
					136 0.00 % <sup>3)</sup>
302	ThyssenKrupp Bilstein Compa S.A., Sibiu, Rumania	LEU	30,291	73.00	256 72.82 %
					154 0.09 %
					258 0.09 %
303	ThyssenKrupp Bilstein Ibérica, S.L.U., Alonsotegui, Spain		8,297	100.00	700
304	ThyssenKrupp Bilstein of America Inc., San Diego/California, USA	USD	945	100.00	722
305	ThyssenKrupp Bilstein Sasa S.A. de C.V., San Luis Potosi, Mexico	MXN	457,561	100.00	258
306	ThyssenKrupp Bilstein Woodhead Ltd., Leeds, Great Britain	GBP	7,610	100.00	146
307	ThyssenKrupp Birmid, Newton Aycliffe, Great Britain	GBP	0	100.00	146
308	ThyssenKrupp Crankshaft Co. LLC, Danville/Illinois, USA	USD	1	100.00	722
309	ThyssenKrupp Engine Components (China) Co., Ltd., Nanjing, PR China	USD	76,000	100.00	712
310	ThyssenKrupp Fawer Liaoyang Spring Co., Ltd., Liaoyang/Liaoning, PR China	USD	21,278 <sup>2)</sup>	60.05	712
311	ThyssenKrupp Mavilor S.A., L'Horme, France		6,465	100.00	716
312	ThyssenKrupp Metalúrgica Campo Limpo Ltda., Campo Limpo Paulista, Brazil	BRL	85,000	59.77	670
313	ThyssenKrupp Metalúrgica de México S.A. de C.V., Puebla, Mexico	MXN	141,800 <sup>2)</sup>	100.00	312
314	ThyssenKrupp Metalúrgica de Servicios S.A. de C.V., Puebla, Mexico	MXN	131 <sup>2)</sup>	100.00	313
315	ThyssenKrupp Metalúrgica Santa Luzia Ltda., Santa Luzia, Brazil	BRL	58,198	100.00	312
316	ThyssenKrupp Presta Aktiengesellschaft, Eschen, Liechtenstein	CHF	15,000	100.00	142
317	ThyssenKrupp Presta Cold Forging LLC, Wilmington/Delaware, USA	USD	5,000	100.00	297
318	ThyssenKrupp Presta Dalian Co. Ltd., Dalian, PR China		13,500	100.00	712
319	ThyssenKrupp Presta Danville, LLC, Danville/Illinois, USA	USD	0	100.00	722
320	ThyssenKrupp Presta de México S.A. de C.V., Puebla, Mexico	MXN	17,316	100.00	254 33.33 %
					323 33.33 %
					305 33.33 %
321	ThyssenKrupp Presta do Brasil Ltda., Curitiba, Brazil	BRL	36,944	100.00	323 79.63 %
					254 10.19 %
					312 10.19 %
322	ThyssenKrupp Presta Fawer (Changchun) Co. Ltd., Changun, PR China	CNY	52,834 <sup>2)</sup>	59.65	323
323	ThyssenKrupp Presta France S.A.S., Florange, France		23,660	100.00	716
324	ThyssenKrupp Presta HuiZhong Shanghai Co., Ltd., Shanghai, PR China	CNY	100,562 <sup>2)</sup>	60.00	323
325	ThyssenKrupp Presta Hungary Kft., Budapest, Hungary	HUF	632,770	100.00	262
326	ThyssenKrupp Presta Japan Co., Ltd., Tokyo, Japan	JPY	10,000	100.00	142
327	ThyssenKrupp Presta Servicios de México S.A. de C.V., Puebla, Mexico	MXN	50 <sup>2)</sup>	100.00	254 33.33 %
					305 33.33 %
					323 33.33 %
328	ThyssenKrupp Presta SteerTec Polen Sp. z o.o., Meseritz, Poland	PLN	3,664	100.00	263
329	ThyssenKrupp Presta SteerTec USA LLC, Detroit/Michigan, USA	USD	2,500	100.00	297

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
330	ThyssenKrupp Presta TecCenter AG, Eschen, Liechtenstein	CHF	10,000	100.00	261
331	ThyssenKrupp Presta Terre Haute, LLC, Terre Haute, Indiana, USA	USD	1,500	100.00	297
332	ThyssenKrupp Sasa Servicios, S.A.de C.V., San Luis Potosi, Mexico	MXN	50	100.00	305
333	ThyssenKrupp Sofedit do Brasil Industrial Ltda., Paraná, Brazil	BRL	51,549	100.00	79 100.00 % <sup>3)</sup>
					301 0.00 % <sup>3)</sup>
334	ThyssenKrupp Waupaca de Mexico, S. de R.L. de C.V., Mexico, Mexico	USD	3	100.00	335 95.00 %
					708 5.00 %
335	ThyssenKrupp Waupaca, Inc., Waupaca/Wisconsin, USA	USD	0	100.00	708
336	Xuzhou Rothe Erde Ring Mill Co., Ltd., Xuzhou, PR China	USD	27,749 <sup>2)</sup>	100.00	712
337	Xuzhou Rothe Erde Slewing Bearing Co., Ltd., Xuzhou, PR China	USD	18,100 <sup>2)</sup>	60.00	712
<b>ELEVATOR</b>					
<b>Corporate Elevator</b>					
338	ELEG Europäische Lift + Escalator GmbH, Düsseldorf		51	100.00	340
339	Rheinstahl Union GmbH, Düsseldorf		26	100.00	340
340	ThyssenKrupp Elevator AG, Düsseldorf		100,000	100.00	670
341	ThyssenKrupp Elevator die Vierte GmbH, Düsseldorf		25	100.00	340
342	ThyssenKrupp Elevator Research GmbH, Düsseldorf		25	100.00	338
343	ThyssenKrupp Industries and Services Qatar LLC, Doha, Qatar	QAR	2,000	49.00	340
<b>Central/Eastern/Northern Europe (CENE)</b>					
344	Christian Hein GmbH, Langenhagen		522	100.00	355
345	GMT Aufzug-Service GmbH, Ettlingen		26	100.00	355
346	GWH Aufzüge GmbH, Himmelstadt		26	100.00	355
347	Haisch Aufzüge GmbH, Gingen/Fils		50	100.00	355
348	Hanseatische Aufzugsbau GmbH, Rostock		33	100.00	355
349	Leichsenring HUS Aufzüge GmbH, Hamburg		51	100.00	355
350	LiftEquip GmbH Elevator Components, Neuhausen a.d.F.		25	100.00	355
351	Liftservice und Montage GmbH, Saarbrücken		51	100.00	355
352	Tepper Aufzüge GmbH, Münster		1,535	100.00	355
353	ThyssenKrupp Aufzüge Deutschland GmbH, Stuttgart		2,700	100.00	355
354	ThyssenKrupp Aufzüge die Erste GmbH, Stuttgart		25	100.00	353
355	ThyssenKrupp Aufzüge GmbH, Neuhausen a.d.F.		7,100	100.00	340
356	ThyssenKrupp Aufzugswerke GmbH, Neuhausen a.d.F.		10,226	99.50	355
357	ThyssenKrupp Elevator (CENE) GmbH, Essen		6,000	100.00	340
358	Ascenseurs Drieux-Combaluzier S.A.S., Les Lilas, France		892	100.00	370
359	Bardeck Lift Engineers Ltd., London, Great Britain	GBP	11	100.00	721
360	Compagnie des Ascenseurs et Elevateurs S.A.M. 'CASEL SAM', Monaco, Monaco		153	98.80	370
361	Hammond & Champness Ltd., Nottingham, Great Britain	GBP	500	100.00	373
362	HK Services A/S, Bergen, Norway	NOK	351	100.00	374
363	MGTI SNEV S.A.S., Saint Jeannet, France		526	100.00	370
364	Mulder Liftservice B.V., Nuth, Netherlands		18	100.00	379
365	OOO ThyssenKrupp Elevator, Moscow, Russia	RUB	14,344	100.00	357
366	Proxi-Line E.U.R.L., Angers, France		77	100.00	368
367	The Britannic Lift Company Ltd., West Yorkshire, Great Britain	GBP	35	100.00	373
368	ThyssenKrupp Ascenseurs Holding S.A.S., Saint Denis-la-Plaine Cedex, France		34,433	100.00	716
369	ThyssenKrupp Ascenseurs Luxembourg S.a.r.l., Luxembourg, Luxembourg		13,396	100.00	357
370	ThyssenKrupp Ascenseurs S.A.S., Angers, France		8,117	100.00	368
371	ThyssenKrupp Aufzüge AG, Rümlang, Switzerland	CHF	1,165	100.00	357 85.84 %
					370 14.16 %
372	ThyssenKrupp Aufzüge Gesellschaft m.b.H., Vienna, Austria		370	100.00	703
373	ThyssenKrupp Aufzüge Ltd., Nottingham, Great Britain	GBP	20,990	100.00	717
374	ThyssenKrupp Aufzüge Norge A/S, Oslo, Norway	NOK	5,200	100.00	357

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

## FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.	
375	ThyssenKrupp Aufzugswerke Konstruktions GmbH, Gratkorn, Austria		35	100.00	703	60.00 %
					356	40.00 %
376	ThyssenKrupp DVG dvgala d.o.o., Trzin, Slovenia		805	100.00	703	
377	ThyssenKrupp Elevator A/S, Oslo, Norway	NOK	100	100.00	374	
378	ThyssenKrupp Elevator A/S, Glostrup, Denmark	DKK	550	100.00	357	
379	ThyssenKrupp Elevator B.V., Krimpen aan den IJssel, Netherlands		4,977	100.00	720	
380	ThyssenKrupp Elevator Finland Oy, Helsinki, Finland		42	100.00	355	
381	ThyssenKrupp Elevator Ireland, Ltd., Dublin, Ireland		63	100.00	373	
382	ThyssenKrupp Elevator Lithuania UAB, Vilnius, Lithuania	LTL	691 <sup>2)</sup>	100.00	703	
383	ThyssenKrupp Elevator Manufacturing France S.A.S., Angers, France		4,602	100.00	370	
384	ThyssenKrupp Elevator Sp. z o.o., Warsaw, Poland	PLN	15,300	100.00	357	
385	ThyssenKrupp Elevator Sverige AB, Stockholm, Sweden	SEK	8,542	100.00	357	
386	ThyssenKrupp Elevator UK Ltd., Nottingham, Great Britain	GBP	2,300	100.00	373	
387	ThyssenKrupp Koncar dizala d.o.o., Zagreb, Croatia	HRK	17,204	100.00	357	
388	ThyssenKrupp Lift Kft, Budapest, Hungary	HUF	101,480	100.00	372	99.90 %
					338	0.10 %
389	ThyssenKrupp Liften Ascenseurs S.A., Brussels, Belgium		2,480	100.00	355	99.96 %
					340	0.04 %
390	ThyssenKrupp Liften B.V., Krimpen aan den IJssel, Netherlands		1,875	100.00	379	
391	ThyssenKrupp Rulletrapper A/S, Oslo, Norway	NOK	100	100.00	374	
392	ThyssenKrupp Vytahy s.r.o., Prag, Czech Republic	CZK	41,398	100.00	357	
393	ThyssenKrupp Vytahy s.r.o., Bratislava, Slovakia		266	100.00	372	
394	TOB ThyssenKrupp Elevator Ukraine, Kiev, Ukraine	UAH	18,406 <sup>2)</sup>	100.00	357	99.90 %
					338	0.10 %
395	Trapo Küng AG, Basel, Switzerland	CHF	500	100.00	371	
<b>Southern Europe/Africa/Middle East (SEAME)</b>						
396	ASEL Ascensores S.L., Madrid, Spain		7	100.00	419	
397	C.A.F. Assistência a Elevadores, S.A., Queluz, Portugal		150	100.00	411	
398	Cont Ascensori S.r.l., Alessandria, Italy		72	100.00	415	
399	Curti Ascensori S.r.l., Bosisio Parini, Italy		100	100.00	415	
400	Lariana Ascensori S.r.l., Como, Italy		12 <sup>2)</sup>	100.00	415	
401	Marco Bonfedi Ascensori Scale Mobili S.r.l., Milan, Italy		50	100.00	415	
402	Massida Ascensori S.r.l., Cagliari, Italy		10 <sup>2)</sup>	70.00	415	
403	Rossi Ascensori S.r.l., Prato-Firenze, Italy		10 <sup>2)</sup>	100.00	415	
404	Sabia S.r.l., Modena, Italy		15 <sup>2)</sup>	100.00	415	
405	Scam Ascensori S.r.l., Mestre, Venezia, Italy		16 <sup>2)</sup>	100.00	415	
406	SIAR S.r.l., Rome, Italy		47 <sup>2)</sup>	100.00	415	
407	Simonini Elevatori S.r.l., Foggia, Italy		23 <sup>2)</sup>	100.00	415	
408	Thyssen Technik Arabia Ltd., Riyadh, Saudi Arabia	SAR	2,000	100.00	355	90.00 %
					339	10.00 %
409	ThyssenKrupp Asansör Sanayi ve Tic. A.S., Istanbul, Turkey	TRL	943,271,000	75.50	355	51.00 %
					340	24.50 %
410	ThyssenKrupp Assanbar PJSC (Private Joint Stock Company), Mashhad, Iran	IRR	8,702,400	51.00	340	46.00 %
					419	5.00 %
411	ThyssenKrupp Elevadores, S.A., Lissabon, Portugal		3,586	100.00	419	
412	ThyssenKrupp Elevadores, S.L., Madrid, Spain		4,696	99.94	419	
413	ThyssenKrupp Elevator Egypt Ltd., Cairo, Egypt	EGP	2,400	100.00	340	75.00 %
					419	25.00 %
414	ThyssenKrupp Elevator Israel LP, Rishon Le'zion, Israel	ILS	40,000	100.00	338	49.90 %
					419	49.90 %
					772	0.20 %

