

Insights.
Our new locations.
For people, ideas, solutions.

09 10

Annual Report

Calvert
31° 09' N
88° 00' W

Essen
51° 29' N
07° 00' E

Santa Cruz
22° 55' S
43° 41' W



ThyssenKrupp

ThyssenKrupp overview

- 01 Our figures
- 02 The Group in brief
- 03 ThyssenKrupp worldwide
- 04 Organizational structure
- 05 Our business areas
- 06 Financial dates

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Annual Report

01 Our figures

		2008/2009	2009/2010	Change	Change in %
Order intake	million €	35,970	41,250	5,280	15
Sales	million €	40,563	42,621	2,058	5
EBITDA	million €	192	3,224	3,032	—
EBIT	million €	(1,663)	1,787	3,450	—
Adjusted EBIT	million €	(375)	1,682	2,057	—
EBT	million €	(2,364)	1,135	3,499	—
Adjusted EBT	million €	(1,076)	1,030	2,106	—
Net income/(loss)	million €	(1,873)	927	2,800	—
Earnings per share (EPS)	€	(4.01)	1.77	5.78	—
Distribution	million €	139	209*	70	50
Dividend per share	€	0.30	0.45*	0.15	50
ROCE	%	(8.1)	8.7	16.8	—
ThyssenKrupp Value Added (TKVA)	million €	(3,419)	37	3,456	—
Operating cash flows	million €	3,699	868	(2,831)	(77)
Cash flows from disposals	million €	199	552	353	—
Cash flows for investments	million €	(4,077)	(3,510)	567	(14)
Free cash flow	million €	(179)	(2,090)	(1,911)	—
Net financial debt	million €	2,059	3,780	1,721	84
Total equity	million €	9,696	10,388	692	7
Gearing	%	21.2	36.4	15.2	—
Employees (September 30)		187,495	177,346	(10,149)	(5)
Germany		81,229	71,072	(10,157)	(13)
Abroad		106,266	106,274	8	—

* Proposal to the General Stockholders' Meeting

02 The Group in brief

ThyssenKrupp is an integrated materials and technology group offering innovative product and system solutions for sustainable progress worldwide. Eight business areas bring together the Company's activities and expertise in the strategic competency areas of Materials and Technologies. Our range includes a broad spectrum of high-performance materials, plants, components, systems and innovative services. More than two thirds of our 2,300 production sites, offices and service bases are located outside Germany; we serve customers in around 80 countries across the globe. We continuously optimize our portfolio to sustainably increase our earning power and the value of the enterprise.

03 ThyssenKrupp worldwide

ThyssenKrupp is an international group with a strong base in Germany. Roughly two thirds of our employees and customers are located outside Germany, where we also generate two thirds of our sales. Key locations are to be found above all in our neighboring European countries. Thanks to our new steelmaking and processing plants, Brazil and the USA have gained added importance: The two locations with the highest employee numbers are Duisburg in Germany and São Paulo in Brazil. We work hard around the world to improve customer satisfaction and thus further strengthen the Group and its basis for the future. The almost 10,000 projects being carried out under our ThyssenKrupp best value enhancement program make an important contribution to this.

SALES	EMPLOYEES	THYSSENKRUPP BEST PROJECTS
		at continuing operations
Worldwide	Worldwide	Worldwide
€42.6 billion	177,346	9,943
100 %	100 %	100 %
EU	EU	EU
€26.4 billion	106,563	6,603
62 %	60 %	66 %
Germany	Germany	Germany
€13.9 billion	71,072	4,614
33 %	40 %	46 %

04 : Organizational structure

To strengthen the Group for the economic challenges ahead, ThyssenKrupp introduced a new organizational structure effective October 01, 2009. The operations of the former five segments are now organized in eight business areas. Our main strategic competency areas are reflected in two divisions – Materials and Technologies – which each bracket together four business areas. The new structure permits faster decision-making and more intensive cooperation within the Group and increases internal and external transparency. This enables us to operate closer to the market, implement operational and strategic measures more directly and sustainably reduce costs to make the Group fit for the future.

THYSSENKRUPP GROUP

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

Business Services

ThyssenKrupp Business Services
ThyssenKrupp IT Services

05 Our business areas

Eight business areas 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 allows more direct alignment with the overall Group strategy and strengthens the Company for the global markets of the future.

MATERIALS DIVISION

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

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

Materials Services

- Materials services in over 40 countries
 - Integrated supply chain management as full service offering
-

TECHNOLOGIES DIVISION

Elevator Technology

- Innovative mobility solutions
- Elevators, escalators, moving walks, passenger boarding bridges and stair lifts

Plant Technology

- Renowned international supplier of specialty and large-scale plant 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 product range

Marine Systems

- Global systems provider
 - Specialist capabilities for submarines and naval ships
-

06 Financial dates

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

www.thyssenkrupp.com/en/investor/finanzkalender.html

If you would like to be kept up to date with news about ThyssenKrupp, subscribe to our newsletter at www.thyssenkrupp.com/en/newsletter/index.html

DATES

January 21, 2011	General Stockholders' Meeting
January 24, 2011	Payment of dividend for the 2009/2010 fiscal year
February 11, 2011	Interim report 1st quarter 2010/2011 (October to December) Conference call with analysts and investors
May 13, 2011	Interim report 1st half 2010/2011 (October to March) Analysts' and investors' conference
August 12, 2011	Interim report 9 months 2010/2011 (October to June) Conference call with analysts and investors
December 06, 2011	Annual press conference Analysts' and investors' conference
January 20, 2012	General Stockholders' Meeting

ThyssenKrupp AG

ThyssenKrupp Allee 1

45143 Essen, Germany

www.thyssenkrupp.com

Dear Shareholders,

In my letter to you a year ago I reported on the most difficult year in ThyssenKrupp's history. It wasn't easy for me to explain our billion-euro loss. But I never lost my faith in ThyssenKrupp's strengths or my confidence in the Company's future, for we immediately responded with an extensive package of measures. That's why I was able to assure you last year that your Company would emerge from the crisis stronger and resume its successful performance of previous years as soon as the economy picked up again. That is exactly what happened in the past fiscal year 2009/2010, and I would now like to inform you about the most important areas of progress.

OUR PLANTS IN AMERICA HAVE STARTED OPERATION

Our new integrated steel mill in Brazil started production in June 2010. It is the biggest industrial investment in Brazil in the last ten years and also ThyssenKrupp's biggest ever project, involving capital spending of €5.2 billion. The plant is of central importance to our growth strategy for premium flat carbon steel: Once it has been fully ramped up it will produce around 5 million tons a year of high-quality, low-cost slabs for our processing plants in the US state of Alabama and in Germany. The ramp-up phase is proceeding well, with the first blast furnace producing up to 6,500 t of pig iron a day since the end of July 2010. The first slabs arrived in Europe in October and met our quality expectations in full.

At almost the same time the hot strip mill at our new carbon steel plant in Alabama was started up. It is the centerpiece of the 3.6 billion US dollar facility. The first orders for hot- and cold-rolled strip have already been shipped to US customers, and the feedback has been very good. The downstream processing and coating lines will be completed step-by-step; they are designed to satisfy the highest quality requirements of industrial customers, e.g. in the automotive sector.

Our new stainless steel rolling mill in Alabama has also started production. Since October 2010 the cold rolling mill has been operating with an annual cold-rolled capacity of around 100,000 t, which can be increased to 140,000 t. Further equipment is under construction. Upon completion, the plant will offer the widest material on the US market. The capital investment for the integrated stainless steel mill is 1.4 billion US dollars. In the future it will have a total annual capacity of 1 million t of slabs.

And one thing is of particular importance for all three plants: The budgets announced at the 2010 General Stockholders' Meeting are being met, and the plants will operate profitably despite the fact that investment costs were higher than originally planned. Regardless of the recent economic crisis we stuck with all three projects, for we remain firmly convinced of their industrial logic and strategic importance for the future of ThyssenKrupp. In the long term, the NAFTA market will continue to offer attractive sales opportunities. The successful start-up and the positive response of our customers are the best possible confirmation of our strategy.

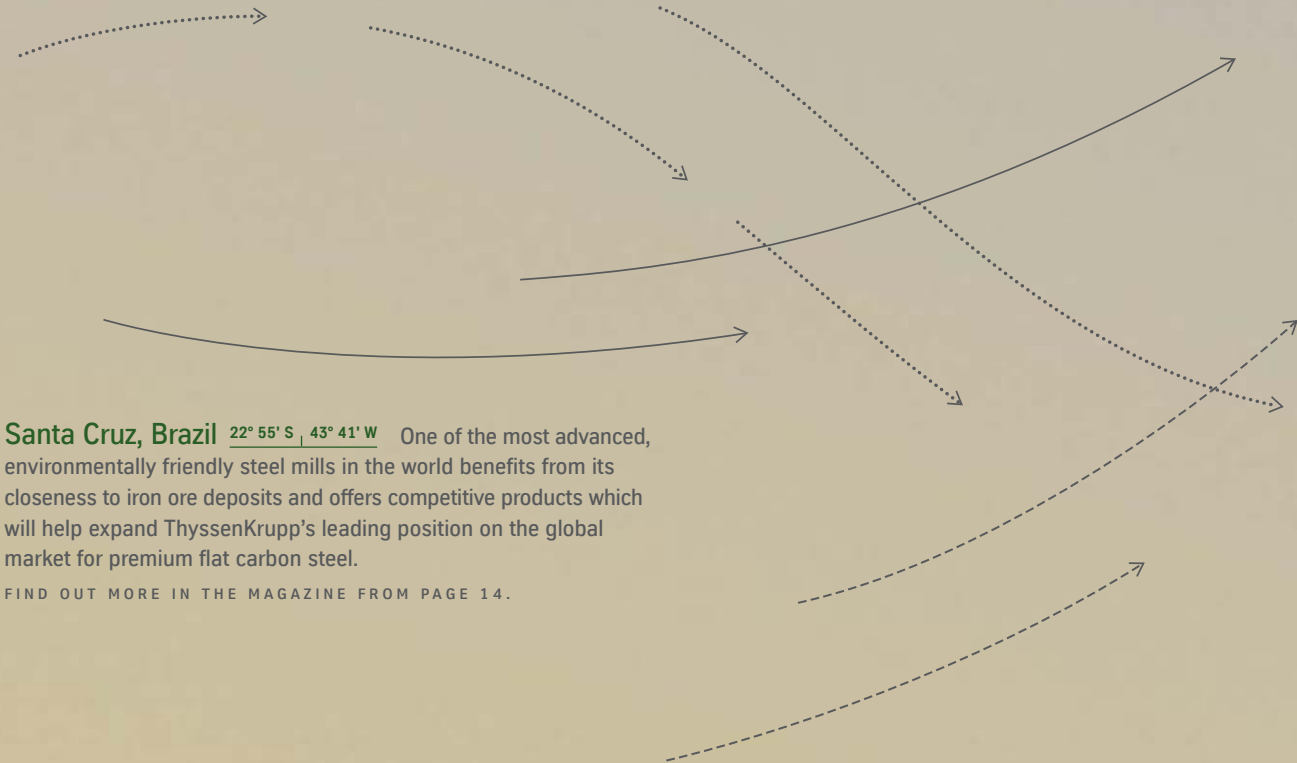


Fig. 01

Dr.-Ing. Ekkehard D. Schulz, Chairman of the Executive Board,
photographed on October 11, 2010 in the ThyssenKrupp Quarter, Essen.

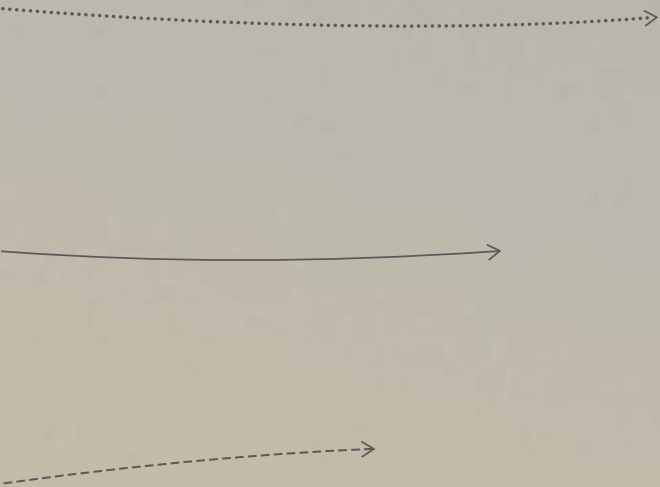
Insights.
Our new locations.
For people, ideas, solutions.

Essen, Germany 51° 29' N , 07° 00' E Built on a historic site, the ThyssenKrupp Quarter is the new heart of the Group, consolidating our administrative offices and further increasing the innovativeness of the Company by encouraging dialogue and exchange.
FIND OUT MORE IN THE MAGAZINE FROM PAGE 04.



Santa Cruz, Brazil 22° 55' S , 43° 41' W One of the most advanced, environmentally friendly steel mills in the world benefits from its closeness to iron ore deposits and offers competitive products which will help expand ThyssenKrupp's leading position on the global market for premium flat carbon steel.
FIND OUT MORE IN THE MAGAZINE FROM PAGE 14.

Calvert, USA 31° 09' N , 88° 00' W The world's most advanced processing facility for premium carbon steel and stainless steel flat products is strategically located at the center of the NAFTA region, giving ThyssenKrupp broader access to the market and moving us closer to customers and their requirements.
FIND OUT MORE IN THE MAGAZINE FROM PAGE 24.