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.	
415	ThyssenKrupp Elevator Italia S.p.A., Milan, Italy		490	100.00	718	98.00 %
					340	2.00 %
416	ThyssenKrupp Elevator Manufacturing Spain S.L., Andoain, Spain		281	100.00	412	
417	ThyssenKrupp Elevator Maroc S.A.R.L., Casablanca, Marruecos, Morocco	MAD	1,085	100.00	419	95.00 %
					412	5.00 %
418	ThyssenKrupp Elevator (South Africa) (Pty.) Ltd., Johannesburg, Republic of South Africa	ZAR	111	100.00	340	
419	ThyssenKrupp Elevator Southern Europe, Africa & Middle East, S.L.U., Madrid, Spain		179,406	100.00	700	
420	ThyssenKrupp Elevator SRL, Bucharest, Rumania	RON	1,545 <sup>2)</sup>	100.00	419	100.00 % <sup>3)</sup>
					412	0.00 % <sup>3)</sup>
421	ThyssenKrupp Elevator (U.A.E.) Ltd., Dubai, United Arab Emirates	AED	30,300	100.00	340	
422	ThyssenKrupp Elevatori d.o.o., Belgrad, Serbia Montenegro		350 <sup>2)</sup>	100.00	372	
423	ThyssenKrupp Elevator/Jordan Ltd. Co., Amman, Jordan	JOD	1,569	100.00	340	
424	ThyssenKrupp Elevators Bulgaria EAD, Sofia, Bulgaria	BGN	1,000	100.00	419	
425	ThyssenKrupp K & M Elevators and Escalators A.E., Athen, Greece		2,240	100.00	340	51.00 %
					419	49.00 %
426	ThyssenKrupp Kazlift LLP, Almaty, Kazakhstan	KZT	166,076	100.00	419	
427	Tungstato Elevadores S.A., Queluz, Portugal		50	100.00	411	
428	2G S.r.l., Messina, Italy		47 <sup>2)</sup>	100.00	415	
<b>Americas (AMS)</b>						
429	Ascenseurs Nova Inc., Montreal St. Leonard, Canada	CAD	605	100.00	448	
430	Computerized Elevator Control Corp., New York, USA	USD	8	100.00	442	
431	ThyssenKrupp Elevadores, C.A., Caracas, Venezuela	VEB	3,076	100.00	412	
432	ThyssenKrupp Elevadores, S.A., São Paulo, Brazil	BRL	259,607	99.81	412	
433	ThyssenKrupp Elevadores, S.A., Guatemala, Guatemala	GTQ	10,178 <sup>2)</sup>	100.00	412	90.00 %
					437	10.00 %
434	ThyssenKrupp Elevadores S.A., Panama, Panama	USD	867 <sup>2)</sup>	100.00	412	
435	ThyssenKrupp Elevadores S.A., Lima, Peru	PEN	12,556 <sup>2)</sup>	100.00	412	99.81 %
					437	0.19 %
436	ThyssenKrupp Elevadores S.A., Santiago de Chile-Nunoa, Chile	CLP	2,289,533	100.00	412	98.84 %
					437	1.16 %
437	ThyssenKrupp Elevadores S.A., Buenos Aires, Argentina	ARS	18,728 <sup>2)</sup>	57.39	412	52.39 %
					436	5.00 %
438	ThyssenKrupp Elevadores S.A., Bogota, Columbia	COP	5,657,905 <sup>2)</sup>	100.00	412	94.00 %
					433	1.50 %
					435	1.50 %
					436	1.50 %
					437	1.50 %
439	ThyssenKrupp Elevadores, S.A. de C.V., Mexico City, Mexico	MXN	75,036	100.00	412	99.93 %
					437	0.07 %
440	ThyssenKrupp Elevadores, S.R.L., Asunción, Paraguay	PYG	1,330,000 <sup>2)</sup>	100.00	412	99.90 %
					437	0.10 %
441	ThyssenKrupp Elevadores, S.R.L., Montevideo, Uruguay	UYU	6,303	100.00	412	95.00 %
					437	5.00 %
442	ThyssenKrupp Elevator Americas Corp., Delaware, USA	USD	0	100.00	722	
443	ThyssenKrupp Elevator Canada Ltd., Toronto, Canada	CAD	3,536	100.00	448	
444	ThyssenKrupp Elevator Capital Corp., Delaware, USA	USD	302,250	100.00	445	
445	ThyssenKrupp Elevator Corp., Delaware, USA	USD	26,261	100.00	442	
446	ThyssenKrupp Elevator Inc., San Juan, Puerto Rico	USD	1	100.00	445	
447	ThyssenKrupp Elevator Manufacturing Inc., Collierville/Tennessee, USA	USD	1	100.00	445	
448	ThyssenKrupp Northern Elevator Corp., Scarborough/Ontario, Canada	CAD	100	100.00	711	

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company



**FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)**

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
<b>Asia/Pacific (AP)</b>					
449	Hang Pak Engineering Ltd., Hongkong, PR China	HKD	306	100.00	340
450	PT. ThyssenKrupp Elevator Indonesia, Jakarta, Indonesia	IDR	12,760,653	94.68	340
451	Sun Rhine Enterprises Ltd., Taipei, Taiwan	TWD	138,075	100.00	340
452	Sun Rich Enterprises Ltd., Taipei, Taiwan	TWD	6,000	100.00	340
453	Thyssen Elevators Co., Ltd., Zhongshan, PR China	USD	31,680 <sup>2)</sup>	100.00	340
454	ThyssenKrupp Elevator & Escalator (Shanghai) Co.Ltd., Shanghai, PR China	USD	5,250 <sup>2)</sup>	100.00	712
455	ThyssenKrupp Elevator Asia Pacific Ltd., Hongkong, PR China	HKD	58,000	100.00	340
456	ThyssenKrupp Elevator Australia Pty. Ltd., Sydney, Australia	AUD	1	100.00	469
457	ThyssenKrupp Elevator (BD) Pvt. Ltd., Dhaka, Bangladesh	BDT	3,395	100.00	459
458	ThyssenKrupp Elevator (HK) Ltd., Hongkong, PR China	HKD	129,970	100.00	340
459	ThyssenKrupp Elevator (India) Pvt. Ltd., New Delhi, India	INR	881,620	100.00	340 100.00 % <sup>3)</sup>
					338 0.00 % <sup>3)</sup>
460	ThyssenKrupp Elevator Installation and Maintenance (China) Co. Ltd., Guanzhou, PR China	USD	6,500 <sup>2)</sup>	100.00	712
461	ThyssenKrupp Elevator (Korea) Ltd., Seoul, Korea, Republic	KRW	1,273,220	100.00	340
462	ThyssenKrupp Elevator Malaysia Sdn. Bhd., Selangor, Malaysia	MYR	500	100.00	340
463	ThyssenKrupp Elevator New Zealand Pty. Ltd., Auckland, New Zealand	NZD	1	100.00	456
464	ThyssenKrupp Elevator Queensland Pty. Ltd., Melbourne, Australia	AUD	1	100.00	469
465	ThyssenKrupp Elevator (Singapore) Pte.Ltd., Singapore, Singapore	SGD	4,800	100.00	340
466	ThyssenKrupp Elevator (Thailand) Co., Ltd., Bangkok, Thailand	THB	155,776	100.00	340
467	ThyssenKrupp Elevator Vietnam Co. Ltd., Hanoi, Vietnam	USD	200	100.00	340
468	ThyssenKrupp Elevators (Shanghai) Co., Ltd., Shanghai, PR China	USD	13,940 <sup>2)</sup>	100.00	712
469	ThyssenKrupp Lifts Pacific Pty. Ltd., Alexandria, Australia	AUD	10,800	100.00	340
<b>Escalators/Passenger Boarding Bridges(ES/PBB)</b>					
470	ThyssenKrupp Elevator (ES/PBB) GmbH, Essen		25	100.00	340
471	ThyssenKrupp Fahrtreppen GmbH, Hamburg		1,311	100.00	355
472	AVIOTEAM Servizio e Manutenzioni S.r.l., Rome, Italy		52 <sup>2)</sup>	65.00	473
473	ThyssenKrupp Airport Services S.L., Mieres / Asturias, Spain		150 <sup>2)</sup>	100.00	476
474	ThyssenKrupp Airport Systems Co. (Zhongshan) Ltd., Guangdong, PR China	USD	2,550	100.00	712
475	ThyssenKrupp Airport Systems Inc., Fort Worth/Texas, USA	USD	3,510	100.00	722
476	ThyssenKrupp Airport Systems, S.A., Mieres/Oviedo, Spain		1,743	100.00	412 100.00 % <sup>3)</sup>
					480 0.00 % <sup>3)</sup>
477	ThyssenKrupp Elevator (ES/PBB) Ltd., Newton Aycliffe, Great Britain	GBP	4,135	100.00	721
478	ThyssenKrupp Elevator Innovation Center, S.A., Mieres/Oviedo, Spain		902	100.00	480
479	ThyssenKrupp Escalator Co. (China) Ltd., Guangdong, PR China	USD	14,800 <sup>2)</sup>	100.00	712
480	ThyssenKrupp Norte S.A., Mieres/Oviedo, Spain		4,147	100.00	700 66.30 %
					412 33.70 %
<b>Accessibility (ACC)</b>					
481	ThyssenKrupp Accessibility Holding GmbH, Essen		25	100.00	340
482	ThyssenKrupp Treppenlifte GmbH, Neuss		32	100.00	340
483	Lift Able Ltd., Cleveland, Great Britain	GBP	10	100.00	488
484	ThyssenKrupp Accesibilidad S.L., Madrid, Spain		3	100.00	700
485	ThyssenKrupp Access China Ltd., China - Shanghai, PR China	USD	500	100.00	712
486	ThyssenKrupp Access Corp., Kansas City/Missouri, USA	USD	0	100.00	722
487	ThyssenKrupp Access Japan Co., Ltd., Tokyo, Japan	JPY	47,000	100.00	340
488	ThyssenKrupp Access Ltd., Stockton-on-Tees, Great Britain	GBP	100	100.00	721
489	ThyssenKrupp Access Manufacturing, LLC, Delaware, USA	USD	2,500	100.00	486
490	ThyssenKrupp Accessibility B.V., Krimpen aan den IJssel, Netherlands		1,270	100.00	379
491	ThyssenKrupp Acessibilidades, Unipessoal, Lda., Sintra, Portugal		50	100.00	340
492	ThyssenKrupp Ceteco S.r.l., Pisa, Italy		500	100.00	415
493	ThyssenKrupp Monolift AB, Stockholm, Sweden	SEK	100	100.00	379
494	ThyssenKrupp Monolift AS, Oslo, Norway	NOK	110	100.00	374

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
495	ThyssenKrupp Monolift N.V., Gent, Belgium		450	100.00	379
496	ThyssenKrupp Monolift S.A.S., Gennevilliers, France		40	100.00	368
497	ThyssenKrupp Monoliften B.V., Krimpen aan den IJssel, Netherlands		97	100.00	379
<b>SERVICES</b>					
<b>Corporate</b>					
498	ThyssenKrupp Services AG, Düsseldorf		283,383	99.84	670
499	Thyssen Financial Services B.V., 's-Gravendeel, Netherlands		3,857	100.00	593
<b>Materials Services International</b>					
500	Dortmunder Eisenhandel Hansa GmbH, Dortmund		34	100.00	498 94.01 % 683 5.99 %
501	Dr. Mertens Edelstahlhandel GmbH, Offenbach		1,023	100.00	512
502	Eisen und Metall GmbH, Stuttgart		1,023	51.00	498
503	Eisenmetall Handelsgesellschaft mbH, Gelsenkirchen		26	100.00	498
504	Erich Weit GmbH, Munich		356	100.00	511
505	Freiburger Stahlhandel GmbH, Freiburg i.Br.		2,200	51.00	498
506	Hövelmann & Co. Eisengroßhandlung GmbH, Gelsenkirchen		256	100.00	498
507	Jacob Bek GmbH, Ulm		2,807	79.96	498
508	Kunststoff Service Partner GmbH, Düsseldorf		10,000	100.00	520
509	Max Cochiuss GmbH, Berlin		920	75.00	498
510	Metall Service Partner GmbH, Gelsenkirchen		3,420	100.00	498 94.00 % 683 6.00 %
511	Otto Wolff Handelsgesellschaft mbH, Düsseldorf		15,400	99.50	498
512	SBS Brenn- und Schneidbetrieb Rinteln GmbH, Rinteln		75	100.00	498
513	Thyssen Duro Metall GmbH, Kornwestheim		500	51.00	498
514	Thyssen Schulte Werkstoffhandel GmbH, Düsseldorf		10,226	99.50	498
515	ThyssenKrupp Aerospace Germany GmbH, Rodgau, Nieder-Roden	DEM	1,000	100.00	498
516	ThyssenKrupp Maßblech GmbH, Duisburg		104	100.00	523 50.25 % 24 49.75 %
517	ThyssenKrupp Materials Logistics & Services GmbH, Düsseldorf		1,534	100.00	498 94.00 % 670 6.00 %
518	ThyssenKrupp Metallcenter GmbH, Wörth a. Rhein		2,557	100.00	498
519	ThyssenKrupp Nutzeisen GmbH, Düsseldorf		500	100.00	593
520	ThyssenKrupp Röhm Kunststoffe GmbH, Düsseldorf		5,113	100.00	498
521	ThyssenKrupp Schulte GmbH, Düsseldorf		26	100.00	498
522	ThyssenKrupp Services Immobilien GmbH, Düsseldorf		50	100.00	498
523	ThyssenKrupp Stahlkontor GmbH, Düsseldorf		600	99.96	498
524	Alfaplast AG, Steinhausen, Switzerland	CHF	250	100.00	579
525	Aviation Metals Ltd., Birmingham, Great Britain	GBP	65	40.00	550
526	Carolina Building Materials, Inc., Carolina, Puerto Rico	USD	450	100.00	511
527	Cimex-Nor S.A., San Sebastian, Spain		618	74.00	498
528	FERROGLAS Glasbautechnik Gesellschaft m.b.H., Hörsching, Austria		218	70.00	703
529	Indu-Light AG, Beromünster/Luzern, Switzerland	CHF	150	53.33	533
530	Interlux GmbH, Hörsching, Austria		182	100.00	539
531	LAMINCER S.A., Munguia, Spain		180 <sup>2)</sup>	100.00	498 60.00 % 527 40.00 %
532	Locatelli Aciers S.A.S., Oyonnax, France		142	100.00	563
533	Neomat AG, Beromünster/Luzern, Switzerland	CHF	200	100.00	579
534	Nordisk Plast A/S, Auning, Denmark	DKK	4,000	100.00	538
535	Notz Plastics AG, Biel/Bienne, Switzerland	CHF	1,000	100.00	579
536	OOO ThyssenKrupp Materials, Moscow, Russia	RUB	928,369	96.03	498
537	PALMETAL Controllo e Armazenagem S.A., Palmela, Portugal		1,000	90.00	527
538	RIAS A/S, Roskilde, Denmark	DKK	23,063	54.15	520

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

## FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
539	Röhm Austria GmbH, Vienna, Austria		727	100.00	703
540	Röhm Italia S.r.l., Garbagnate Milanese, Italy		100	100.00	520
541	Steba AG, Pfäffikon, Switzerland	CHF	500	100.00	533
542	STEBA Direktverkauf Kunststoffe + Plexiglas GmbH, Hunzenschwil, Switzerland	CHF	20	100.00	541
543	Thyssen Trading S.A., São Paulo, Brazil	BRL	19,738 <sup>2)</sup>	100.00	498
544	ThyssenKrupp Aerospace Australia Pty. Ltd., Wetherill Park New South Wales, Australia	AUD	2,549	100.00	547
545	ThyssenKrupp Aerospace Finland Oy, Mänttä, Finland		59	100.00	547
546	ThyssenKrupp Aerospace India Private Ltd., Bangalore, India	INR	100	100.00	547 99.99 %
					550 0.01 %
547	ThyssenKrupp Aerospace International Holdings Ltd., Birmingham, Great Britain	GBP	650	100.00	550
548	ThyssenKrupp Aerospace Nederland B.V., Eindhoven, Netherlands		18	100.00	547
549	ThyssenKrupp Aerospace (Shanghai) Co. Ltd., Shanghai, PR China	USD	2,000	100.00	550
550	ThyssenKrupp Aerospace UK Ltd., Birmingham, Great Britain	GBP	3,295	100.00	721
551	ThyssenKrupp Autômatas Industria de Peças Ltda., São Paulo, Brazil	BRL	335 <sup>2)</sup>	80.00	642
552	ThyssenKrupp Cadillac Plastic S.A.S., Mitry-Mory, France		1,053	100.00	716
553	ThyssenKrupp Christon N.V., Lokeren, Belgium		7,033	100.00	561 53.50 %
					514 46.50 %
554	ThyssenKrupp Energostal S.A., Torun, Poland	PLN	15,000	84.00	498
555	ThyssenKrupp Ferostav, spol. s r.o., Nové Zámky, Slovakia	SKK	44,952	80.00	498
556	ThyssenKrupp Ferroglobus Kereskedelmi ZRt, Budapest, Hungary	HUF	3,244,000	100.00	498
557	ThyssenKrupp Ferroglobus S.R.L., Timisoara, Rumania	RON	28 <sup>2)</sup>	100.00	498
558	ThyssenKrupp Ferrosta spol. s.r.o., Prag, Czech Republic	CZK	200	100.00	498
559	ThyssenKrupp Fortinox S.A., Buenos Aires, Argentina	USD	2,100	80.00	498
560	ThyssenKrupp Materials Austria GmbH, Vienna, Austria		2,455	100.00	703
561	ThyssenKrupp Materials Belgium N.V./S.A., Lokeren, Belgium		1,200	100.00	720 85.87 %
					514 14.13 %
562	ThyssenKrupp Materials d.o.o., Belgrad, Serbia		9,990	100.00	498
563	ThyssenKrupp Materials France S.A.S., Maurepas, France		25,958	100.00	716
564	ThyssenKrupp Materials Holding (Thailand) Ltd., Samut Prakarn Province, Thailand	THB	1,000	99.95	498 49.00 %
					572 50.95 %
565	ThyssenKrupp Materials Ibérica S.A., Martorelles, Spain		7,681	100.00	700
566	ThyssenKrupp Materials Korea Company Ltd., Seoul, Korea, Republic	KRW	4,000,000	60.00	498
567	ThyssenKrupp Materials Middle East FZE, Jebel Ali, United Arab Emirates	AED	3,000	100.00	498
568	ThyssenKrupp Materials Nederland B.V., Amsterdam, Netherlands		9,076	100.00	720
569	ThyssenKrupp Materials Schweiz AG, Bronschhofen, Switzerland	CHF	4,600	100.00	498
570	ThyssenKrupp Materials (Shanghai) Co., Ltd., Shanghai, PR China	CNY	23,000 <sup>2)</sup>	70.00	498
571	ThyssenKrupp Materials Sverige AB, Göteborg, Sweden	SEK	23,080	100.00	498
572	ThyssenKrupp Materials (Thailand) Co., Ltd., Bangkok, Thailand	THB	110,000	70.00	498 49.00 %
					564 21.00 %
573	ThyssenKrupp Materials (UK) Ltd., Smethwick, Great Britain	GBP	12,032	100.00	721
574	ThyssenKrupp Materials Vietnam LLC, Hanoi, Vietnam	VND	121,000,000	97.36	498
575	ThyssenKrupp Otto Wolff N.V./S.A, Mechelen, Belgium		711	100.00	520
576	ThyssenKrupp Plastic Ibérica SL, Massalfassar (Valencia), Spain		3,000	100.00	520
577	ThyssenKrupp Portugal - Aços e Serviços, Lda., Carregado, Portugal		1,150	100.00	498
578	ThyssenKrupp Stahlunion Polska Sp. z o.o., Katowitz, Poland	PLN	100	100.00	511
579	ThyssenKrupp Stokvis Plastics B.V., Roosendaal, Netherlands		4,500	100.00	720
580	ThyssenKrupp-Jupiter Stomana OOD, Sofia, Bulgaria	BGN	500	80.00	498
<b>Materials Services NA</b>					
581	Summit Personnel Services (2002), Inc., Windsor/Ontario, Canada	CAD	0	100.00	582
582	ThyssenKrupp Industrial Services Canada, Inc., Windsor/Ontario, Canada	CAD	0	100.00	711
583	ThyssenKrupp Industrial Services NA, Inc., Southfield/Michigan, USA	USD	25	100.00	587
584	ThyssenKrupp Logistics, Inc., Wilmington/Delaware, USA	USD	1	100.00	587