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THYSSENKRUPP RETURNED TO PROFIT IN 2009/2010

Our operating business performed pleasingly in fiscal 2009/2010. Following the sharp demand slump due to the economic and financial crisis, customer orders increased again in the past twelve months: Order intake was €41.3 billion, up 15% year-on-year, and sales rose by 5% to €42.6 billion. Earnings before taxes came to €1.1 billion, compared with a pre-tax loss of €2.4 billion a year earlier. Alongside the economic recovery, there was another major reason for the earnings turnaround: substantial cost reductions. In 2009/2010 we continued to implement numerous internal measures to boost efficiency, optimize structures and cut costs. The overall effect of these measures amounted to around €1.5 billion, up from €0.8 billion in the prior year. In addition, our net financial debt at September 30, 2010 was limited to around €3.8 billion.

We want our stockholders to benefit appropriately from this positive performance. The Executive Board and Supervisory Board will therefore propose to the General Stockholders' Meeting in January 2011 the payment of an increased dividend of €0.45 per share for the past fiscal year.

NEW GROUP STRUCTURE PROVING SUCCESSFUL

At the start of the reporting year we introduced the new Group structure, which I told you about last year. The eight business areas are benefiting from their new independence, as it enables them to position themselves more clearly on the market. Their direct links to the Group's headquarters provide the added advantage of shorter internal decision-making paths. The capital market has also responded positively to our new organizational structure and appreciates the improved transparency and focus of our reporting.

Of great symbolic importance was the relocation of our head office and other areas of the Group to the new ThyssenKrupp Quarter in Essen in summer 2010. Consolidated in one location, the new headquarters will be able to operate much more efficiently. Moreover, the Quarter has quickly become a central meeting and conference location for ThyssenKrupp companies, employees and executives from around the world. The architecture of the Quarter also makes a statement – modern, functional, energy-efficient and in many aspects forward-looking thanks to the use of innovative ThyssenKrupp products.

AMBITIOUS TARGETS FOR THE NEW FISCAL YEAR

As you can see, ThyssenKrupp achieved a great deal in a continuing difficult environment in the past fiscal year. We have thus created a strong basis for further growth. In fiscal year 2010/2011 we aim to continue on this path, as set out in more detail in the outlook section of this annual report: We expect a roughly 10% to 15% increase in Group sales from the figure of €42.6 billion in the past fiscal year. Our target for adjusted earnings before interest and taxes, which in the future will be

one of our key performance indicators, is €2 billion, compared with €1.2 billion last year. To achieve this, we will make further improvements to our Group structures. In addition to efficiency increases and cost reductions, this will also include further portfolio optimizations and further international expansion. A prerequisite for achieving these targets is a stable global economy.

The completion, ramp-up and further development of our steelmaking and processing plants in Brazil and the USA will be managed flexibly in line with the recovery of the North American market. Our competitiveness on this market is key to the success of our growth strategies in the business areas of the Materials division.

In the Technologies division, future demand will be shaped by the global mega-trends. Whether it's resource conservation, infrastructure development for the growing world population or mobility issues, ThyssenKrupp companies can already offer many forward-looking solutions. And they are extending their technological capabilities further to better exploit market potential.

We have another busy year ahead of us. But I am confident that ThyssenKrupp will achieve its goals. Particularly in 2011, the 200th anniversary of the founding of the Fried. Krupp cast steel factory, we want to deliver a successful performance – and make a statement about our competitiveness, competencies and sustainability.

At the close of the General Stockholders' Meeting on January 21, 2011 Dr. Heinrich Hiesinger, who joined the Executive Board of ThyssenKrupp AG on October 01, 2010, will assume the position of Executive Board Chairman. Dr. Jürgen Claassen, previously Executive Vice President of the Company, will be joining the Executive Board. I wish the new management team and the employees of ThyssenKrupp every success. I should like to thank you, the stockholders, friends and partners of the Group, for your kind support of the Company under my direction over the past almost twelve years. Please continue to put your faith in ThyssenKrupp; it will be worth your while. Our Company is and will remain a solid and attractive long-term investment, an innovative business partner and a responsible corporate citizen.

Yours sincerely,



DR.-ING. EKKEHARD D. SCHULZ
Chairman of the Executive Board
Essen, November 2010

Insights.
Our new locations.
For people, ideas, solutions.

Annual Report Magazine


09 10

Germany. Brazil. USA. Three countries, three cultures,
one common idea: Leverage regional strengths and
global connections to deliver outstanding products to
customers around the world.

09 10 Welcome to our new locations: We invite you to discover more. And to find out why our latest investments in Brazil, the USA and Europe are good for the Company, the people and the regions.



ESSEN, GERMANY
OPENING JUNE 17, 2010



SANTA CRUZ, BRAZIL
OPENING JUNE 18, 2010



CALVERT, USA
OPENING DECEMBER 10, 2010



51° 29' N , 07° 00' E

THYSSENKRUPP QUARTER, ESSEN, GERMANY

A new headquarters for open working relationships

P.04

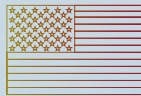


22° 55' S , 43° 41' W

THYSSENKRUPP CSA SIDERÚRGICA DO ATLÂNTICO,
SANTA CRUZ, BRAZIL

A new production site between raw materials and markets

P.14



31° 09' N , 88° 00' W

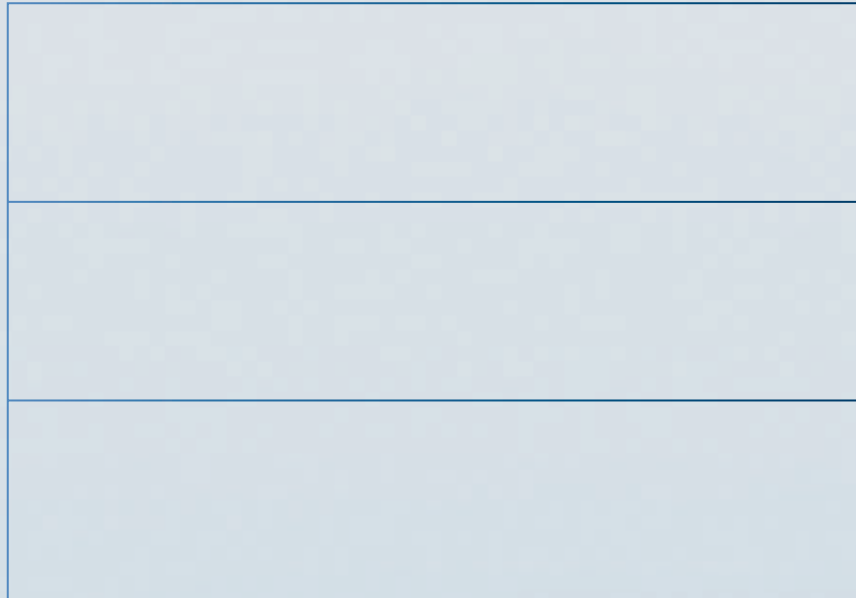
THYSSENKRUPP STEEL USA AND THYSSENKRUPP STAINLESS USA,
CALVERT, ALABAMA, USA

A new processing facility close to customers

P.24

PROFITING FROM EXCHANGE
An overview of our new locations

P.34

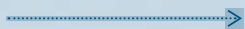


THYSSENKRUPP QUARTER

51° 29' N 07° 00' E

Essen Germany

ThyssenKrupp is returning to one of its historic locations with a new headquarters that embodies its corporate culture.



CENTERED
ON OPENNESS

P.07

BUILT
SUSTAINABILITY

P.10

SPACE FOR
INSPIRATION

P.12

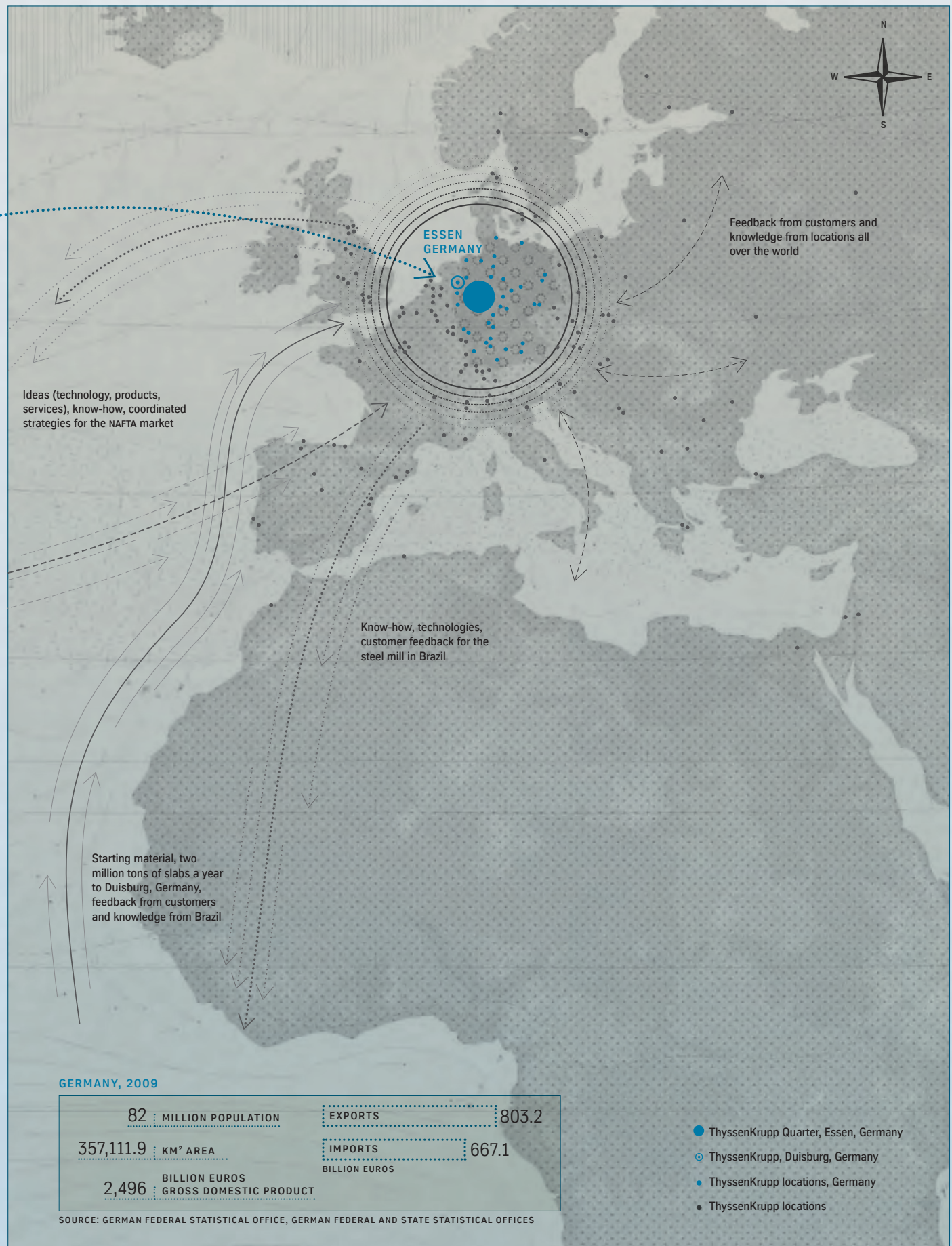




FIG. 01

Katharina Thörner, an architect at ThyssenKrupp, was involved in realizing an architectural design that conveys corporate values such as openness and transparency.

The transparency of the architecture promotes dialogue and exchange, the development of ideas and innovations.

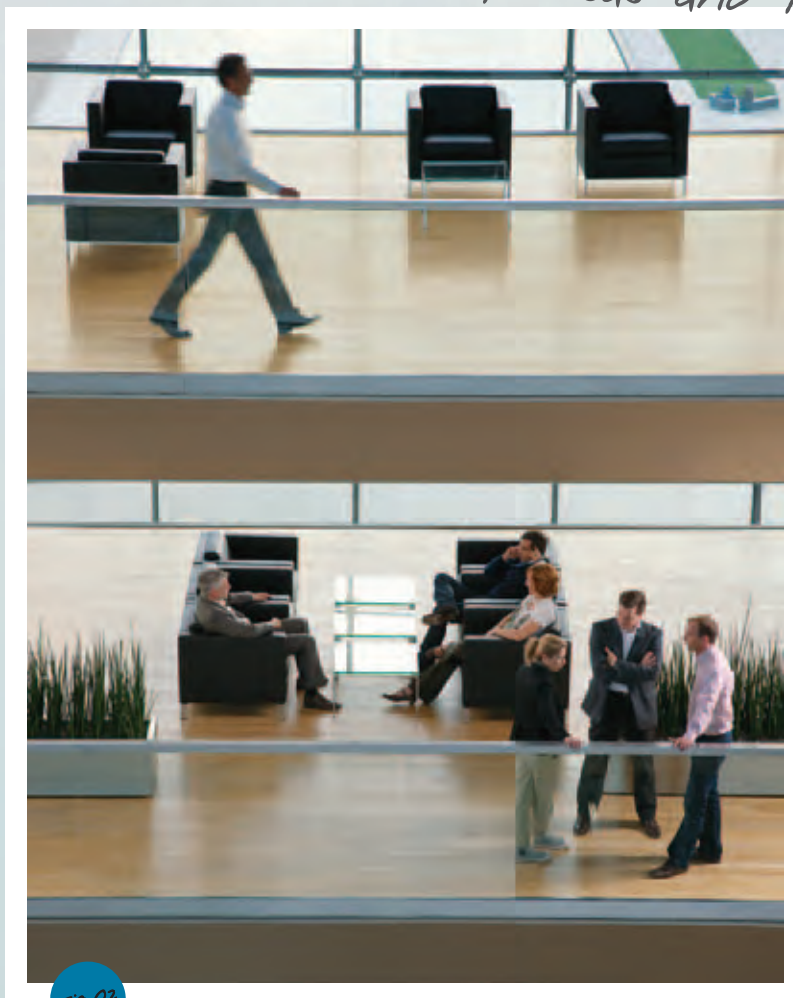


Fig. 02

Open zones in the ThyssenKrupp Quarter invite interaction.

CENTERED ON OPENNESS

By consolidating several administrative offices in one location, the ThyssenKrupp Quarter has become the new heart of the whole Group. Marking the beginning of a new era, the Quarter also embodies the Company's international outlook, offering employees, customers and partners from all over the world a place for meetings and dialogue [FIG. 02](#). The open, modern architecture of the multi-building campus creates space for employees to develop ideas and realize innovations. It provides a creative, inspiring environment that helps individuals share their knowledge with others. —→

3,000 JOBS IN THE QUARTER AND
SURROUNDING AREA

100,000m² FLOOR SPACE

66% OF THE SITE IS UNPAVED

GEOTHERMAL ENERGY USED FOR HEATING AND COOLING

AWARDED THE PRE-CERTIFICATE IN GOLD
FOR SUSTAINABLE CONSTRUCTION





Fig. 04

Sustainability is integral to the design of the Quarter.

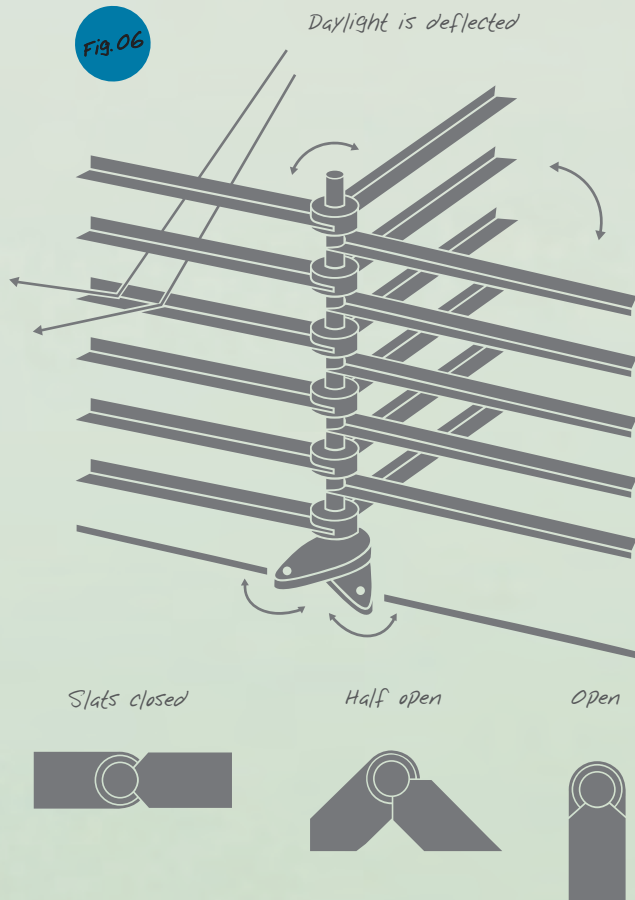


Fig. 05

Gert Weiß, Head of Product Service at ThyssenKrupp Nirosta, channeled his materials expertise into an innovative sunshade system.

BUILT SUSTAINABILITY

The ThyssenKrupp Quarter makes careful use of resources. For example, geothermal energy stored in the ground is used for heating and cooling, and heat is recovered from the exhaust air from the offices. As a result, energy consumption is 20 to 30% lower than required by law. Around 700 trees, numerous green spaces and a more than 200-meter long and 30-meter wide water axis enhance the microclimate of the site. —>



Two-millimeter thick stainless steel slats on a rotating shaft track the position of the sun.



Technology meets nature – not just in the innovative TWIN elevators and the views of the open spaces from the panoramic garden.

Many of the details realized in the Quarter are based on ThyssenKrupp's technological competencies. For example, innovative TWIN elevators [Fig. 07](#) save valuable space and take people to their destinations more quickly. A sunshade system [Fig. 06](#) comprising some 400,000 in-house developed slats maintains comfortable indoor temperatures. The slats track the sun's position automatically, keeping out direct sunlight while deflecting light into the offices to keep them bright. —→



Dr. Martin Grimm, Managing Director of ThyssenKrupp Real Estate,
and Dr. Andreas Kipar of landscape architects Kipar Landschaftsarchitekten
discuss the idea behind the Avenue of the Worlds.

SPACE FOR INSPIRATION

The wider area of the Quarter offers space for encounters, perspectives and insights. The water axis, central promenade and open campus structure create an inspiring working environment while at the same time being accessible to the public. The design makes a statement: With no fences or walls to hinder dialogue, the Quarter is a place for communication and discovery. Generous green spaces and recreational areas on the campus and the Avenue of the Worlds with trees from five continents play their part in this [FIG. 09](#). From its new headquarters, ThyssenKrupp will also have a positive impact on the community by stimulating the local and regional economies, providing support for schools and universities and actively performing the role of a responsible corporate citizen.

*The Quarter is not just
open on the inside but also to
the outside community.*

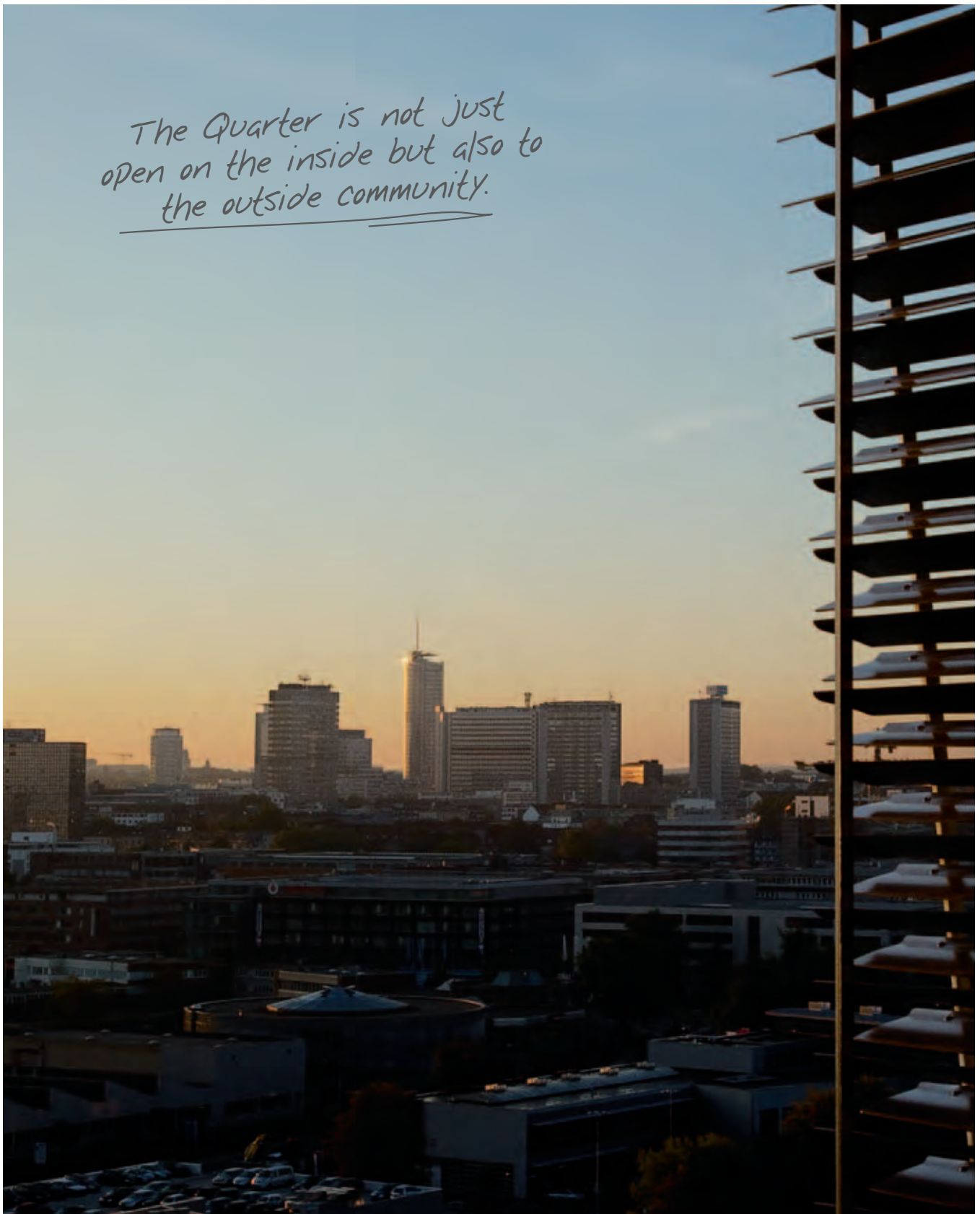
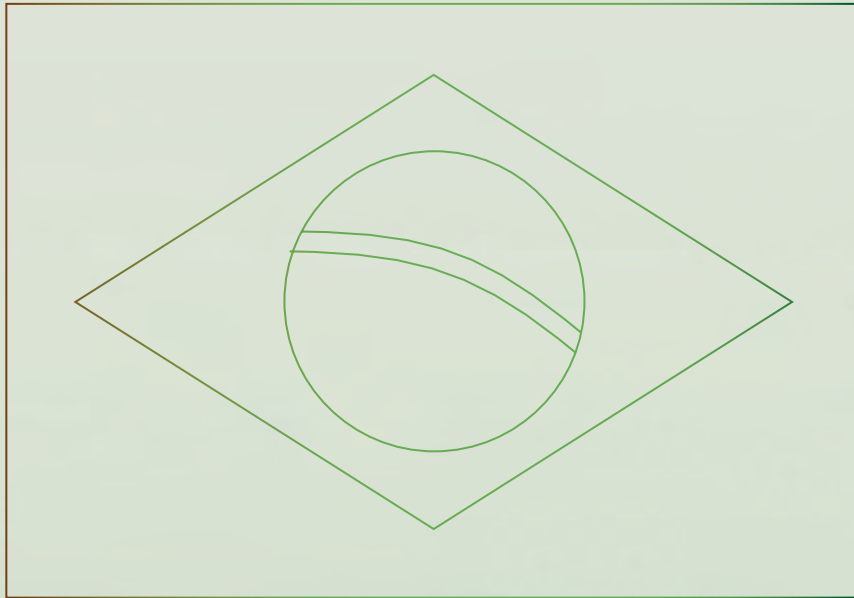


Fig. 10

View of Essen from the roof terrace of
building Q1 in the ThyssenKrupp Quarter.

—> MORE ON THE SUBJECT OF SUSTAINABILITY
AND RESPONSIBILITY IN THE THYSSENKRUPP
QUARTER CAN BE FOUND ON PAGE 83 OF
THE ANNUAL REPORT.



THYSSENKRUPP CSA SIDERÚRGICA DO ATLÂNTICO

 $22^{\circ} 55' S$ $43^{\circ} 41' W$

Santa Cruz Brazil

One of the world's most advanced
steel mills has been built at an ideal location:
close to Brazil's iron ore deposits.

AN INVESTMENT
IN GROWTH

P.17

OVERVIEW
OF THE PLANT

P.18

IDEAL LINKS AS A
LOCATIONAL ADVANTAGE

P.20

A PLUS FOR
THE ENVIRONMENT

P.21

ADDED VALUE
FOR THE REGION

P.22





Fig. 01

Dr. Herbert Eichelkraut, CEO ThyssenKrupp CSA, and his team prepared the production start-up in minute detail.



Fig. 02

Pig iron is formed in a reduction process involving sintered iron ore and coke.

*It is more economic to
produce steel where
the raw materials are.*

AN INVESTMENT IN GROWTH

Built close to major iron ore deposits [FIG. 02](#) ThyssenKrupp csa Siderúrgica do Atlântico in Santa Cruz, Brazil, is one of the world's most advanced and environmentally friendly steel mills. It can produce five million metric tons of slabs per year at competitive costs and to the highest quality standards. Together with the new processing plant in Calvert, USA and the production facilities in Germany, the mill is of key importance to ThyssenKrupp's growth strategy in its core European and North American (NAFTA) markets. The low-cost slabs will allow ThyssenKrupp to expand its leading position on the world market for premium flat-rolled carbon steel. —→

9 km² | PLANT AREA

3,500 | NEW JOBS

5,000,000 t | SLABS

490 MW | ANNUAL POWER GENERATION

200,000 | TREES TO MAINTAIN BIODIVERSITY

ONE OF THE WORLD'S MOST
ENVIRONMENTALLY FRIENDLY STEEL MILLS

COKE PLANT

SINTER PLANT

RAW MATERIALS YARD

BLAST FURNACES
01 AND 02

POWER PLANT

GASOMETER

MELT SHOP AND
CONTINUOUS CASTERS

WATER TREATMENT

SLAB YARD



OVERVIEW OF THE PLANT

The steel mill in Santa Cruz is a once-in-a century project. The 5.2 billion euro investment includes a port terminal, a coke plant, a sinter plant, two blast furnaces, a BOF melt shop, two continuous casters and a power plant. The coke plant has an annual capacity of two million metric tons of coke, while the sinter plant produces 5.7 million tons of sinter from iron ore. Two 3,330 cubic meter blast furnaces produce 5.3 million metric tons of pig iron per year. Two 330 ton converters have been installed with all secondary metallurgy equipment for premium carbon steel. Two continuous casters produce five million tons of slabs each year. The power plant has a capacity of 490 megawatts and is operated using process gases from the coke plant, the blast furnaces and the BOF melt shop. —>



Fig. 03

Slabs are shipped to the USA and Germany by Panamax class vessels.