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company



FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
585	ThyssenKrupp Materials, LLC, Southfield/Michigan, USA	USD	1	100.00	587
586	ThyssenKrupp Materials CA Ltd., Concord / Ontario, Canada	CAD	14,778	100.00	587
587	ThyssenKrupp Materials NA, Inc., Southfield / Michigan, USA	USD	2	100.00	722
588	ThyssenKrupp OnlineMetals, LLC, Southfield/Michigan, USA	USD	1,600	100.00	587
589	ThyssenKrupp Securitization Corp., Southfield, MI, USA	USD	0	100.00	722
590	TKB, Inc., Southfield / Michigan, USA	USD	0	100.00	587
<b>Industrial Services</b>					
591	Deutsche Gesellschaft für Verkehrsmittelwartung Pura mbH, Düsseldorf		280	100.00	594
592	Siegfried Schlüssler Feuerungsbau GmbH, Bisingen		135	100.00	596
593	ThyssenKrupp Industrial Services Holding GmbH, Düsseldorf		50,000	100.00	498 94.90 % 683 5.10 %
594	ThyssenKrupp Industrieservice GmbH, Düsseldorf		15,205	100.00	593
595	ThyssenKrupp Sicherheitsdienstleistungen GmbH, Düsseldorf		102	100.00	594
596	ThyssenKrupp Xervon Energy GmbH, Duisburg		1,300	100.00	597
597	ThyssenKrupp Xervon GmbH, Düsseldorf		12,000	100.00	664
598	ThyssenKrupp Xervon Utilities GmbH, Düsseldorf		25	100.00	597
599	OOO ThyssenKrupp Industrial Services Russia, St. Petersburg, Russia	RUB	3,500	100.00	594 99.00 % 595 1.00 %
600	Rosendaal Services N.V., Kapellen, Belgium		125	100.00	597 98.40 % 598 1.60 %
601	Sumatec/ Astel-Peiniger (M) Joint Venture, Selangor Darul Ehsan, Malaysia	MYR		56.00	616
602	ThyssenKrupp Industrial Services a.s., Prague, Czech Republic	CZK	1,000	51.00	593
603	ThyssenKrupp Palmers Ltd., West Midlands, Great Britain	GBP	0	100.00	721
604	ThyssenKrupp Safway, Inc., Wilmington/Delaware, USA	USD	1	100.00	587
605	ThyssenKrupp Safway, Inc., Fort Saskatchewan/Alberta, Canada	CAD	2	100.00	604
606	ThyssenKrupp Services Industriels S.A.S., Creutzwald, France		616	100.00	594
607	ThyssenKrupp Services Ltd., Birmingham, Great Britain	GBP	125	100.00	608
608	ThyssenKrupp Services (UK) Ltd., Business Park Coventry West Midlands, Great Britain	GBP	656	100.00	721
609	ThyssenKrupp Xervon Algerie S.A.R.L., Algiers, Algeria	DZD	23,750	100.00	597 95.00 % 614 5.00 %
610	ThyssenKrupp Xervon Austria GmbH, Maria Lanzendorf, Austria		1,453	100.00	703
611	ThyssenKrupp Xervon Co. Ltd., Shanghai, PR China	CNY	5,805 <sup>2)</sup>	100.00	597
612	ThyssenKrupp Xervon Corp - Mindus Joint Venture, Kuala Lumpur, Malaysia*	MYR	0	80.00	613
613	ThyssenKrupp Xervon Corp. Sdn. Bhd., Kuala Lumpur, Malaysia	MYR	3,800	49.00	616
614	ThyssenKrupp Xervon Egypt SAE, Cairo, Egypt	EGP	6,750	100.00	615 98.96 % 597 1.04 %
615	ThyssenKrupp Xervon Gulf LLC, Sharjah, United Arab Emirates	AED	500	100.00	597
616	ThyssenKrupp Xervon Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	MYR	2,650 <sup>2)</sup>	100.00	597
617	ThyssenKrupp Xervon Norway AS, Oslo, Norway	NOK	20,000	100.00	597
618	ThyssenKrupp Xervon Polska Sp. z o.o., Warsaw, Poland	PLN	7,150	100.00	597
619	ThyssenKrupp Xervon S.A., Taragona, Spain		598	100.00	700
620	ThyssenKrupp Xervon Saudi Arabia L.L.C., Al-Khubar, Saudi Arabia	SAR	1,000	100.00	615
621	ThyssenKrupp Xervon Sweden AB, Stockholm, Sweden	SEK	1,200	100.00	664
622	ThyssenKrupp Xervon U.A.E. - L.L.C. For Industrial Services, Abu Dhabi, United Arab Emirates	AED	2,000	100.00	615
<b>Special Products</b>					
623	DSU Beteiligungs-Gesellschaft für Dienstleistungen und Umwelttechnik mbH, Duisburg		30	100.00	635
624	ThyssenKrupp Anlagenservice GmbH, Oberhausen		4,536	100.00	498 94.71 % 683 5.29 %
625	ThyssenKrupp AT.PRO tec GmbH, Essen		42	61.19	636
626	ThyssenKrupp Bauservice GmbH, Hückelhoven		2,557	100.00	637 94.90 % 670 5.10 %

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

## FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
627	ThyssenKrupp Coferal GmbH, Essen		25	100.00	636
628	ThyssenKrupp Energievertriebs GmbH, Essen		5,113	100.00	637
629	ThyssenKrupp GfT Bautechnik GmbH, Essen		500	70.00	637
630	ThyssenKrupp GfT Gleistechnik GmbH, Essen		1,000	100.00	637
631	ThyssenKrupp GfT Tiefbautechnik GmbH, Essen		26	100.00	629
632	ThyssenKrupp Langschienen GmbH, Essen		1,000	100.00	630
633	ThyssenKrupp Mannex GmbH, Düsseldorf		10,000	100.00	498
634	ThyssenKrupp Metallurgie GmbH, Essen		7,107	100.00	637 64.86 % 593 35.14 %
635	ThyssenKrupp MillServices & Systems GmbH, Duisburg		1,875	68.00	593
636	ThyssenKrupp MinEnergy GmbH, Essen		1,023	100.00	637
637	ThyssenKrupp Special Products GmbH, Essen		10,900	100.00	498
638	B.V. 'Nedeximpo' Nederlandse Export- en Importmaatschappij, Amsterdam, Netherlands		1,362	100.00	568
639	DSU - Romania S.r.l., Bucharest, Rumania	RON	6,968	100.00	623
640	OOO ThyssenKrupp Bautechnik technischer Service, St. Petersburg, Russia	RUB	360 <sup>2)</sup>	99.90	629
641	RIP Comércio Ltda., São Paulo, Brazil	BRL	619 <sup>2)</sup>	100.00	642
642	RIP Serviços Industriais Ltda., São Paulo, Brazil	BRL	180,562 <sup>2)</sup>	100.00	498
643	RIP Serviços Siderúrgicos Ltda., Rio de Janeiro, Brazil	BRL	1,000	100.00	642 100.00 % <sup>3)</sup> 641 0.00 % <sup>3)</sup>
644	ThyssenKrupp Comércio de Combustíveis e Gases Ltda., Rio de Janeiro, Brazil	BRL	100,230 <sup>2)</sup>	100.00	636 95.00 % 7 5.00 %
645	ThyssenKrupp GfT Polska Sp. z o.o., Krakow, Poland	PLN	15,750	100.00	630
646	ThyssenKrupp Mannex Asia Pte. Ltd., Singapore, Singapore	USD	154	100.00	633
647	ThyssenKrupp Mannex Pty. Ltd., Sydney, Australia	AUD	213	100.00	498
648	ThyssenKrupp Mannex Sverige AB, Göteborg, Sweden	SEK	2,000	100.00	633
649	ThyssenKrupp Mannex UK Ltd., Woking, Great Britain	GBP	2,175	100.00	721
650	ThyssenKrupp Máquinas e Equipamentos Ltda., Rio de Janeiro, Brazil	BRL	10 <sup>2)</sup>	100.00	642 95.00 % 7 5.00 %
651	ThyssenKrupp MinEnergy (Tianjin) Co., Ltd., Tianjin, PR China	USD	200 <sup>2)</sup>	100.00	636
652	ThyssenKrupp Steelcom N.Z. Ltd., New Zealand	NZD	0	100.00	629
653	ThyssenKrupp Steelcom Pty. Ltd., North Sydney, Australia	AUD	0	100.00	629
654	ThyssenKrupp-Dopravné Stavby Slovensko s.r.o., Bratislava, Slovakia	SKK	1,000 <sup>2)</sup>	51.00	630
655	TOO ThyssenKrupp-CL COO, Aktau, Kazakhstan	KZT	4,718 <sup>2)</sup>	51.00	629
656	UAB ThyssenKrupp Baltija, Klaipeda, Lithuania	LTL	10 <sup>2)</sup>	51.00	629
<b>Terminated Businesses</b>					
657	Aloverzee Handelsgesellschaft mbH, Düsseldorf		26	100.00	498
658	Health Care Solutions GmbH, Düsseldorf		4,173	100.00	498
659	Peiniger International GmbH, Gelsenkirchen		1,023	100.00	664
660	Thyssen Altwert Umweltservice GmbH, Düsseldorf		6,740	100.00	687
661	Thyssen Rheinstahl Technik GmbH, Düsseldorf		8,948	100.00	498
662	ThyssenKrupp Facilities Services GmbH, Düsseldorf		1,816	100.00	498 94.90 % 670 5.10 %
663	ThyssenKrupp Information Services GmbH, Düsseldorf		41,600	100.00	683
664	ThyssenKrupp Systems & Services GmbH, Düsseldorf		59,310	100.00	498 94.90 % 670 5.10 %
665	Vermögensverwaltungsgesellschaft KWT mbH, Grünwald		1,278	100.00	662
666	Vermögensverwaltungsgesellschaft TIS mbH, Grünwald		513	100.00	663
667	Vermögensverwaltungsgesellschaft Xtend mbH, Grünwald		10,516	100.00	498
668	Xtend new media Holding GmbH, Grünwald		100	100.00	663
669	Thyssen Sudamerica N.V., Willemstad, Netherlands Antilles	USD	5,463	100.00	568

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
<b>CORPORATE</b>					
<b>Corporate Headquarters</b>					
670	ThyssenKrupp AG, Duisburg und Essen		1,317,092	4)	
671	Banter See Vermögensverwaltung GmbH, Düsseldorf		486	100.00	687
672	Blohm + Voss Holding GmbH, Hamburg		48,573	100.00	670
673	Bucketwheel Engineering GmbH, Essen		26	100.00	137
674	CCI Crane Cooperation International Handelsgesellschaft mbH, Ludwigsfelde		1,534	100.00	670
675	GLH GmbH, Essen	DEM	30,000	100.00	699
676	Hoesch AG, Düsseldorf		50	100.00	670
677	Konsortium für Kurssicherung GbR, Düsseldorf		39,113	97.76	1 43.80 %
					92 18.99 %
					670 17.07 %
					142 11.67 %
					498 5.57 %
					340 0.65 %
678	Krupp Entwicklungszentrum GmbH, Essen		1,534	100.00	727
679	Krupp Industrietechnik GmbH, Essen		51,129	100.00	683 94.90 %
					670 5.10 %
680	Krupp Informatik GmbH, Düsseldorf		51	100.00	137
681	MONTAN GmbH Assekuranz-Makler, Düsseldorf		184	53.81	692
682	Reisebüro Dr. Tigges GmbH, Essen		300	76.00	498
683	Thyssen Stahl GmbH, Düsseldorf		935,147	100.00	670 82.64 %
					727 17.36 %
684	ThyssenKrupp Academy GmbH, Düsseldorf		25	100.00	670
685	ThyssenKrupp AdMin GmbH, Düsseldorf		25	100.00	687
686	ThyssenKrupp DeliCate GmbH, Düsseldorf		26	100.00	687
687	ThyssenKrupp Dienstleistungen GmbH, Düsseldorf		15,500	100.00	670
688	ThyssenKrupp Erste Beteiligungsgesellschaft mbH, Düsseldorf		25	100.00	683
689	ThyssenKrupp Management Consulting GmbH, Düsseldorf		25	100.00	683
690	ThyssenKrupp Materials Zweite Beteiligungsgesellschaft mbH, Düsseldorf		25	100.00	670
691	ThyssenKrupp Reinsurance AG, Essen		3,000	100.00	692
692	ThyssenKrupp Risk and Insurance Services GmbH, Essen		3,000	100.00	670
693	ThyssenKrupp Steel Beteiligungen GmbH, Düsseldorf		446,436	100.00	683 94.90 %
					670 5.10 %
694	ThyssenKrupp TKW Verwaltungs GmbH, Bochum		512	100.00	687
695	Vermögensverwaltungsgesellschaft EZM mbH, Grünwald		4,142	100.00	693
696	Vermögensverwaltungsgesellschaft KSH mbH, Grünwald		5,113	100.00	670
697	Waggonbau Brüninghaus Verwaltungsgesellschaft mbH, Düsseldorf		5,216	100.00	670
698	Budcan Holdings Inc., Kitchener/Ontario, Canada	CAD	0	100.00	708
699	GLH, LLC, Fond du Lac/Wisconsin, USA	USD	108,993	100.00	722
700	Grupo ThyssenKrupp S.L., Madrid, Spain		16,156	100.00	670
701	Thyssen Acquisition Corp., Dover/Delaware, USA	USD	2	100.00	722
702	Thyssen Stahlunion Holdings Ltd., Smethwick, Great Britain	GBP	16,114	100.00	721
703	ThyssenKrupp Austria Beteiligungs GmbH, Vienna, Austria		35	100.00	705
704	ThyssenKrupp Austria GmbH, Vienna, Austria		35	100.00	670
705	ThyssenKrupp Austria GmbH & Co. KG, Vienna, Austria		35	100.00	670
706	ThyssenKrupp Automotive Tallent Services Ltd., Durham, Great Britain	GBP	1,167	100.00	72
707	ThyssenKrupp Budd Canada Inc., Kitchener/Ontario, Canada	CAD	21,875	100.00	698
708	ThyssenKrupp Budd Company, Troy/Michigan, USA	USD	1	100.00	701
709	ThyssenKrupp Camford Engineering PLC, Newton Aycliffe, Great Britain	GBP	5,207	100.00	146
710	ThyssenKrupp Camford Ltd., Newton Aycliff, Great Britain	GBP	25	100.00	72