Fig. 04

Advanced logistics technology allows each individual slab to be tracked every step of the way.

A captive deep-sea terminal provides efficient transportation links.

IDEAL LINKS AS A LOCATIONAL ADVANTAGE

One of the key factors in choosing the nine square kilometer site in Sepetiba Bay near Santa Cruz was cost. Direct access to the Atlantic Ocean to import coking coal and export slabs was an important part of this. Even more significant is the proximity to iron ore. A rail line ending at the site runs from the ore mines operated by ThyssenKrupp csa's partner Vale in the Minas Gerais region. The captive deep-sea terminal [FIG. 03](#) forms the link between the production of steel slabs in Brazil and their processing to carbon flat steel in the USA and Germany. Three million metric tons of slabs per year will be delivered to the new processing plant near Calvert in Alabama, USA, and two million tons to the plants in Germany serving European customers with finished products. —>



Fig. 05

Production meets high European environmental standards.



Fig. 06

The color scheme of the buildings reflects the colors of the surrounding area.

The new steel mill blends in with its natural surroundings.

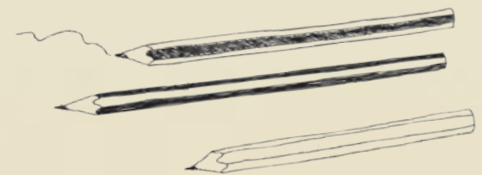
A PLUS FOR THE ENVIRONMENT

The design of the new mill is based on the latest technologies and the highest environmental standards. ThyssenKrupp csa not only meets Brazilian environmental requirements but also the much stricter European standards. A roughly 1.6 square kilometer mangrove forest along the coast has been preserved. A 200,000 tree program initiated by ThyssenKrupp is also contributing to the preservation of local biodiversity. The eco-friendly gas-fired power plant covers the plant's energy needs and also feeds around 200 megawatts to the Rio de Janeiro state power grid. —>



Fig. 07

Employees and their children playing Brazil's and Germany's national game.



ADDED VALUE FOR THE REGION

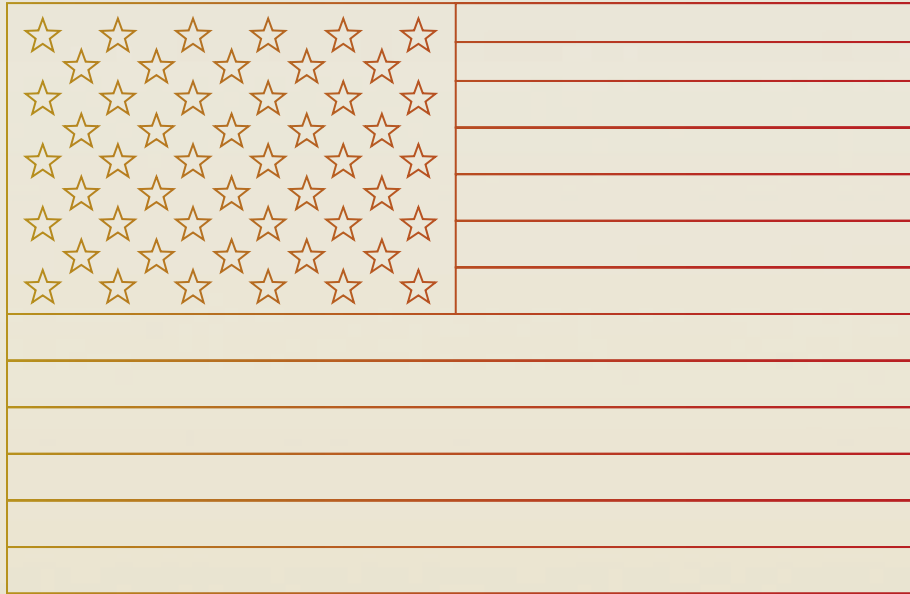
The ThyssenKrupp steel mill in Santa Cruz was the biggest private investment in Brazil in the last ten years. The plant is bringing prosperity and sustainable economic growth to the region. This will also benefit the people in the local neighborhoods. ThyssenKrupp is helping the community in many ways, for example by supporting the fire service, medical facilities, schools and universities. The 3,500 people who will eventually work at the mill will have a wide range of options for further training and professional development. For example, a technical academy set up in the municipality of Itaguaí offers training programs that will open up new perspectives for young people. The company is also cooperating with universities and encouraging the exchange of know-how between students and practitioners. For children and youngsters, ThyssenKrupp initiated the Copa Social CSA soccer project in summer 2010. Through sport, the three-month project aims to strengthen self-esteem, team spirit and responsibility for the community.



Fig. 08

Dr.-Ing. Thais de Lima Alves Pinheiro Fernandes, lab technician in quality control at ThyssenKrupp CSA, and her family enjoy their free time in the region's unspoilt nature.

No investment in the last two years
has created more jobs in the region
and delivered more benefit to
the community.



THYSSENKRUPP STEEL USA AND THYSSENKRUPP STAINLESS USA

31° 09' N 88° 00' W

Calvert USA

In an up-and-coming region within NAFTA,
ThyssenKrupp has built a state-of-the-art processing plant
for premium carbon steel and stainless steel flat products.

POSITION
STRENGTHENED

P.27

PLANT
OVERVIEW

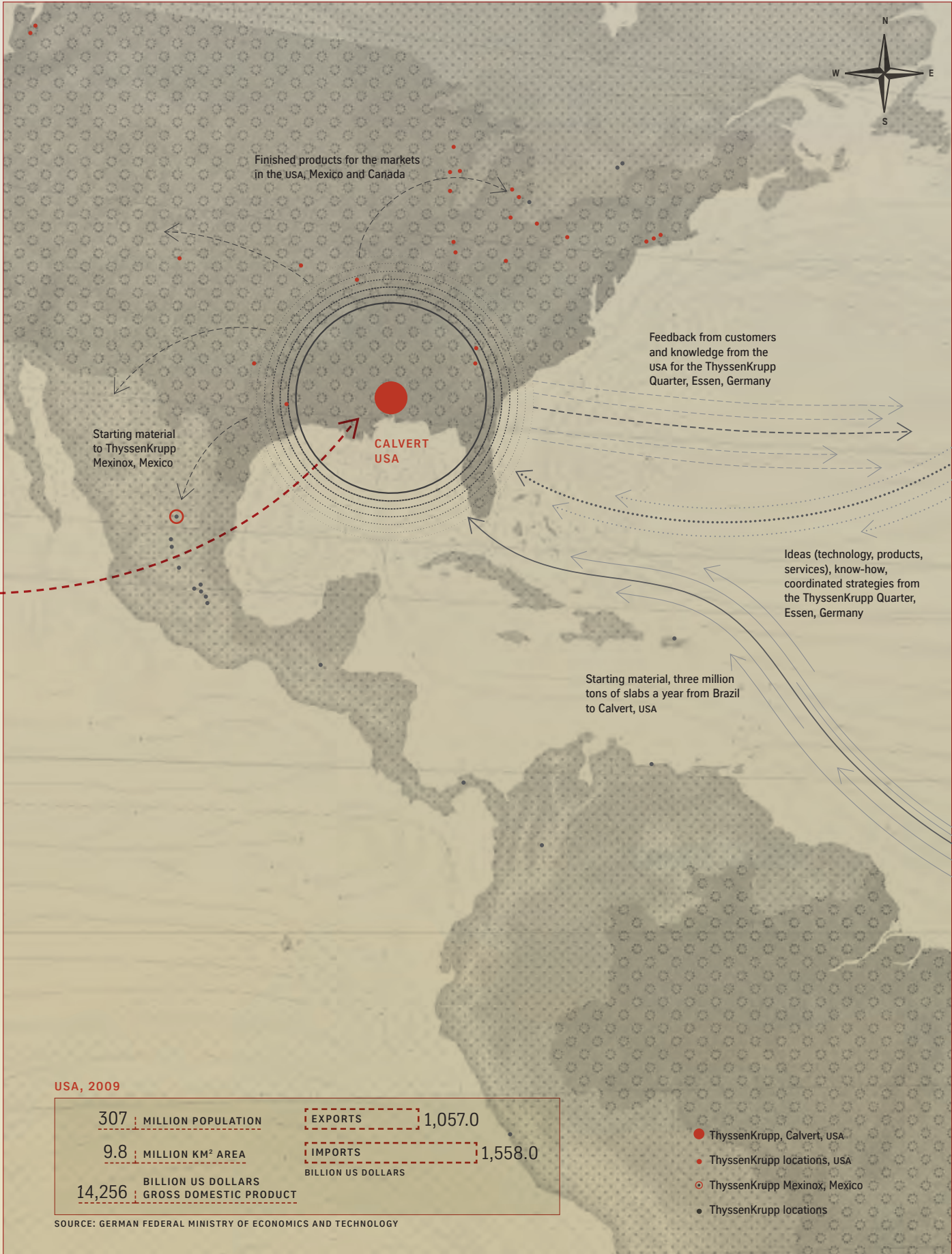
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NEW MARKETS,
WIDER OPPORTUNITIES

P.30

PUTTING RESPONSIBILITY
INTO PRACTICE

P.32





*A platform from which to develop the markets in the
USA, Mexico and Canada.*

Fig 01

Adam J. Diethorn, Steel Purchasing Manager with
Dietrich Metal Framing, has been a customer from day one.



Capacity for five million tons of premium flat steel per year: the new processing plant in Calvert.

Fig. 02

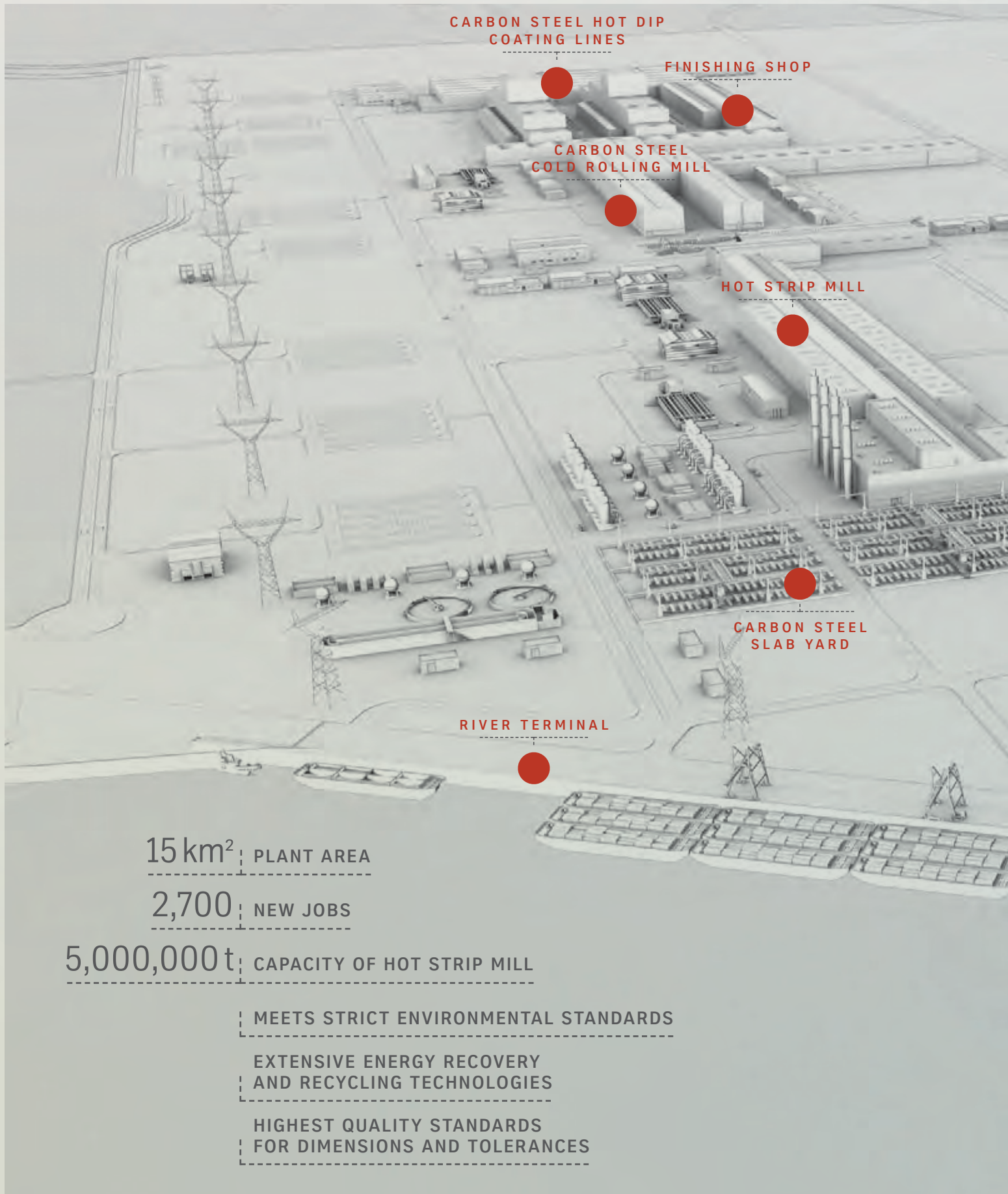


The main customers for the coils are auto, appliance and equipment manufacturers.

Fig. 03

POSITION STRENGTHENED

One of the world's most advanced processing plants for carbon and stainless steel flat products now stands in Calvert, Alabama [FIG. 02](#). It has been built by ThyssenKrupp Steel USA and ThyssenKrupp Stainless USA to strengthen their market position in the NAFTA region. The plant will improve quality and cost structures while bringing the companies closer to important customers. In terms of carbon steel, customers are mainly interested in products from the steadily growing premium segment. In the stainless steel area ThyssenKrupp already has a solid customer base, which is now to be expanded with the new offering of special sizes and product-oriented solutions. —→



15 km² | PLANT AREA

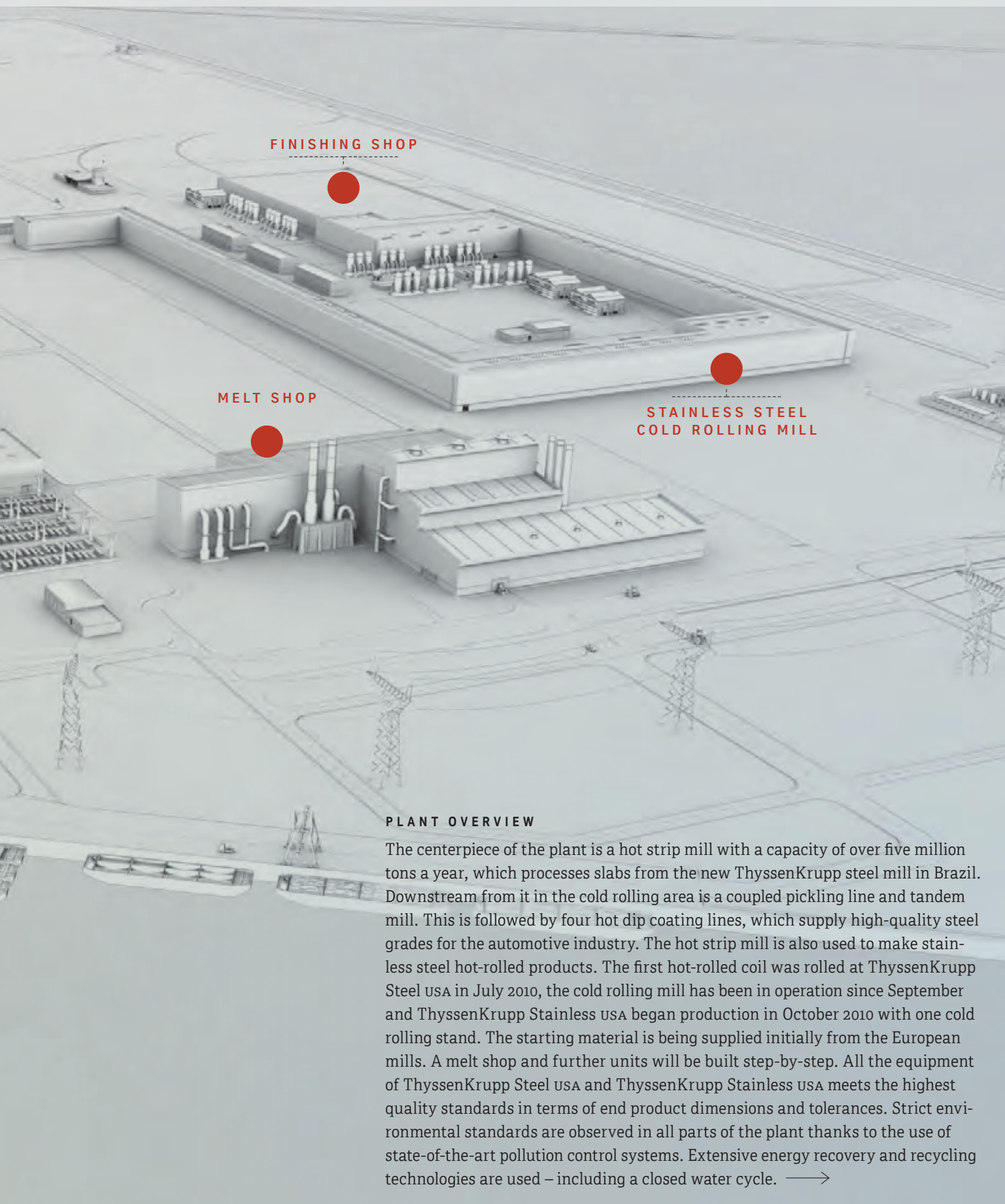
2,700 | NEW JOBS

5,000,000 t | CAPACITY OF HOT STRIP MILL

| MEETS STRICT ENVIRONMENTAL STANDARDS

| EXTENSIVE ENERGY RECOVERY
| AND RECYCLING TECHNOLOGIES

| HIGHEST QUALITY STANDARDS
| FOR DIMENSIONS AND TOLERANCES



PLANT OVERVIEW

The centerpiece of the plant is a hot strip mill with a capacity of over five million tons a year, which processes slabs from the new ThyssenKrupp steel mill in Brazil. Downstream from it in the cold rolling area is a coupled pickling line and tandem mill. This is followed by four hot dip coating lines, which supply high-quality steel grades for the automotive industry. The hot strip mill is also used to make stainless steel hot-rolled products. The first hot-rolled coil was rolled at ThyssenKrupp Steel USA in July 2010, the cold rolling mill has been in operation since September and ThyssenKrupp Stainless USA began production in October 2010 with one cold rolling stand. The starting material is being supplied initially from the European mills. A melt shop and further units will be built step-by-step. All the equipment of ThyssenKrupp Steel USA and ThyssenKrupp Stainless USA meets the highest quality standards in terms of end product dimensions and tolerances. Strict environmental standards are observed in all parts of the plant thanks to the use of state-of-the-art pollution control systems. Extensive energy recovery and recycling technologies are used – including a closed water cycle. —>

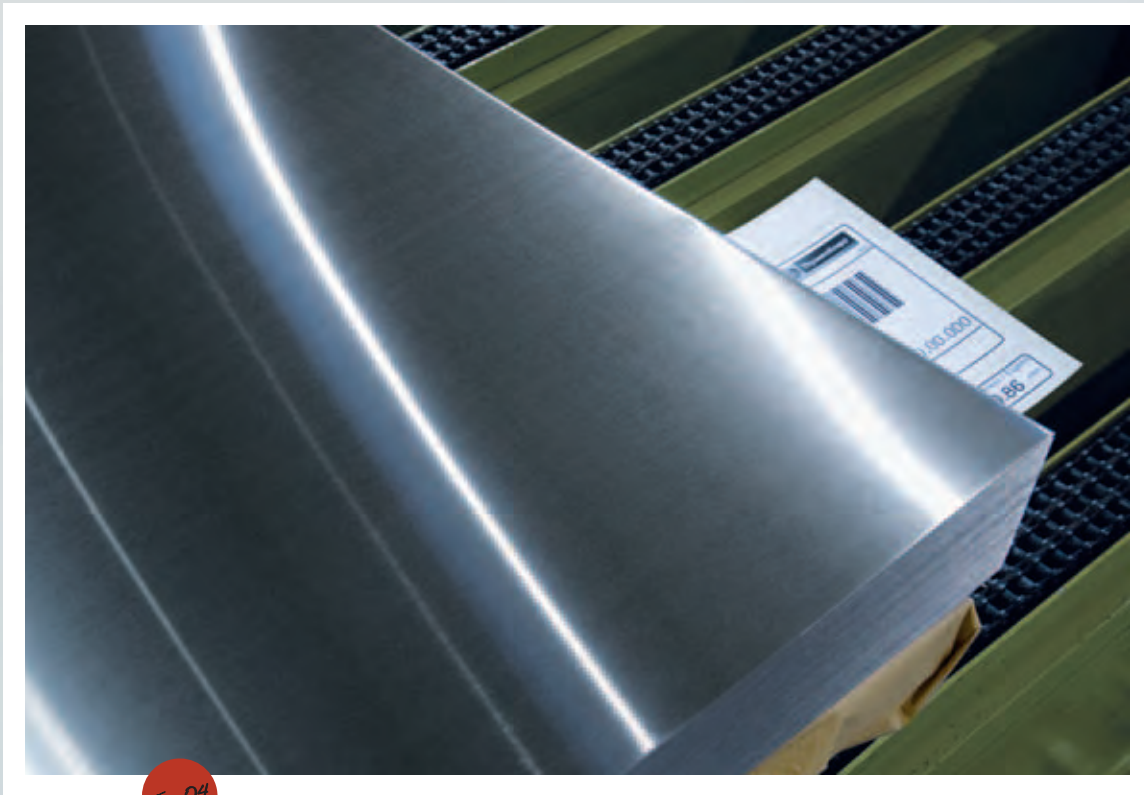


Fig. 04

Innovativeness and materials expertise create products the market needs.

*Automobile and appliance
manufacturers in the direct vicinity
need high-quality flat steel*

NEW MARKETS, WIDER OPPORTUNITIES

Premium-quality carbon steel flat products have high growth potential in the NAFTA region **FIG. 04**. This is a market in which ThyssenKrupp's presence has been limited so far and which is now to be developed more intensely. Above all, the new plant will meet the demanding requirements of the auto industry in full. To exploit the opportunities, numerous talks are being held with key customers in the automotive, electrical, steel service center and tube industries; first orders from customers in the NAFTA region have already been received. Good growth opportunities for stainless steel flat products were one of the reasons for establishing an optimized stainless steel production site on the North American market. Customers can now source their material directly from the new plant, with local contacts available to discuss their specific requirements. ThyssenKrupp Stainless USA will also benefit from its proximity to the industrial centers in the southern USA, Mexico and Canada. —>



Fig. 05

Harriett Dutka, Team Leader Raw Materials and Melt Shop at ThyssenKrupp Stainless USA, optimizes the production process in terms of environmental requirements.



Fig. 06

The Port of Mobile is the logistics hub for raw materials and finished products.

PUTTING RESPONSIBILITY INTO PRACTICE

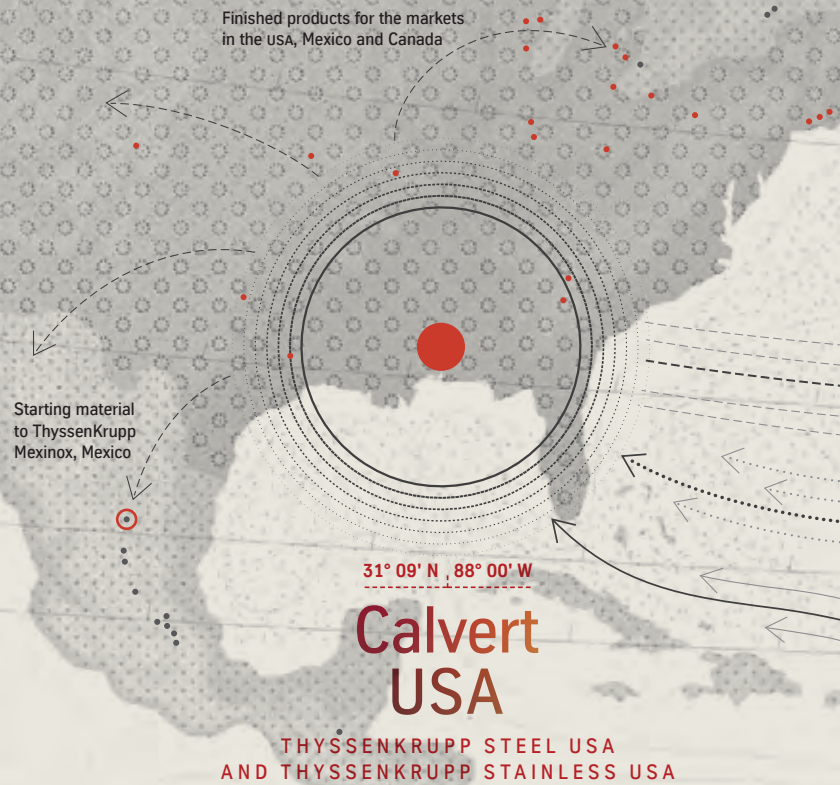
The impacts of the new plant on the region are diverse. The processing facility in Calvert will provide 2,700 permanent skilled jobs in all areas of production and administration. Major investment is being made in employee training and development, including the state-of-the-art Erich Heine Learning Center. Another positive effect for the region will be the numerous additional jobs created indirectly as a result of the new facility. In Alabama as at all its plants worldwide, ThyssenKrupp is committed to the local community, providing support in the fields of education and social projects, among others. Partnerships are being developed with community organizations, schools and universities.



Fig 07

Clint Skipper was trained as a rolling mill operator at ThyssenKrupp Nirosta in Dillenburg. Now he's training his colleagues in Calvert.

Even the construction of the plant had a positive impact on the region. ThyssenKrupp is also getting involved directly as a good neighbor in local communities.