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

## FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
711	ThyssenKrupp Canada, Inc., Alberta, Canada	CAD	1,000	100.00	670
712	ThyssenKrupp (China) Ltd., Beijing, PR China	USD	200,000	100.00	670
713	ThyssenKrupp Finance Canada, Inc., Calgary, Canada	CAD	1	100.00	670
714	ThyssenKrupp Finance Nederland B.V., Krimpen aan den IJssel, Netherlands		2,300	100.00	670
715	ThyssenKrupp Finance USA, Inc., Wilmington/Delaware, USA	USD	3	100.00	722
716	ThyssenKrupp France S.A.S., Rueil-Malmaison, France		116,149	100.00	670
717	ThyssenKrupp Intermediate U.K. Ltd., County Durham, Great Britain	GBP	28,145	100.00	721
718	ThyssenKrupp Italia S.p.A., Terni, Italy		200,000	100.00	670
719	ThyssenKrupp Knowsley Ltd., Merseyside, Great Britain	GBP	25,610	100.00	142
720	ThyssenKrupp Nederland B.V., Roermond, Netherlands		13,613	100.00	670
721	ThyssenKrupp UK Plc., County Durham, Great Britain	GBP	76,145	100.00	670 100.00 % <sup>3)</sup> 683 0.00 % <sup>3)</sup>
722	ThyssenKrupp USA, Inc., Troy/Michigan, USA	USD	247,989	100.00	670
723	Transit America Inc., Philadelphia/Pennsylvania, USA	USD	50,000	100.00	701
<b>Corporate Real Estate</b>					
724	GVZ Ellinghausen Entwicklungs GmbH, Essen		50	82.00	670
725	Hellweg Liegenschaften GmbH, Bochum		50	94.00	727
726	ImmoVer Gesellschaft für Grundstücksverwaltung mbH, Essen		4,602	100.00	741
727	Krupp Hoesch Stahl GmbH, Dortmund		181,510	100.00	670
728	Liegenschaftsgesellschaft Lintorf mbH, Düsseldorf		25	94.00	683
729	Stahlhauser Liegenschaften Verwaltungsgesellschaft mbH, Essen		25	94.00	741 88.00 % 670 6.00 %
730	Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co. KG Industrie, Essen		692	100.00	142 94.90 % 726 5.10 %
731	Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co. KG Stahl, Essen		511	100.00	683 94.90 % 726 5.10 %
732	ThyssenKrupp ExperSite GmbH, Kassel		26	100.00	662
733	ThyssenKrupp Grundbesitz Verwaltungs GmbH, Essen		25	100.00	670
734	ThyssenKrupp Grundbesitz-Vermietungs GmbH & Co. KG, Essen		1,000	100.00	670
735	ThyssenKrupp Grundstücksgesellschaft Dinslaken mbH, Essen		8,692	100.00	741 94.90 % 670 5.10 %
736	ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Krupp Hoesch Stahl, Essen		1,000	100.00	727
737	ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Stahl, Essen		1,000	100.00	731
738	ThyssenKrupp Immobilienentwicklungs Concordiahütte GmbH, Oberhausen		25	100.00	142 94.80 % 670 5.20 %
739	ThyssenKrupp Immobilienentwicklungs Krefeld GmbH, Oberhausen		25	100.00	683
740	ThyssenKrupp Liegenschaften Umformtechnik Verwaltungs GmbH, Essen		25	100.00	142 94.80 % 670 5.20 %
741	ThyssenKrupp Real Estate GmbH, Essen		15,441	100.00	670
742	Vermögensverwaltungsgesellschaft S + S mbH, Grünwald		2,557	100.00	741 51.00 % 670 49.00 %
743	Kappel Immobilien AG in Liq., Kappel, Switzerland	CHF	3,100	100.00	670
744	Rhenus Immobilien Gesellschaft m.b.H., Vienna, Austria		70	100.00	703

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

## NON CONSOLIDATED COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
<b>STEEL</b>					
<b>Corporate TKS</b>					
745	CTA Termoeletrica do Atlantico Ltda., Rio de Janeiro, Brazil	BRL	10	99.00	7
<b>Steelmaking</b>					
746	DE-VerwaltungsGmbH, Duisburg		25	100.00	1
<b>STAINLESS</b>					
<b>ThyssenKrupp Acciai Speciali Terni</b>					
747	Terni - Società per l'Industria e l'Elettricità s.r.l., Terni, Italy		10	100.00	101
<b>ThyssenKrupp VDM</b>					
748	VDM-Unterstützungskasse GmbH, Werdohl		26	100.00	121
<b>TECHNOLOGIES</b>					
<b>Corporate</b>					
749	Thyssen TPS Vermögensverwaltungs GmbH, Essen		26	100.00	142
750	ThyssenKrupp Automotive Italia S.r.l., Turin, Italy		99	100.00	142 99.00 %
					316 1.00 %
751	ThyssenKrupp Industries (Thailand) Ltd., Bangkok, Thailand	THB	1,000	100.00	142
752	ThyssenKrupp Technologies HELLAS Marketing Services S.A., Athen, Greece		60	100.00	142 99.98 %
					234 0.02 %
<b>Plant Technology</b>					
753	Polysius Wohnungsbau GmbH, Münster	DEM	200	100.00	153
754	Polysius-Hilfe GmbH, Münster	DEM	50	100.00	153
755	Edeleanu SDN. BHD., Kuala Lumpur, Malaysia	MYR	1,000	100.00	161
756	Krupp Uhde Venezuela, C.A., Caracas, Venezuela	VEB	5,500	100.00	161
757	Maerz Ofenbau SRL, Timisoara, Rumania		204 <sup>2)</sup>	100.00	167
758	RCE Industrieofenbau GmbH, Radentheim, Austria		35 <sup>2)</sup>	100.00	167
759	ThyssenKrupp Drauz Nothelfer S.L., Barcelona, Spain		200	100.00	700
760	ThyssenKrupp System Engineering S.r.l., Turin, Italy		120	100.00	718 98.00 %
					157 2.00 %
761	Uhde do Brasil Ltda., São Paulo, Brazil	BRL	798	100.00	161
762	Uhde Edeleanu s.r.o., Brno, Czech Republic	CZK	1,000 <sup>2)</sup>	100.00	161
763	Uhde Inventa-Fischer Chemical Fiber Equipment (Shanghai) Ltd., Shanghai, PR China	USD	200 <sup>2)</sup>	100.00	712
<b>Marine Systems</b>					
764	Maritime Services Consultant Enterprise Sdn.Bhd., Petaling Jaya, Malaysia	MYR	300	100.00	225
765	ThyssenKrupp Marine Systems Australia Pty Ltd, Canberra, Australia	AUD	101	100.00	225
766	United Stirling, Malmö, Sweden	SEK	100	100.00	244
<b>Components Technology</b>					
767	Roballo France S.A.R.L., Rueil-Malmaison, France		180	100.00	716
<b>ELEVATOR</b>					
<b>Southern Europe/Africa/Middle East (SEAME)</b>					
768	Aliança Ibérica Reparadora de Ascensores, Lda., Amadora, Portugal		170 <sup>2)</sup>	100.00	411
769	Ascensores Falcao S.A., Massamá, Portugal		50 <sup>2)</sup>	100.00	411
770	ASREM-Transport Vertical S.A., PORTO, Portugal		0 <sup>2)</sup>	100.00	411
771	EDAFIA Elevadores Lda., QUARTEIRA, Portugal		5 <sup>2)</sup>	100.00	411
772	ThyssenKrupp Elevator (Management) Ltd., Rishon Le'zion, Israel	ILS	<sup>2)</sup>	100.00	338 50.00 %
					419 50.00 %
<b>Asia/Pacific (AP)</b>					
773	TK Lif & Eskalator Sdn. Bhd., Shah Alam, Malaysia	MYR	100	100.00	462

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

## NON CONSOLIDATED COMPANIES (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
<b>SERVICES</b>					
<b>Corporate</b>					
774	ThyssenKrupp HiServ s.r.o., Kosice, Slovakia	SKK	200 <sup>2)</sup>	100.00	498
<b>Materials Services International</b>					
775	OST-PLUS s.r.o., Teplice, Czech Republic	CZK	1,000 <sup>2)</sup>	90.00	504
<b>Industrial Services</b>					
776	ThyssenKrupp Xervon Dubai (L.L.C.), Dubai, United Arab Emirates	AED	300	100.00	615
<b>Special Products</b>					
777	DvB Aufbereitungs-GmbH zur Behandlung von Metallprodukten, Duisburg		102 <sup>2)</sup>	100.00	635

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

**EQUITY-STATED COMPANIES (\*=Joint Venture) (as of September 30, 2009)**

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
<b>STEEL</b>					
<b>Corporate TKS</b>					
778	Walzen-Service-Center GmbH, Oberhausen*		1,023	50.00	1
779	Acciai di Qualità, Centro Lavorazione Lamiere S.p.A., Geonova, Italy		1,731 <sup>2)</sup>	24.90	718
<b>Steelmaking</b>					
780	Hüttenwerke Krupp Mannesmann GmbH, Duisburg*		103,000 <sup>2)</sup>	50.00	1
781	RKE N.V., Antwerpen, Belgium		645 <sup>2)</sup>	38.54	1
782	Transport- en Handelmaatschappij 'Steenkolen Utrecht' B.V., Rotterdam, Netherlands*		8,204 <sup>2)</sup>	50.00	19
<b>Industry</b>					
783	SUNSCAPE ISOCAB NEW BUILDING MATERIALS LIMITED, Rizhao City, PR China	USD	11,960 <sup>2)</sup>	27.50	28
784	Thyssen Ros Casares S.A., Valencia, Spain*		5,000	50.00	24
<b>Auto</b>					
785	ANSC-TKS Galvanizing Co., Ltd., Dalian, Liaoning Province, PR China*	CNY	1,065,806 <sup>2)</sup>	50.00	1
786	TKAS (Changchun) Steel Service Center Ltd., Changchun, PR China*	USD	12,000 <sup>2)</sup>	50.00	712
<b>Processing</b>					
787	Kreislaufsysteem Blechverpackungen Stahl GmbH (KBS), Düsseldorf		385 <sup>2)</sup>	40.00	86
<b>STAINLESS</b>					
<b>ThyssenKrupp Acciai Speciali Terni</b>					
788	Euroacciai S.r.l., Sarezzo (BS), Italy		1,500 <sup>2)</sup>	30.23	101
789	Ilserv S.r.l., Terni, Italy		1,924 <sup>2)</sup>	35.00	101
790	Terni Frantumati S.p.A., Terni, Italy		930 <sup>2)</sup>	21.00	101
<b>ThyssenKrupp Mexinox</b>					
791	Fischer Mexicana S.A. de C.V., Puebla, Mexico*	MXN	108,544 <sup>2)</sup>	50.00	108
<b>TECHNOLOGIES</b>					
<b>Plant Technology</b>					
792	Transrapid International GmbH & Co. KG, Berlin*		4,602	50.00	160
793	Uhdenora S.p.A., Milan, Italy*		3,600	50.00	161
<b>Marine Systems</b>					
794	Atlas Elektronik GmbH, Bremen*		31,240 <sup>2)</sup>	51.00	142
795	Cryotrans Schifffahrts GmbH & Co. KG MS "Gaschen Moon", Emden		0	1.23	230
796	Cryotrans Schifffahrts GmbH & Co. KG MS "Gaschen Star", Emden		0	8.32	230
797	DOLORES Schifffahrtsgesellschaft mbH & Co. KG, Emden		15,625	8.32	230
798	MARLOG Marine Logistik GmbH & Co. KG, Kiel*		1,500 <sup>2)</sup>	50.00	228
799	MarineForce International LLP, London, Great Britain*	GBP	693 <sup>2)</sup>	50.00	228
<b>Components Technology</b>					
800	Huizhou Sumikin Forging Company Ltd., Huizhou, PR China*	USD	29,680 <sup>2)</sup>	34.00	712
<b>ELEVATOR</b>					
<b>Americas (AMS)</b>					
801	Braun ThyssenKrupp Elevator LLC, Madison (Wisconsin), USA*	USD	1,000 <sup>2)</sup>	50.00	445
<b>SERVICES</b>					
<b>Materials Services International</b>					
802	Aceros de America Inc., San Juan, Puerto Rico*	USD	1,000	50.00	511
803	Ferona Thyssen Plastics, s.r.o., Olomouc, Czech Republic*	CZK	16,000 <sup>2)</sup>	50.00	498
804	Leong Jin Corporation Pte. Ltd., Singapore, Singapore	SGD	20,000 <sup>2)</sup>	30.00	498
805	Polarputki Oy, Helsinki, Finland*		1,009 <sup>2)</sup>	50.00	498
806	Resopal S.A., Madrid, Spain		4,500 <sup>2)</sup>	20.00	576

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company



## EQUITY-STATED COMPANIES (\*=Joint Venture) (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
<b>Industrial Services</b>					
807	LTS Nordwest GmbH, Nordenham*		500 <sup>2)</sup>	50.00	594
<b>Special Products</b>					
808	Brouwer Shipping & Chartering GmbH, Hamburg		100 <sup>2)</sup>	30.00	636
809	TGHM GmbH & Co. KG, Dortmund*		511 <sup>2)</sup>	50.00	670
810	BCCW (Tangshan) Jiahua Coking & Chemical Co., Ltd., Tangshan, PR China	CNY	1,130,000 <sup>2)</sup>	25.00	636
811	MRT Track & Services Co., Inc., New Jersey, USA*	USD	375	50.00	630
812	OOO Bel GfT Bautechnik, Republik Belarus, Minsker Gebiet, Minsker Rayon, Stadt Smolewitschi, Belarus	USD	21 <sup>2)</sup>	25.00	629
<b>CORPORATE</b>					
<b>Corporate Real Estate</b>					
813	COMUNITHY Immobilien GmbH, Düsseldorf		100 <sup>2)</sup>	49.00	741

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company



**OTHER ASSOCIATED AFFILIATES (\*=Joint Venture) (as of September 30, 2009)**

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
<b>STEEL</b>					
<b>Auto</b>					
814	JEVISE Corporation, Tokyo, Japan*	JPY	10,000 <sup>2)</sup>	50.00	1
<b>STAINLESS</b>					
<b>ThyssenKrupp VDM</b>					
815	MOL Katalysatortechnik GmbH, Merseburg		77 <sup>2)</sup>	20.46	121
<b>TECHNOLOGIES</b>					
<b>Plant Technology</b>					
816	PAN Grundstücksverwaltung GmbH, Mainz		26 <sup>2)</sup>	26.00	753
817	Transrapid International Verwaltungsgesellschaft mbH, Berlin		80	50.00	160
818	Shedden (Malaysia) Sdn. Bhd., Petaling Jaya, Malaysia	MYR	2,284	40.00	219
<b>Marine Systems</b>					
819	Marlog Verwaltungsgesellschaft mbH, Kiel		25 <sup>2)</sup>	50.00	228
820	MS "MARITIM FRANKFURT" Schiffahrtskontor "MARITIM" GmbH & Co. KG, Kiel		1,218 <sup>2)</sup>	42.09	228
821	MS "MARITIM KIEL" Schiffahrtskontor "MARITIM" GmbH & Co. KG, Kiel		1,335 <sup>2)</sup>	33.33	228
822	MTG Marinetechnik GmbH, Hamburg		3,068 <sup>2)</sup>	49.00	225
					228
					19.00 %
					794
					10.00 %
823	Australian Marine Technologies Pty. Ltd., Williamstown, Victoria, Australia	AUD	400 <sup>2)</sup>	50.00	765
824	Bollfilter Japan Ltd., Kobe, Japan	JPY	10,000	25.00	222
825	LISNAVE-ESTALEIROS NAVAIS S.A., Lisbon, Portugal		5,000 <sup>2)</sup>	20.00	234
826	Simplex Turbulo Company Ltd., Wherwell, Great Britain	GBP	6	25.10	222
<b>Components Technology</b>					
827	ABC Sistemas e Módulos Ltda., São Paulo, Brazil	BRL	600	33.33	300
<b>SERVICES</b>					
<b>Materials Services International</b>					
828	BITROS - Thyssen Special Steels S.A., Aspropyrgos, Greece		1,000 <sup>2)</sup>	40.00	498
829	Sidecontrol S.L., Gandia, Spain		36 <sup>2)</sup>	50.00	527
<b>Special Products</b>					
830	SIB Schell Industrieanlagen-Bau GmbH, Duisburg		102	50.00	624
831	Solid Slab Track GmbH, Görschen		100	49.00	630
832	TGHM Verwaltungsgesellschaft mbH, Dortmund		26 <sup>2)</sup>	50.00	670
833	Indo German International Private Ltd., New Delhi, India	INR	38,975 <sup>2)</sup>	50.00	633
<b>CORPORATE</b>					
<b>Corporate Headquarters</b>					
834	Grundstücksgesellschaft Schlossplatz 1 mbH & Co.KG, Berlin		11,000 <sup>2)</sup>	18.18	670
<b>Corporate Real Estate</b>					
835	Gewerkschaft Hermann V GmbH, Essen		26	33.33	727
836	NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gelsenkirchen KG, Düsseldorf		10 <sup>2)</sup>	94.76	730
837	Wohnpark Duisburg Biegerhof GmbH, Düsseldorf		50	50.00	726

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

OTHER SHAREHOLDINGS (as of September 30, 2009)

No.	Name and domicile of company	Foreign Currency	Capital stock in €1,000 or Domestic Currency	Share holdings %	Held by No.
CORPORATE					
Corporate Real Estate					
838	VBW Bauen und Wohnen GmbH, Bochum		12,858	13.06	727
	Equity		63,797		
	Result		46		

<sup>1)</sup> in accordance with IFRS regulations <sup>2)</sup> fiscal year not 09/30 <sup>3)</sup> splinter investment as of fourth digit behind decimal point <sup>4)</sup> parent company

# Auditors' report

We have audited the consolidated financial statements prepared by the ThyssenKrupp AG, Duisburg and Essen, comprising the balance sheet, the income statement, statement of recognised income and expense, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from October 1, 2008 to September 30, 2009. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB (Handelsgesetzbuch "German Commercial Code") are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer - IDW) and in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes

assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, November 9, 2009

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Rolf Nonnenmacher  
Wirtschaftsprüfer  
(German public auditor)

Michael Gewehr  
Wirtschaftsprüfer  
(German public auditor)

# Responsibility statement

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

Düsseldorf, November 09, 2009

ThyssenKrupp AG  
The Executive Board

Schulz		Middelmann	
Berlien	Eichler	Hippe	Labonte

## 04 /

## Additional information

267 /	Multi-year overview
269 /	Other directorships held by Executive Board members
270 /	Other directorships held by Supervisory Board members
272 /	Index
274 /	Glossary
275 /	List of abbreviations
276 /	Contact and 2010 / 2011 dates

A look at the facts /  
Sustainability in transition

*Changes in the CO<sub>2</sub> emissions of a typical mid-size car*

*1965 : 226 g CO<sub>2</sub>/km*

*1979 : 181 g CO<sub>2</sub>/km*

*2004 : 174 g CO<sub>2</sub>/km*

*2009 : 129 g CO<sub>2</sub>/km*

*Conclusion : Changing values and increasing environmental awareness are driving a reduction in harmful auto emissions ! →*

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# 04 /

## Additional information

Whether it's multi-year overviews to allow a better assessment of the Group's performance over time, a financial calendar with all key ThyssenKrupp dates for the next twelve months, or aids to help you find your way around our annual report, the following pages contain a wealth of facts and figures. Should you have any further questions, please get in touch: The quickest way is to use the "Contact" facility on [www.thyssenkrupp.com](http://www.thyssenkrupp.com)

A look at one of our solutions /  
Sustainability in transition

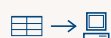
→ The EnviNO<sub>x</sub>® process developed by ThyssenKrupp removes the harmful nitrogen oxides NO<sub>x</sub> and N<sub>2</sub>O (laughing gas) from the tail gases of chemical plants. To date 13 EnviNO<sub>x</sub>® systems have been sold worldwide and some of them already put into operation. In the future they will reduce annual emissions of N<sub>2</sub>O by around 32,500 tons, the equivalent of more than 10 million tons of carbon dioxide per year.

To find out about further solutions, go to  
[www.thyssenkrupp.com](http://www.thyssenkrupp.com)

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## THYSSENKRUPP GROUP

		Year ended Sept. 30, 2005	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009	Year ended Sept. 30, 2008 to Year ended Sept. 30, 2009	
							Change	Change %
<b>Earnings situation</b>								
<b>(based on continuing operations)</b>								
Net sales	million €	42,927	47,125	51,723	53,426	40,563	(12,863)	(24)
Gross margin	million €	7,232	7,983	9,432	9,156	3,658	(5,498)	(60)
EBITDA	million €	3,809	4,700	5,254	4,976	192	(4,784)	(96)
EBIT	million €	2,250	3,044	3,728	3,572	(1,663)	(5,235)	—
Income/(loss) from continuing operations before taxes (EBT)	million €	1,677	2,623	3,330	3,128	(2,364)	(5,492)	—
Net income/(loss)	million €	1,079	1,704	2,190	2,276	(1,873)	(4,149)	—
Earnings per share (income from continu- ing operations)	€	0.85	3.24	4.30	4.59	(4.01)	(8.60)	—
Earnings per share (EPS)	€	2.08	3.24	4.30	4.59	(4.01)	(8.60)	—
Gross margin	%	16.8	16.9	18.2	17.1	9.0	(8.1)	—
EBITDA margin	%	8.9	10.0	10.2	9.3	0.5	(8.8)	—
EBIT margin	%	5.2	6.5	7.2	6.7	(4.1)	(10.8)	—
EBT margin	%	3.9	5.6	6.4	5.9	(5.8)	(11.7)	—
Return on equity (before taxes)	%	21.1	29.4	31.9	27.2	(24.4)	(51.6)	—
Personnel expense per employee <sup>1)</sup>	€	49,778	50,377	48,988	49,212	50,120	908	2
Sales per employee	€	235,955	252,609	275,146	272,824	210,587	(62,237)	(23)
<b>Assets/liabilities situation</b>								
Non-current assets	million €	15,230	15,054	15,385	18,308	20,725	2,417	13
Current assets	million €	20,792	21,408	22,689	23,334	20,642	(2,692)	(12)
Total assets	million €	36,022	36,462	38,074	41,642	41,367	(275)	(1)
Total equity	million €	7,944	8,927	10,447	11,489	9,696	(1,793)	(16)
Liabilities	million €	28,078	27,535	27,627	30,153	31,671	1,518	5
Accrued pension and similar obligations	million €	8,994	8,111	7,139	6,550	7,537	987	15
Financial debt non-current	million €	3,224	2,946	2,813	3,068	7,160	4,092	133
Financial debt current	million €	1,776	858	825	1,348	444	(904)	(67)
Financial debt non-current/current	million €	5,000	3,804	3,638	4,416	7,604	3,188	72
Trade accounts payable	million €	4,048	4,729	4,960	5,731	4,185	(1,546)	(27)
Stockholders' equity ratio	%	22.1	24.5	27.4	27.6	23.4	(4.2)	—
Gearing	%	2.2	(8.4)	(2.1)	13.8	21.2	7.4	—
Inventory turnover	days	64.8	62.2	61.7	64.0	60.0	(4.0)	(6)
Average collection period	days	58.3	56.5	52.7	53.1	46.8	(6.3)	(12)

<sup>1)</sup> Prior-year figures have been adjusted.