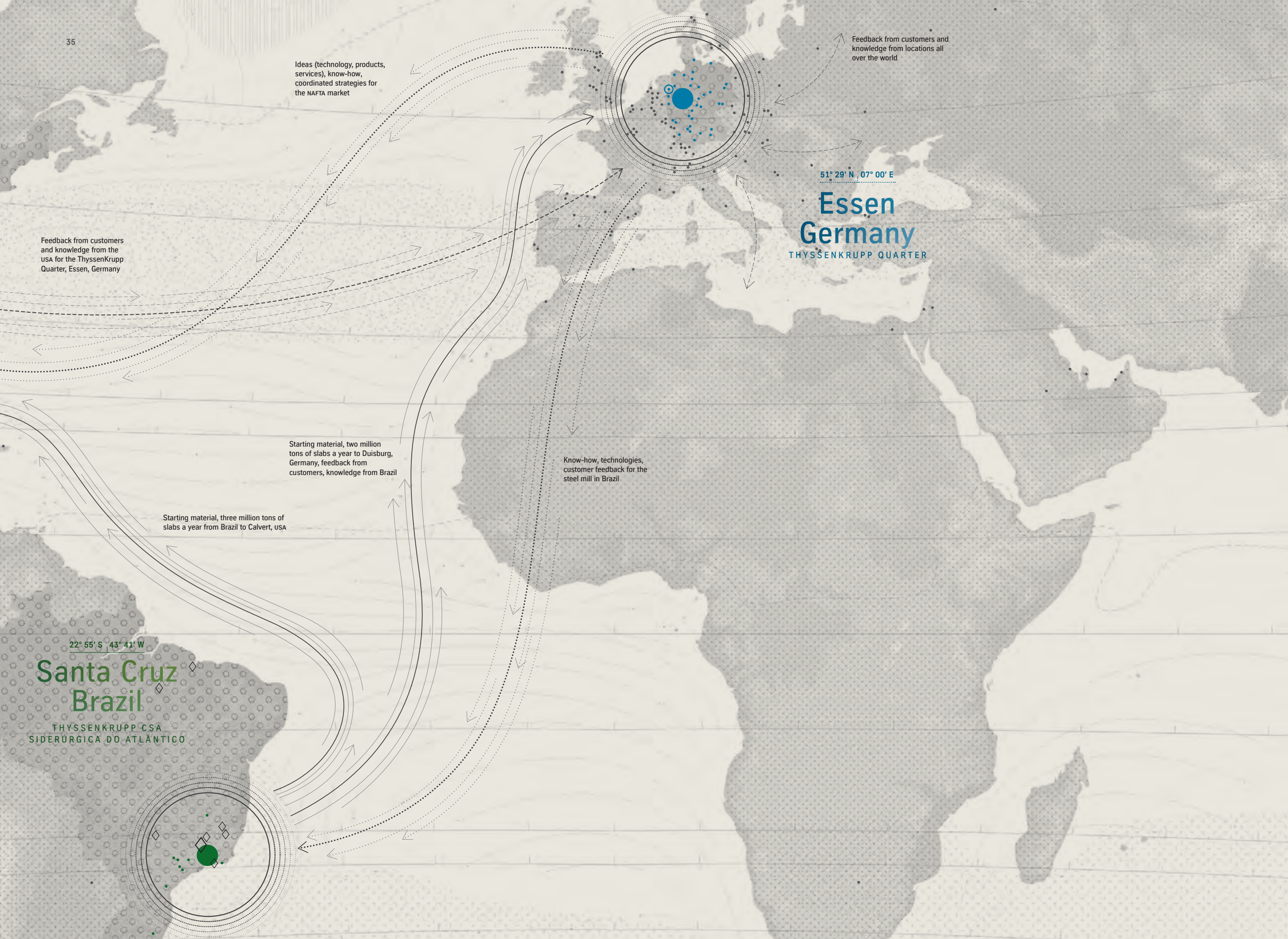


PROFITING FROM EXCHANGE

Germany, Brazil, USA: three new locations that will achieve their full impact through interaction. The worldwide exchange of ideas, know-how and customer feedback will facilitate innovations that benefit all. International specialization will permit efficient resource utilization in the production of starting materials. Processing close to customers will allow customer specifications to be met exactly. Working together, we can all achieve more.

- ThyssenKrupp Quarter, Essen, Germany
- ThyssenKrupp, Duisburg, Germany
- ThyssenKrupp locations, Germany
- ThyssenKrupp, Santa Cruz, Brazil
- ThyssenKrupp locations Brazil
- ◇ Iron ore deposits Brazil
- ThyssenKrupp, Calvert, USA
- ThyssenKrupp locations, USA
- ThyssenKrupp Mexinox, Mexico
- ThyssenKrupp locations

Information on other ThyssenKrupp locations can be found on the internet at www.thyssenkrupp.com/en/standorte/index.html



09 : 10 A new location is always an important source of impetus for a company. It adds new competencies to the team – from employees, customers and partners. It offers new opportunities to develop fresh ideas and solutions, to grow markets and serve customers with high-quality products. We intend to seize our opportunities. In Germany, Brazil, the USA, worldwide.



- C2 ThyssenKrupp overview:
Our figures, The Group in brief, ThyssenKrupp worldwide,
Organizational structure, Our business areas, Financial dates
- C3 Letter to stockholders

Magazine

- 01 Insights.
Our new locations. For people, ideas, solutions.
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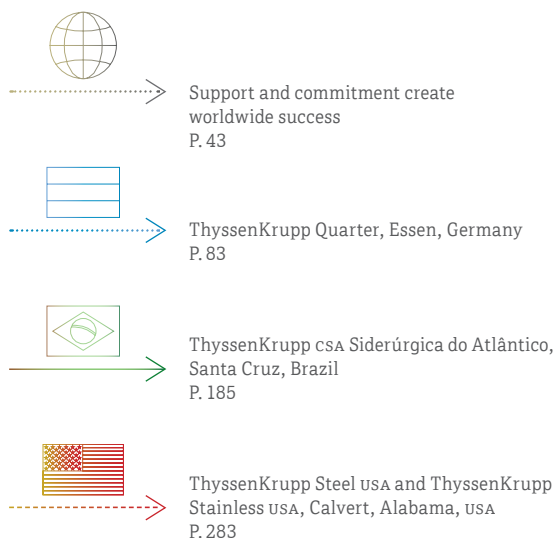
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Creating momentum

Responsibility and social commitment have always been integral parts of ThyssenKrupp's corporate culture. To continue meeting this responsibility in the future, business success is essential. At the same time we believe that responsible practices contribute to long-term business success. Corporate responsibility is therefore an important factor in achieving our long-term goals. Find out more about how we create momentum for this and how this impacts our operations, for example at our three new locations in Germany, Brazil and the USA, on four section dividers in this Annual Report.



To our stockholders

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01

Good corporate governance requires that Executive Board and Supervisory Board work together closely and in trust – in the interest of the Company and with the goal of increasing the value of the Company on a long-term basis. The following section provides more information on the two boards, corporate governance practices at ThyssenKrupp and the performance of the stock in fiscal year 2009/2010. The corporate governance report also includes the corporate governance statement pursuant to §289a HGB.

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Support and commitment create worldwide success

At each of our locations worldwide we provide support for local communities, people and the environment. As well as creating direct and indirect jobs, we contribute to the economic strengthening of entire regions. In addition ThyssenKrupp plays an active part in improving the lives of local people through concrete commitment.

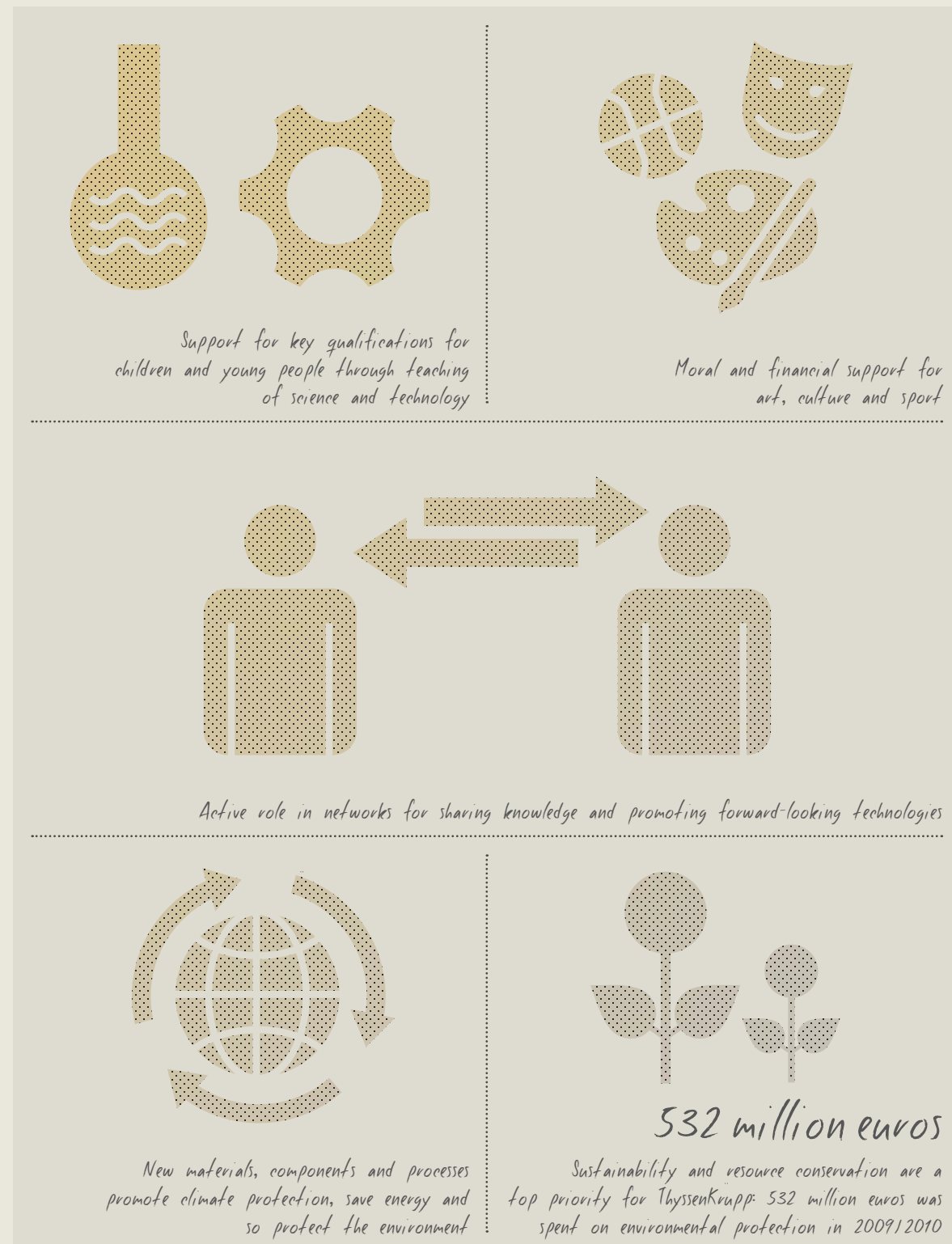
Creation of new skilled jobs

Establishment of high environmental and sustainability standards

Economic strengthening of regions

Support for education and training

Support for local communities



Creating momentum



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.

Executive Board



Dr.-Ing. Ekkehard D. Schulz

Chairman, born 1941, Executive Board Member since 1991, appointed until January 21, 2011, responsible, jointly with Dr. Hiesinger, 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.-Ing. Heinrich Hiesinger

Vice Chairman, born 1960, Executive Board Member since October 01, 2010, appointed until September 30, 2015, responsible, jointly with Dr. Schulz, 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. 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

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

Dr. Alan Hippe

born 1967, Executive Board Member since 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

Dr. Ulrich Middelmann left the Executive Board at the close of the General Stockholders' Meeting on January 21, 2010.

Photographed on October 11, 2010 in the ThyssenKrupp Quarter, Essen.

Fig. 02

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
Theo Frielinghaus, Ahlen (until March 31, 2010)	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
Susanne Herberger, Dresden	Engineer (FH) – information technology, Chairwoman of the General Works Council of ThyssenKrupp Aufzüge GmbH and Chairwoman of the Works Council Union ThyssenKrupp Elevator Technology
Prof. Jürgen Hubbert, Sindelfingen (until January 21, 2010)	Former Member of the Executive Board of DaimlerChrysler AG
Bernd Kalwa, Krefeld	Lathe operator, Chairman of the General Works Council of ThyssenKrupp Nirosta GmbH and Chairman of the Works Council Union ThyssenKrupp Stainless Global
Prof. Dr. Hans-Peter Keitel, Essen (since January 21, 2010)	President of the Federation of German Industries Bundesverband der Deutschen Industrie e.V.
Ernst-August Kiel, Blumenthal (since April 12, 2010)	Fitter, Chairman of the Works Council of Howaldtswerke-Deutsche Werft GmbH and Chairman of the Works Council Union ThyssenKrupp Marine Systems
Dr. Martin Kohlhaussen, Bad Homburg (until January 21, 2010)	Former Chairman of the Supervisory Board of Commerzbank AG
Dr. Heinz Kriwet, Düsseldorf (until January 21, 2010)	Former Chairman of the Executive Board of Thyssen AG
Prof. Dr. Ulrich Lehner, Düsseldorf	Member of the Shareholders' Committee of Henkel AG & Co. KGaA
Prof. Dr. Bernhard Pellens, Bochum	Professor of Business Studies and International Accounting, Ruhr University Bochum
Peter Remmler, Wolfsburg	Wholesale and export trader, Chairman of the Works Council of ThyssenKrupp Schulte GmbH (Braunschweig) and Chairman of the Works Council Union ThyssenKrupp Materials Services

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
Peer Steinbrück, Bonn (since January 21, 2010)	Member of the German Parliament Federal Minister (retd.)
Christian Streiff, Paris	Former President of PSA Peugeot Citroën S.A.
Jürgen R. Thumann, Düsseldorf	Chairman of the Advisory Board of the Heitkamp & Thumann Group
Prof. Dr. Beatrice Weder di Mauro, Frankfurt/Main (since January 21, 2010)	Professor of Economics, Economic Policy & International Macroeconomics, Johannes-Gutenberg-University of Mainz and Member of the German Council of Economic Experts
Klaus Wiercimok, Düsseldorf	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	Prof. Dr. Bernhard Pellens (Chair), Dr. Gerhard Cromme, Bertin Eichler, Prof. Dr. Ulrich Lehner, Thomas Schlenz, Wilhelm Segerath
Strategy, Finance and Investment Committee	Dr. Gerhard Cromme (Chair), Bertin Eichler, Markus Grolms, Susanne Herberger, Bernd Kalwa, Dr. Kersten v. Schenck, Peer Steinbrück, Jürgen R. Thumann
Nomination Committee	Dr. Gerhard Cromme (Chair), Prof. Dr. Bernhard Pellens, Dr. Henning Schulte-Noelle, Prof. Dr. Beatrice Weder di Mauro



Fig. 03

Dr. Gerhard Cromme, Chairman of the Supervisory Board,
photographed on October 11, 2010 in the ThyssenKrupp Quarter, Essen.