Download the tables at:  
[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)

**THYSSENKRUPP GROUP**

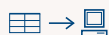
		Year ended Sept, 30, 2005	Year ended Sept, 30, 2006	Year ended Sept, 30, 2007	Year ended Sept, 30, 2008	Year ended Sept, 30, 2009	Year ended Sept, 30, 2008 to Year ended Sept, 30, 2009	
							Change	Change %
<b>Value management</b>								
Capital employed (average)	million €	18,388	17,056	18,000	19,478	20,662	1,184	6
ROCE	%	14.4	17.9	20.7	18.3	(8.1)	(26.4)	—
Weighted average cost of capital (WACC)	%	9.0	9.0	9.0	8.5	8.5	0.0	—
TKVA	million €	997	1,510	2,108	1,916	(3,419)	(5,335)	—
<b>Cash flows/investments</b>								
Operating cash flows	million €	2,351	3,467	2,220	3,679	3,699	20	1
Cash flows from disposals	million €	2,480	344	673	329	199	(130)	(40)
Cash flows from investments	million €	(1,559)	(2,040)	(2,997)	(4,227)	(4,236)	(9)	0
Free cash flow	million €	3,272	1,771	(104)	(219)	(338)	(119)	54
Cash flows from financing activities	million €	(3)	(2,012)	(670)	(705)	2,983	3,688	—
Investments <sup>2)</sup>	million €	1,903	2,077	3,001	4,282	4,238	(44)	(1)
Cash and cash equivalents <sup>5)</sup>	million €	4,823	4,551	3,861	2,832	5,545	2,713	96
Net financial debt/(receivables)	million €	177	(747)	(223)	1,584	2,059	475	30
Internal financing capability		(2.6)	2.0	1.0	0.9	0.9	0.0	0
Debt to cash flow ratio		0.1	—	—	0.4	0.6	0.2	50
<b>ThyssenKrupp AG</b>								
Net income/(loss)	million €	920	1,118	309	1,175	(882)	(2,057)	—
Dividend pay out	million €	412 <sup>3)</sup>	489	635	603	139 <sup>4)</sup>	(464)	(77)
Dividend per share	€	0.80 <sup>3)</sup>	1.00	1.30	1.30	0.30 <sup>4)</sup>	(1.00)	(77)

<sup>2)</sup> Cash flows from investments before cash and cash equivalents acquired from acquisitions of consolidated companies

<sup>3)</sup> incl. €0.10 special dividend

<sup>4)</sup> proposal to the Annual General Meeting

<sup>5)</sup> including current securities



Download the tables at:  
[www.thyssenkrupp.com/fr/08\\_09/en/download.html](http://www.thyssenkrupp.com/fr/08_09/en/download.html)



# Other directorships held by Executive Board members

## Dr.-Ing. Ekkehard D. Schulz

Chairman

- AXA Konzern AG
- Bayer AG \*
- MAN SE (Vice Chair) \*
- RWE AG \*

Within the Group:

- ThyssenKrupp Elevator AG
- ThyssenKrupp Services AG (Chair)
- ThyssenKrupp Steel Europe AG (Chair)
- ThyssenKrupp Technologies AG (Chair)

## Dr. Ulrich Middelmann

Vice Chairman

- Commerzbank AG \*
- E.ON Ruhrgas AG
- LANXESS AG \*
- LANXESS Deutschland GmbH
- Hoberg & Driesch GmbH (Chair)

Within the Group:

- ThyssenKrupp Elevator AG
- ThyssenKrupp Nirosta GmbH
- ThyssenKrupp Steel Europe AG
- ThyssenKrupp Acciai Speciali Terni S.p.A./Italy
- ThyssenKrupp (China) Ltd./PR China

## Dr. Olaf Berlien

Within the Group:

- ThyssenKrupp Marine Systems AG (Chair)
- ThyssenKrupp Services AG
- Berco S.p.A./Italy (President)
- ThyssenKrupp (China) Ltd./PR China (Chairman)

## Edwin Eichler

- Heidelberger Druckmaschinen AG \*

Within the Group:

- ThyssenKrupp Nirosta GmbH (Chair)
- ThyssenKrupp Industries and Services Qatar LLC/Qatar
- ThyssenKrupp Steel and Stainless USA, LLC/USA
- ThyssenKrupp Steel USA, LLC/USA

## Dr. Alan Hippe

- Voith AG

Within the Group:

- ThyssenKrupp Reinsurance AG (Chair)
- ThyssenKrupp Risk and Insurance Services GmbH (Chair)

## Ralph Labonte

- PEAG Personalentwicklungs- und Arbeitsmarktagentur GmbH (Chair)

Within the Group:

- Polysius AG (Vice Chair)
- Rothe Erde GmbH (Vice Chair)
- ThyssenKrupp Bilstein Suspension GmbH
- ThyssenKrupp Elevator AG
- ThyssenKrupp Marine Systems AG
- ThyssenKrupp Steel Europe AG
- Berco S.p.A./Italy
- ThyssenKrupp System Engineering GmbH

At the close of March 31, 2009 Mr. Jürgen

H. Fechter and Dr.-Ing. Karl-Ulrich Köhler resigned from the Executive Board. Dr.-Ing. Wolfram Mörsdorf resigned from the Executive Board and retired at the close of April 14, 2009. The following directorships were held at the time of departure:

## Jürgen H. Fechter

Within the Group:

- ThyssenKrupp Nirosta GmbH (Chair)
- ThyssenKrupp Technologies AG
- ThyssenKrupp vdm GmbH (Chair)
- Grupo ThyssenKrupp S.L./Spain
- Shanghai Krupp Stainless Co., Ltd./PR China (Vice Chairman)
- ThyssenKrupp Acciai Speciali Terni S.p.A./Italy (President)
- ThyssenKrupp Mexinox S.A. de C.V./Mexico (Chairman)
- ThyssenKrupp Stainless USA, LLC/USA

## Dr.-Ing. Karl-Ulrich Köhler

- Hüttenwerke Krupp Mannesmann GmbH (Chair)
- ANSC-TKS Galvanizing Co., Ltd./PR China (Chairman)

Within the Group:

- Eisen- und Hüttenwerke AG (Chair)
- Hoesch Hohenlimburg GmbH (Chair)
- Rasselstein GmbH (Chair)
- ThyssenKrupp Stainless AG
- ThyssenKrupp Umformtechnik GmbH
- ThyssenKrupp CSA Siderúrgica do Atlântico Ltda./Brazil

## Dr.-Ing. Wolfram Mörsdorf

- GETRAG Getriebe- und Zahnradfabrik Hermann Hagenmeyer GmbH & Cie. KG

Within the Group:

- Rothe Erde GmbH
- ThyssenKrupp Services AG
- ThyssenKrupp Waupaca, Inc./USA (Chairman)

\* Membership of statutory supervisory boards within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2009)

\* Exchange-listed company

\* Membership of comparable German and non-German control bodies of business enterprises within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2009)

## Other directorships held by Supervisory Board members

### **Prof. Dr. h.c. mult. Berthold Beitz, Essen**

Honorary Chairman  
Chairman of the Board of Trustees of  
the Alfried Krupp von Bohlen und Halbach  
Foundation

—

### **Prof. Dr. Günter Vogelsang, Düsseldorf**

Honorary Chairman

—

### **Dr. Gerhard Cromme, Essen**

Chairman  
Former Chairman of the Executive Board  
of ThyssenKrupp AG

- Allianz SE
- Axel Springer AG
- Siemens AG (Chair)
- Compagnie de Saint-Gobain/France

### **Bertin Eichler, Frankfurt/Main**

Vice Chairman  
Member of the Executive Committee of the  
German Metalworkers' Union (IG Metall)

- BGAG Beteiligungsgesellschaft der  
Gewerkschaften GmbH (Chair)
- BMW AG

### **Theo Frielinghaus, Ahlen**

Engineering technician  
Chairman of the Works Council of Polysius AG

Within the Group:

- Polysius AG
- ThyssenKrupp Technologies AG

### **Markus Grolms, Bochum**

(since October 14, 2009)

Trade union secretary at the Düsseldorf branch  
office of IG Metall

—

### **Susanne Herberger, Dresden**

(since January 23, 2009)

Engineer (FH) - information technology  
Chairwoman of the General Works Council  
of ThyssenKrupp Aufzüge Deutschland GmbH

Within the Group:

- ThyssenKrupp Elevator AG

### **Prof. Jürgen Hubbert, Sindelfingen**

Former Member of the Executive Board  
of DaimlerChrysler AG

- HWA AG (Chair)
- Häussler Group (Advisory Board Chair)
- TÜV Süddeutschland Holding AG  
(Member of Stockholder Committee)

### **Bernd Kalwa, Krefeld**

(since January 23, 2009)

Lathe operator  
Chairman of the General Works Council  
of ThyssenKrupp Nirosta GmbH

Within the Group:

- ThyssenKrupp Nirosta GmbH

· Membership of statutory supervisory boards within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2009)

· Membership of comparable German and non-German control bodies of business enterprises within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2009)

**Dr. Martin Kohlhaussen, Bad Homburg**

Former Chairman of the Supervisory Board of Commerzbank AG

- Hochtief AG (Chair)

**Dr. Heinz Kriwet, Düsseldorf**

Former Chairman of the Executive Board of Thyssen AG

—

**Prof. Dr. Ulrich Lehner, Düsseldorf**

Former Chairman of the Management Board of Henkel KGaA

- Deutsche Telekom AG (Chair)
- E.ON AG
- Henkel Management AG
- HSBC Trinkaus & Burkhardt AG
- Dr. Ing. h.c. F. Porsche AG
- Porsche Automobil Holding SE
- Henkel AG & Co. KGaA (Member of the Stockholder Committee)
- Novartis AG/Switzerland (Member of the Advisory Board)
- Dr. August Oetker KG (Member of the Advisory Board)

**Prof. Dr. Bernhard Pellens, Bochum**

Professor of Business Studies and International Accounting, Ruhr University Bochum

- Röls WP Partner AG Wirtschaftsprüfungsgesellschaft

**Peter Remmler, Wolfsburg**

(since January 23, 2009)

Wholesale and export trader

Chairman of the Works Council of

ThyssenKrupp Schulte GmbH (Braunschweig)

—

**Dr. Kersten v. Schenck, Bad Homburg**

Attorney and notary public

- Praktiker Bau- und Heimwerkermärkte Holding AG (Chair)
- Praktiker Deutschland GmbH (Chair)

**Peter Scherrer, Brussels**

General Secretary of the European Metalworkers' Federation

- Vodafone Holding GmbH

**Thomas Schlenz, Duisburg**

Shift foreman

Chairman of the Group Works Council of ThyssenKrupp AG

- PEAG Personalentwicklungs- und Arbeitsmarktagentur GmbH

Within the Group:

- ThyssenKrupp Services AG

**Dr. Henning Schulte-Noelle, Munich**

Chairman of the Supervisory Board of Allianz SE

- Allianz SE (Chair)
- E.ON AG

**Wilhelm Segerath, Duisburg**

Automotive bodymaker

Chairman of the General Works Council

of ThyssenKrupp Steel Europe AG and

Chairman of the Works Council Union

ThyssenKrupp Steel Europe

—

**Christian Streiff, Paris**

Former President of PSA Peugeot Citroën S.A.