Report by the Supervisory Board

In fiscal 2009/2010 the Supervisory Board continued to work together closely with the Executive Board. In view of the continuing effects of the global economic and financial crisis, the implementation of the Group's reorganization, and the major investment projects in Brazil and the USA, the year brought particular challenges for the Group. In this report the Supervisory Board gives an account of the key aspects of its work in this complex environment.

Monitoring and advice in continuous dialogue with the Executive Board

In the 2009/2010 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. In the meetings of the Supervisory Board and the committees, numerous issues and transactions requiring approval were discussed and decided upon.

The Supervisory Board regularly advised the Executive Board on the management of the Company, continuously observed and supervised its conduct of business, and satisfied itself that business complied with all legal and regulatory requirements. The Executive Board ensured that we were intensively involved from an early stage in all decisions of significance for the Company. To this end, it furnished us with regular written and verbal reports containing 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, the employment situation, planned and ongoing investment projects, and fundamental issues of corporate planning and strategy. Against the background of the continuing effects of the global financial and economic crisis, we paid particular attention again in the reporting year to the current earnings situation, including the risk situation and risk management. We also supervised the implementation of the reorganization of the Group and deliberated over 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, we were given detailed explanations in written or verbal form so that we could discuss the reasons for the deviations and appropriate measures with the Executive Board.

On the basis of reports by the Executive Board, all events of importance to the Company were subject to intensive examination by the committees and the full Supervisory 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. In individual cases we passed resolutions outside meetings by written procedure.



All important events were intensively discussed by the committees and the full Supervisory Board.

In the periods between meetings of the full Supervisory Board and the committees, the Supervisory Board Chairman and the Chairman of the Audit Committee in particular were in regular contact with the Executive Board. We were informed about major developments and decisions and supported the Executive Board in an advisory capacity. The stockholder and the employee representatives each held separate meetings before the Supervisory Board meetings to discuss key items on the agenda.

In the 2009/2010 fiscal year, the Supervisory Board convened at four regular meetings. In addition, since the periods of office of the elected stockholder representatives expired at the end of the General Stockholders' Meeting on January 21, 2010, a constituent meeting of the Supervisory Board was held with the newly elected stockholder representatives directly after the General Stockholders' Meeting. The average attendance at Supervisory Board meetings was 94%. No Supervisory Board members took part in fewer than half of the meetings. With one exception, the committee meetings were fully attended.

Conflicts of interest of Executive Board and Supervisory Board members, which must be disclosed to the Supervisory Board immediately and reported to the General Stockholders' Meeting, did not occur in the past fiscal year.

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 the committees. This approach has proven very successful. All committees are chaired by the Supervisory Board Chairman, with the exception of the Audit Committee. The content and results of each committee meeting were immediately communicated to the full Supervisory Board so that it had a comprehensive information base for its discussions. The compositions of the individual committees are shown on page 49 .



Details: page 49

Executive Committee

The Executive Committee (Praesidium) met five times in the reporting year. In my capacity as Chairman, I maintained close contact with the Executive Committee members between meetings to discuss projects of particular importance to the Group. In addition to preparing the full Supervisory Board meetings, the main subjects of deliberation in the Executive Committee were the Group's earnings and financial situation, the implementation of the Group's new structure, the progress reports on the two major investment projects, the amendments to the German Corporate Governance Code, the content of the Declaration of Conformity, and the preparation of the efficiency review of the Supervisory Board.

Mediation Committee

Once again in fiscal 2009/2010 it was not necessary to convene the Mediation Committee in accordance with § 27 par. 3 German Codetermination Act (MitbestG).

Personnel Committee

The Personnel Committee, which prepares the personnel decisions of the Supervisory Board and is responsible for other Executive Board matters, likewise met five times. In several meetings it dealt with the structure of the Executive Board compensation system and the compensation for each Executive Board member and submitted corresponding resolution proposals to the full Supervisory Board. Details of the amended compensation system are presented on pages 67-70 of the compensation report forming part of the corporate governance report. Further key topics discussed were the arrangement of



Details: pages 67-70

a successor for Dr. Ekkehard D. Schulz and the appointment of Dr. Heinrich Hiesinger as the new Executive Board Chairman, the appointment of Dr. Jürgen Claassen as Executive Board member and the associated changes to the Executive Board organization chart. The Personnel Committee also resolved to include diversity as a criterion in appointing future Executive Board members and in particular to strive to give appropriate consideration to female candidates.

The Personnel Committee also dealt with possible claims for damages against Executive Board members in connection with the steel mill project in Brazil. Furthermore, it gave its approval for the acceptance of external directorships by individual Executive Board members and the retention of the law firm Clifford Chance, for which Supervisory Board member Dr. Kersten v. Schenck works as Of Counsel.

i

The Audit Committee monitored the qualifications of the financial statement auditors.

Audit Committee

The Audit Committee held five meetings in the year under review. The meetings were regularly attended by the financial-statement auditors, the Chairman of the Executive Board and the Chief Financial Officer. The committee mainly dealt with the parent-company and consolidated financial statements, the monitoring of the accounting process, the effectiveness of the internal control system, risk management system and internal auditing system, and the audit of the annual financial statements, in particular the independence of the auditors and additional services performed by the auditors. In addition, the interim reports were discussed at length and approved prior to their publication. In its meeting in November 2009, the committee received a full account of the Group's current 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, together with the auditors, selected and addressed the following focus themes: ongoing profitability analysis of the projects of the Steel Americas business area in Brazil and the USA, and valuation of the assets in the Stainless Global business area. Further, a proposal was submitted to the full Supervisory Board for the election of the auditors for fiscal year 2009/2010. After their election by the General Stockholders' Meeting, the auditors were engaged by the Audit Committee to audit the parent-company and consolidated financial statements of ThyssenKrupp AG and to carry out audit reviews of the interim reports. The compensation for the auditors was resolved. The auditors declared that no circumstances exist which could lead to the assumption of prejudice on their part, and reported on the non-audit services they had performed. The Audit Committee obtained the required auditors' statement of independence and monitored the qualification of the auditors.

The Audit Committee continued to keep itself regularly informed about the status of the major investment projects in Brazil and the USA in the reporting period and discussed these projects in detail. It studied the results of the Group's internal auditing, the audit plan for the following year and regular reports on legal risks, and satisfied itself that the management of the Company is in compliance with the law. Other important issues addressed were the risk situation, liquidity, and valuation questions.

Strategy, Finance and Investment Committee

In its two meetings in fiscal 2009/2010, the Strategy, Finance and Investment Committee dealt with the strategic alignment of the Group and the business areas, the competitive position of the individual business areas, and the implementation of the new Group structure. Further key subjects of discussion were the ThyssenKrupp PLuS program to safeguard earnings and liquidity, and the effects of the energy and raw material price increases, in particular for the steel area. In addition, the Group's investment

policy was reviewed taking into account the current ratings situation as well as acquisition and disposal projects in the business areas. Other major topics were the corporate and investment planning and preparation of corresponding Supervisory Board resolutions. This committee, too, supervised the major investment projects in Brazil and the USA and the realignment of the Marine Systems business area in connection with the targeted strategic partnership with the Abu Dhabi MAR group.

Nomination Committee

The Nomination Committee held two meetings in the reporting year. It prepared the proposals to the General Stockholders' Meeting on January 21, 2010 for the election of the Supervisory Board stockholder representatives and submitted candidate proposals to the full Supervisory Board. These included the proposal that Dr. Gerhard Cromme be elected as Chairman of the Supervisory Board in the event of his election by the General Stockholders' Meeting. Furthermore, in September 2010 the committee dealt intensively with the fulfillment of the new requirements of the German Corporate Governance Code and resolved to pay attention to diversity in future election proposals for Supervisory Board stockholder representatives and in particular to strive to give due consideration to female candidates.

Meetings and resolutions of the Supervisory Board

Key areas of our work and subjects of regular discussions in the full Supervisory Board were the continuing effects of the global economic and financial crisis on ThyssenKrupp and the measures initiated by the Executive Board, the sales, earnings and employment situation of the Group and the business areas, and all major acquisition and disposal projects. In several meetings the financial position and ratings situation of the Group were addressed along with the measures taken by the Executive Board to secure liquidity and refinancing requirements.

In October 2009, the Supervisory Board gave its approval by written procedure, on the basis of detailed documents, for the sale of ThyssenKrupp Industrieservice GmbH to WISAG. The main aspects of the disposal had been explained beforehand in the meeting on September 04, 2009.

In the Supervisory Board meeting on November 26, 2009 we focused primarily on the parent-company and consolidated financial statements for the year ended September 30, 2009, and the Executive Board's proposal for the appropriation of net income. We also discussed the ThyssenKrupp risk management system with the Executive Board and satisfied ourselves of its efficiency. On the basis of a detailed report by the Executive Board, we addressed the corporate planning for the 2009/2010 fiscal year and discussed the further effects of the economic and financial crisis. A considerable part of the meeting was devoted to a report by the Executive Board on a strategic partnership with the Abu Dhabi MAR group in the Marine Systems business area. The Executive Board also reported to us on the implementation of the ThyssenKrupp PLuS program, which through measures to safeguard earnings and reduce net working capital led to an appreciable improvement in the earnings and financial situation. In this meeting the Supervisory Board also adopted the agenda for the General Stockholders' Meeting of ThyssenKrupp AG on January 21, 2010 together with the proposals for resolution, and nominated the candidates for election as stockholder representatives recommended by the Nomination Committee. In addition, the Supervisory Board approved the sale of the North American Safway group to Odyssey Investment Partners, LLC. In the absence of the Executive Board, the Supervisory Board dealt intensively with the modification of the Executive Board compensation system to take into account the new requirements introduced under the German law on the appropriateness of management compensation (VorstAG). Subject to a final decision in the May 2010 meeting, some key points of the system were established. Based on previous preparation by the Executive Committee, the Supervisory



The Supervisory Board repeatedly discussed the strategic partnership with Abu Dhabi MAR.

Board discussed the results of its efficiency review and requested the Executive Board to implement the agreed measures to further optimize the work of the Supervisory Board.

In the Supervisory Board meeting immediately before the General Stockholders' Meeting on January 21, 2010, the Executive Board reported to us on the current state of the Group. The meeting also focused on the Group's investment policy against the background of the current financial position and ratings situation. In this connection we examined, on the basis of a detailed document, the budgets for the investment projects in Brazil and the USA and requested the Executive Board to present a final statement on the major projects at the May meeting. Against the background of Dr. Middelmann's departure from the Executive Board of ThyssenKrupp AG at the close of the General Stockholders' Meeting, we adopted a new Executive Board organization chart. The meeting was also used to prepare for the ensuing General Stockholders' Meeting.

Immediately after the General Stockholders' Meeting, a constituent meeting of the Supervisory Board was held in which Dr. Cromme was re-elected as Chairman of the Supervisory Board and Prof. Dr. Pellens was elected for the first time as Chairman of the Audit Committee. Mr. Bertin Eichler was confirmed as Vice Chairman of the Supervisory Board. The Supervisory Board committees were reconstituted on the stockholder representative side.

In April 2010, following on from the report presented in the November 2009 meeting and on the basis of an extensive document prepared by the Executive Board, the Supervisory Board approved by written procedure the strategic partnership with the Abu Dhabi MAR group in the Marine Systems business area. Also in April, the Executive Board sent us a detailed report on the current situation on the raw materials markets and the effects for ThyssenKrupp, which was also discussed at the meeting on May 12, 2010. In this meeting, in addition to its regular report on the state of the Group, the Executive Board presented a status report on the ThyssenKrupp PLuS program and on the implementation of the reorganization. We also discussed the future strategic alignment and development prospects of the Group and the business areas with the Executive Board. For this meeting the Executive Board prepared the final statement of account we had requested for the major projects in Brazil and the USA. To supplement this, a report by the law firm Hengeler Müller was presented, which finds that the investment statement contains no evidence of negligence on the part of the Executive Board or individual members of the Executive Board of ThyssenKrupp AG. In the absence of the Executive Board, the Supervisory Board discussed Executive Board matters in this meeting and passed the following resolutions: the appointment of Dr. Heinrich Hiesinger as Vice Chairman of the Executive Board effective October 01, 2010 and as Chairman of the Executive Board as from the close of the General Stockholders' Meeting on January 21, 2011, and the appointment of Dr. Jürgen Claassen as member of the Executive Board as from the close of the General Stockholders' Meeting on January 21, 2011. At the proposal of the Personnel Committee, the Supervisory Board also approved the service contracts of the two gentlemen and adopted the revised versions of the Executive Board organization chart effective October 01, 2010 and January 21, 2011. After detailed discussion, the investment plan of the Group for the 2010/2011 fiscal year was approved. In addition, the Executive Board gave us a progress report on the new ThyssenKrupp Quarter. We also deliberated over the cooperation between Howaldtswerke-Deutsche Werft and Ferrostaal. In the absence of the Executive Board, at the proposal of the Personnel Committee and following on from the debate in the Supervisory Board meeting in November 2009, the Supervisory Board discussed in more depth and adopted the new compensation system for the Executive Board.