- Ecole Nationale Supérieure des Mines de Paris/France

**Jürgen R. Thumann, Düsseldorf**

(since November 16, 2008)

Chairman of the Advisory Board

of Heitkamp & Thumann KG

- Deutsche Messe AG
- HanseMerkur Holding AG
- HanseMerkur Krankenversicherung auf Gegenseitigkeit
- Heitkamp BauHolding GmbH (Chair)
- Altenloh, Brinck & Co. GmbH & Co. KG (Chairman of the Advisory Board)
- Heitkamp & Thuman Group (Chairman of the Advisory Board)

**Klaus Wiercimok, Erkrath**

(since January 23, 2009)

Attorney

Head of the Materials Services department

at Corporate Center Legal & Compliance

of ThyssenKrupp AG

—

At the close of November 15, 2008 Dr. Heinrich v. Pierer, at the close of January 23, 2009 Mr. Heinrich Hentschel, Mr. Klaus Ix, Mr. Hüseyin Kavvesoglu, Dr.-Ing. Klaus T. Müller and at the close of September 15, 2009 Mr. Markus Bistram resigned from the Supervisory Board. Insofar as these gentlemen held other directorships at the time of their departure from the Supervisory Board, these are listed below:

**Klaus Ix, Siek**

Within the Group:

- ThyssenKrupp Elevator AG
- ThyssenKrupp Fahrtreppen GmbH (Vice Chair)

**Hüseyin Kavvesoglu, Maxdorf**

Within the Group:

- ThyssenKrupp Industrieservice GmbH
- ThyssenKrupp Services AG

**Dr. Heinrich v. Pierer, Erlangen**

- Hochtief AG
- Münchener Rückversicherungs-Gesellschaft AG
- Koç Holding A.S./Turkey

# Index

## A

Abbreviations	275
Annual General Meeting	54, 276
Apprenticeships	150
Audit opinion	263

## B

Balance sheet (consolidated)	178
Balance sheet of ThyssenKrupp AG (HGB)	102
Balance sheet structure	132
Brazilian steel mill	84, 116
Business areas	79, 162, 169
Business management	82

## C

Capabilities	73
Capital expenditure	105
Capital stock	69, 75, 208
Cash flow	131, 179, 236
Cash flow statement	131, 179, 236
Climate protection	139
Cooperation with universities	152
Commitment	136
Communications	105
Compensation report	59, 75
Compliance program	53
Components Technology	83, 164, 170
Consolidated statement of recognized income and expense	180
Contact	276
Corporate	129
Corporate design	81
Corporate governance	51, 53
Corporate headquarters	80
Course of business	98, 171
Currency translation	182
Customer groups	95, 104

## D

Declaration of conformity	51
Directors' and officers' insurance	264
Directors' dealings	58
Discounted share purchase	63
Disposals	102, 179
Disposal groups	194
Dividend	07, 69, 101, 173
Divisions	79, 82

## E

Earnings	99, 172
Earnings per share	69, 183, 197
Economic outlook	161, 166
Elevator	124, 164, 170, 172, 232
Elevator Technology	83, 164, 170
Emissions trading	110, 173
Employees	103, 148, 198
Employee compensation	154
Energy	109, 173
Environmental protection	139, 174
Executive policy	153
Executive Board	42
Executive Board compensation	59, 231

## F

Financing	130, 174, 179
Financial calendar	276
Financial debt	217
Financial instruments	222
Financial-statement audit	51, 58, 198, 263
Financial risks	157, 226
Financial position	130, 174, 183
Free float	70

## G

Gross domestic product	94
------------------------	----

## H

Health and safety	152
-------------------	-----

## I

Ideas Park	138
IFRS	181
Income statement (consolidated)	177
Income statement of ThyssenKrupp AG (HGB)	102
Information required under takeover law	75
Innovations	142, 173
Intangible assets	199
Inventories	205
Investor relations	70

## K

Key stock data	66
----------------	----

## L

Legal risks	159, 220
Letter to stockholders	05
Liquidity planning	130

## M

Management responsibilities	74
Marine Systems	83, 85, 165, 170
Marketing	104
Materials expense	106, 173
Materials Services	83, 163, 170
Mid Term Incentive plan	60, 63, 210
Multi-year overview	267

## N

Net financial debt	106, 134
Notes	181

## O

Opportunities report	168
Opportunities management	168
Order intake	98
Organizational structure	73, 79, 169
Other directorships held by Supervisory Board members	270
Other directorships held by Executive Board members	269
Outlook	166

## P

Pension provisions	151, 211
Personnel expense	149, 198
Plant Technology	83, 164, 170
Portfolio management	102
Procurement	106
Property, plant and equipment	202

## R

Rating	131
Report by the Supervisory Board	46
Research and development	142, 173
Responsibility as a corporate citizen	136
Risk management	155
Risk report	155
ROCE	88

## S

Sales	99, 172
Sales markets	104
Sector activity	94
Segments	73, 112, 231
Services	127, 232
Share price performance	66
Share ownership	239
Stainless	117, 232
Stainless Global	82, 84, 163, 169
Steel	112, 232
Steel Europe	82, 162, 169
Steel Americas	82, 162, 169
Steel/Stainless plant project in the USA	84, 162
Stock	66
Stock exchange trading	68
Stock exchange value/Market capitalization	68
Stockholders' equity	208
Stockholder structure	69
Stock master data	68
Strategy	82
Summarized assessment	111
Subsequent events	166
Subsidiaries	74, 239
Supervisory Board	44
Supervisory Board committees	45
Supervisory Board compensation	63, 231
Sustainability	139

## T

Technologies	121, 232
ThyssenKrupp Academy	153
ThyssenKrupp best	90
ThyssenKrupp PerspActive	153
ThyssenKrupp PLuS	89
ThyssenKrupp Quarter	74
ThyssenKrupp Value Added (TKVA)	86
Treasury stock	69, 209

## V

Value-based management	85
------------------------	----

## W

Weighted average cost of capital	87
----------------------------------	----

## Y

Young people	150, 152
--------------	----------

# Glossary

## A

### AOD converter

Converter in which argon and oxygen are blown in to reduce the carbon content of the steel (AOD = Argon Oxygen Decarburization)

### Average collection period

Trade accounts receivable divided by sales, multiplied by 360 (the lower the ratio, the faster customers pay)

## B

### Best owner

New owner of a (part) company offering the best opportunity to develop the activities

### Business continuity plan

Plans to maintain operations under difficult external conditions

## C

### Capital employed

Interest-bearing invested capital

### Coating

Corrosion protection for carbon steel by the application of a metallic or organic coating

### Compliance

Adherence to laws and company policies

### Corporate governance

Designation in international parlance for company management and company controlling focused on responsible, long-term value creation

### Cost of capital

Strategically defined minimum return required by capital providers

### Cross selling

Selling additional related products or services to an existing customer

## D

### DAX

Deutscher Aktienindex (German Stock Index), compiled by Deutsche Börse. The index reflects the performance of the 30 largest and strongest selling German stocks, including ThyssenKrupp stock

### Declaration of Conformity

Declaration by executive board and supervisory board in accordance with Art. 161 Stock Corporation Act (AktG) on the implementation of the recommendations of the Government Commission on the German Corporate Governance Code

## E

### EBIT

Earnings Before Interest, Taxes

### EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortization

### EBT

Earnings Before Taxes

### Emerging markets

Up and coming markets of Asia, Latin America and Eastern Europe

### E-procurement

Purchasing materials using modern electronic media, particularly the internet

### Equity ratio

Ratio of total equity to balance sheet total (the higher the ratio, the lower the indebtedness)

### ERP

Enterprise Resource Planning

## F

### First-stage processing

Initial processing of materials in service centers (e.g. blanking, surface treatment)

### Free cash flow (before dividend)

Operating cash flows less cash flows from investing activities

## G

### Gearing

Ratio of financial liabilities to total equity (the lower the ratio, the higher the share of total equity in the interest-bearing capital employed)

### Gross income

Net sales less cost of sales

## I

### Internal financing strength

Ratio of operating cash flows to cash flows from investing activities

### International Financial Reporting Standards (IFRS)

The standard international accounting rules are intended to make company data more comparable. Under an EU resolution, accounting and reporting at exchange-listed companies must be done in accordance with these rules

### Inventory turnover

Inventories divided by sales, multiplied by 360 (the lower the ratio, the faster the inventory turnover)

## M

### Mid Term Incentive Plan (MTI)

Mid-term variable compensation for executive board members and other selected executives through stock rights.

### Mold

Reusable die for casting slabs from metals and alloys.

## O

### Operating cash flow

Increase/decrease in cash and cash equivalents outside of investing, disposal or financing activities

## R

### Rating

Ratings are used to assess the future ability of a company to meet its payment obligations on time and in full. They are based on an analysis of quantitative and qualitative factors, including an evaluation of the company's business and financial risk profile

### ROCE

Return on Capital Employed

## S

### Slab

Compact block of crude steel as starting product for sheet or strip

### Supply chain management

Integrated planning, control and monitoring of all logistics activities in a supply chain

## T

### Tailored blank

Metal blank comprising individual steel sheets of different grade, gauge and finish which are welded together and are suitable for deep drawing

### ThyssenKrupp best

Program to improve efficiency in all areas of the company. Best stands for "business excellence in service and technology"

### ThyssenKrupp PLuS

Groupwide program of measures to realize positive earnings and liquidity effects and sustainably improve performance.

### ThyssenKrupp Value Added (TKVA)

Central indicator for value-based management, comparing earnings before taxes and interest with cost of capital

### Tinplate

Thin steel sheet for the packaging industry electrolytically coated with tin or chromium

## V

### VOD converter

Converter for the production of high-purity stainless steel grades by the vacuum oxygen decarburization process

# List of abbreviations

## A

### AktG

German Stock Corporation Act (Aktiengesetz)

## C

### CESR

Committee of European Securities Regulators

### CGU

Cash Generating Unit

## D

### DAX

German stock index

### DEHSt

German emissions trading office

### DJ STOXX

Dow Jones STOXX

### DRS

German Accounting Standard

### DSR

German Accounting Standards Board

## G

### GDP

Gross Domestic Product

## E

### EPS

Earnings per share

## H

### HGB

German Commercial Code

## I

### IAS

International Accounting Standards

### IASB

International Accounting Standards Board

### IFRIC

International Financial Interpretations Committee and Interpretation of IFRIC, respectively

### IFRS

International Financial Reporting Standards

### IS

Information security

### IT

Information technology

## M

### MitbestG

German Codetermination Law

### MTI

Mid Term Incentive plan

## R

### ROCE

Return on Capital Employed

## S

### SIC

Interpretation of IFRIC

### SPE

Special Purpose Entity

## T

### TKVA

ThyssenKrupp Value Added

## V

### VorstAG

Act on the Appropriateness of Executive Board Remuneration

## W

### WACC

Weighted Average Cost of Capital

### WpHG

German Securities Trading Act

# Contact and 2010/2011 dates

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please contact:

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## 2010/2011 dates

January 21, 2010

Annual General Meeting

January 22, 2010

Payment of dividend for the 2008/2009 fiscal year

February 12, 2010

Interim report

1st quarter 2009/2010 (October to December)

Conference call with analysts and investors

May 12, 2010

Interim report

1st half 2009/2010 (October to March)

Conference call with analysts and investors

August 13, 2010

Interim report

9 months 2009/2010 (October to June)

Conference call with analysts and investors

November 30, 2010

Annual press conference

Analysts' and investors' conference

January 21, 2011

Annual General Meeting

## Forward-looking statements

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

## Variances for technical reasons

For technical reasons (e.g. conversion of electronic formats) there may be variances between the accounting documents contained in this annual 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 variances, the German version shall take precedence over the English translation.

Both language versions of the annual report can be downloaded from the internet at <http://www.thyssenkrupp.com>. An interactive online version of the annual report for the media is also available on our website.

On request we would be pleased to send you further copies and additional information about the ThyssenKrupp Group free of charge.

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About the future  
 About change  
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