The meeting of September 03, 2010 focused on a report by the Executive Board on the state of the Group and detailed reports on the situation in the business areas. The Executive Board also presented an up-to-date profitability analysis of the major projects in Brazil and the USA. The Supervisory Board noted that a plausibility analysis carried out by Ernst & Young confirmed the profitability and

[1]

Prof. Dr. Pellens was elected chairman of the Audit Committee on January 21, 2010.

sustainable value of both projects. The Supervisory Board approved the disposal of Hellenic Shipyards S.A. in Greece. It also discussed corporate governance at ThyssenKrupp and in particular the amendments to the German Corporate Governance Code made by the Government Commission on the Code in May 2010. In this connection it specified concrete objectives for its future composition and resolved – also in respect of the composition of the Executive Board – to pay attention to diversity and in particular to give appropriate consideration to women candidates. In line with normal procedure, the Supervisory Board also reviewed and revised the fixed salaries of the Executive Board members.

Corporate governance and Declaration of Conformity

The Supervisory Board again addressed the further development of corporate governance standards in the past fiscal year. The Executive Board – also on behalf of the Supervisory Board – reports on corporate governance at ThyssenKrupp in the corporate governance report on pages 58-74 in accordance with section 3.10 of the German Corporate Governance Code. We discussed the implementation of the Code at ThyssenKrupp at length in the Supervisory Board meeting on September 03, 2010, addressing in detail the latest amendments to the Code.

At October 01, 2010 the Executive Board and Supervisory Board jointly issued an updated Declaration of Conformity in accordance with § 161 of the German Stock Corporation Act (AktG), which is permanently available to stockholders on the Company website. ThyssenKrupp AG complies with all the Code's current recommendations with one exception: The recommendation in section 5.4.5, which states that an Executive Board member shall not accept more than a total of three Supervisory Board mandates in non-Group listed companies or in supervisory bodies of companies with similar requirements, will not be fully complied with until the close of the General Stockholders' Meeting on January 21, 2011. More information on this is provided on page 61. The suggestions of the Code are followed without exception.

Audit of the parent-company and consolidated financial statements

The parent-company financial statements for the period October 01, 2009 to September 30, 2010, 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 General Stockholders' Meeting on January 21, 2010. The auditors issued an unqualified audit opinion. In accordance with § 315a HGB, the consolidated financial statements of ThyssenKrupp AG for the fiscal year from October 01, 2009 to September 30, 2010 and the management report on the Group were prepared on the basis of the International Financial Reporting Standards (IFRS) as applicable in the European Union. The consolidated financial statements and the management report on the Group were also given an unqualified audit opinion. The auditors also confirmed that the Executive Board has installed an appropriate reporting and monitoring system which is suitable in its design and handling to identify at an early stage developments which could place the continued existence of the Company at risk.

The Audit Committee together with the auditors had selected the following focus themes for the reporting period: ongoing profitability analysis of the projects of the Steel Americas business area in Brazil and the USA and valuation of the assets in the Stainless Global business area. The financial-statement documentation and audit reports were sent to all Supervisory Board members in good time. They were discussed in detail in the Audit Committee meeting on November 16, 2010 and in the meeting of the Supervisory Board on November 26, 2010. 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 depth at the full Supervisory Board



Details: pages 58-74



Details: page 61

¹

The Supervisory Board regards the proposed dividend as appropriate.

meeting on the Audit Committee's examination 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, 2010, 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. On the basis of our own examination and taking into consideration the earnings situation and financial position, we concurred with the proposal for the appropriation of net income submitted and explained by the Executive Board. We regard the proposed dividend as appropriate.

Composition of the Supervisory Board and Executive Board

As already explained in the 2008/2009 Annual Report, to succeed 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 decision with effect from October 14, 2009. At the close of the General Stockholders' Meeting on January 21, 2010, Prof. Jürgen Hubbert, Dr. Martin Kohlhaussen and Dr. Heinz Kriwet stood down from the Supervisory Board. The General Stockholders' Meeting elected on an individual basis Prof. Dr. Beatrice Weder di Mauro, Prof. Dr. Hans-Peter Keitel, Prof. Dr. Ulrich Lehner, Prof. Dr. Bernhard Pellens, Dr. Henning Schulte-Noelle, Mr. Christian Streiff and Mr. Jürgen R. Thumann as stockholder representative members of the Supervisory Board. With effect from the end of the General Stockholders' Meeting on January 21, 2010, the Alfried Krupp von Bohlen und Halbach Foundation designated Dr. Gerhard Cromme, Dr. Kersten v. Schenck and Mr. Peer Steinbrück as Supervisory Board members. At the close of March 31, 2010 Mr. Theo Frielinghaus resigned his seat on the Supervisory Board. To succeed him, Mr. Ernst-August Kiel was appointed to the Supervisory Board by court decision with effect from April 12, 2010.

The Supervisory Board thanked all the former Supervisory Board members for their cooperation and their support for the Company in the past years.

At the close of the General Stockholders' Meeting of ThyssenKrupp AG on January 21, 2010, Dr. Ulrich Middelman resigned from the Executive Board. We also expressed our thanks and recognition to Dr. Middelman for his many years of valuable service to the Group. Effective October 01, 2010 Dr. Heinrich Hiesinger was appointed Vice Chairman of the Executive Board and as from the close of the General Stockholders' Meeting on January 21, 2011 Chairman of the Executive Board of ThyssenKrupp AG. Dr. Jürgen Claassen was appointed member of the Executive Board with effect from the end of the General Stockholders' Meeting of ThyssenKrupp AG on January 21, 2011.

The Supervisory Board thanks the management, employees and employee representatives of all Group companies for their commitment and the work they have performed in a continued difficult environment.

The Supervisory Board



Dr. Gerhard Cromme
Chairman

Essen, November 26, 2010

Corporate governance report

Corporate governance at ThyssenKrupp is based on the German Corporate Governance Code. The Executive Board and Supervisory Board are committed to securing the future of the Company and sustainable value growth through responsible governance geared to the long term.

The Executive Board – also on behalf of the Supervisory Board – reports in this section on corporate governance at ThyssenKrupp in accordance with section 3.10 of the German Corporate Governance Code. The section also includes the corporate governance statement in accordance with § 289a German Commercial Code (HGB) and the compensation report.

Good corporate governance is an issue that applies to all areas of ThyssenKrupp. It promotes trust by investors, financial markets, business partners, employees and the public in the management and oversight of the Company, and is a key foundation for sustainable business success.

Corporate governance statement

Division of duties and responsibility between Executive Board and Supervisory Board

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. In accordance with the statutory requirements for a German stock corporation, ThyssenKrupp AG has a two-tier governance system characterized by a separation of personnel between management and supervisory organs.

How the Executive Board operates

The Executive Board of ThyssenKrupp AG, which currently comprises six persons, is responsible for managing the Group and the Group holding company. It performs its management task as a collegiate body. This task includes in particular determining corporate goals, defining the strategy of the Group, controlling and monitoring the performance of the Group, corporate planning and Group financing.



The Executive Board of ThyssenKrupp AG currently comprises six persons.

The members of the Executive Board have joint responsibility for overall management. They work together as colleagues and keep each other informed of important measures and events in their departments. Notwithstanding the overall responsibility of all members of the Executive Board, the individual members of the Executive Board manage the departments they have been assigned on their own responsibility within the framework of Executive Board resolutions. The work of the Executive Board is specified in more detail in rules of procedure for the Executive Board, in which matters reserved for the full Executive Board and other decision-making modalities are also defined in more detail. The rules of procedure for the Executive Board are available for inspection on the Company's website. The allocation of departments to the individual members of the Executive Board is set out in an organization chart forming part of the rules of procedure.

The Executive Board regularly agrees the strategy of the Company with the Supervisory Board, ensures it is implemented and discusses the progress of implementation with the Supervisory Board at regular intervals. The Executive Board provides the Supervisory Board with regular detailed updates on all issues of relevance to the Company related to business performance, financial position, planning and target achievement, the risk situation and risk management. Variances between actual performance and defined plans and targets are discussed and explained. The Executive Board's reports also include the subject of compliance, i.e. measures to ensure adherence to statutory requirements and Company policies.

The Executive Board passes resolutions in meetings that usually take place at least twice a month and are generally chaired by the chairman of the Executive Board. Each member of the Executive Board may demand the convening of a meeting, giving notice of the subject for discussion; similarly, each member may demand that a subject be included on the agenda of a meeting. Decisions of the full Executive Board are made by simple majority of the members taking part in the resolution.

Certain Executive Board decisions of particular importance are subject to the approval of the Supervisory Board. These have been decided by the General Stockholders' Meeting and are set out in the Articles of Association of ThyssenKrupp AG. Under Article 7, for instance, the Supervisory Board decides on fundamental changes to the Group's organizational structure, on the Group's annual investment plan and on its financing. The Supervisory Board's approval is also required for the acquisition and disposal of equity interests in other companies where the value of the individual transaction exceeds €25 million.

Information on the composition of the Executive Board and the individual Executive Board members is provided on pages 46-47.



Details: pages 46-47

How the Supervisory Board operates

The Supervisory Board appoints, monitors and advises the Executive Board and is directly involved in decisions of fundamental importance for the Company. Fundamental decisions require the Supervisory Board's approval.



Details: pages 48-49

Pursuant to Article 9 subsection 1 of the Articles of Association, § 96 subsection 1 German Stock Corporation Act (AktG) and § 7 subsection 1 sentence 1 No. 3 German Codetermination Act (MitbestG), the Supervisory Board consists of 20 members, of whom ten are appointed by the stockholders and ten by the employees. Seven stockholder representatives were elected at the General Stockholders' Meeting on January 21, 2010, while three further stockholder representatives were designated by the Alfried Krupp von Bohlen und Halbach Foundation at January 21, 2010, based on the right of designation granted in Article 9 subsection 2 of the Articles of Association. The election of the employee representatives took place on December 09, 2008. The current composition of the Supervisory Board is shown on pages 48-49.

The term of office of the employee representatives ends with the close of the General Stockholders' Meeting in 2014 resolving on ratification of the acts of the Executive Board for fiscal year 2012/2013. The term of office of the Supervisory Board members elected by the General Stockholders' Meeting ends with the close of the General Stockholders' Meeting in 2015 resolving on ratification of the acts of the Executive Board for fiscal year 2013/2014; the term of office of the members currently designated by the Alfried Krupp von Bohlen und Halbach Foundation ends at the same time.

To perform its duties the Supervisory Board has set up a total of six committees, which support the work of the full Supervisory Board meetings: an executive committee, a mediation committee pursuant to § 27 subsection 3 Codetermination Act, a personnel committee, an audit committee, a strategy, finance and investment committee, and a nomination committee. The committees prepare the resolutions of the Supervisory Board and the topics to be dealt with in the full Supervisory Board meetings. In addition, the personnel committee resolves in place of the full Supervisory Board on certain matters defined in the rules of procedure that can by law be transferred to the committee for resolution. The Supervisory Board has set up rules of procedure that define the responsibilities of the committees. In addition, the audit committee has its own rules of procedure. Both sets of rules can be inspected on the Company's website. Page 49 provides details of the composition of the committees.



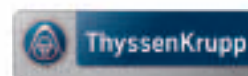
Details: page 49

The Supervisory Board regularly evaluates the independence of its members. For this it has defined principles for evaluating independence, based in particular on the German Corporate Governance Code. Applying these principles, the majority of the current Supervisory Board members can be regarded as independent, so independent advice and monitoring of the Executive Board is guaranteed. Also in accordance with the Code, only one Supervisory Board member, Dr. Cromme, is a former member of the Executive Board.

Each Supervisory Board member must disclose conflicts of interest to the Supervisory Board without delay. The Supervisory Board reports to the General Stockholders' Meeting on conflicts of interest that have occurred and their treatment.

Declaration of Conformity pursuant to § 161 Stock Corporation Act (AktG)

§ 161 of the Stock Corporation Act (AktG) requires the executive board and supervisory board of a listed German stock corporation to declare once a year whether the German Corporate Governance Code has been and is being complied with, or which of the Code's recommendations have not been or are not being applied and why not. On the basis of intensive discussions the Executive Board and Supervisory Board issued the following Declaration of Conformity pursuant to § 161 subsection 1 AktG at October 01, 2010:



**Declaration by the Executive Board and Supervisory Board
of ThyssenKrupp AG
on the recommendations of the
"Government Commission on the German Corporate Governance Code"
in accordance with Art. 161 of the Stock Corporation Act (AktG)**

ThyssenKrupp AG complies with the recommendations of the Government Commission on the German Corporate Governance Code as amended on May 26, 2010, published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette ("Bundesanzeiger"), and also complied with the recommendations of the Code in the period from October 1, 2009 to the Supervisory Board meeting on September 3, 2010 (Code version of June 18, 2009) and from September 4, 2010 to September 30, 2010 (Code version of May 26, 2010). The recommendation in section 5.4.5 of the Code version of May 26, 2010 will not be fully complied with in the period from July 2, 2010 (when it entered into force) until the close of the Annual General Meeting of ThyssenKrupp AG on January 21, 2011. From this date, ThyssenKrupp AG will once again comply with all recommendations of the Code.

The deviation from the recommendation in section 5.4.5 results from the fact that the Chairman of the Executive Board of ThyssenKrupp AG, Dr.-Ing. Ekkehard D. Schulz, holds three supervisory board mandates in non-Group listed companies (Bayer AG, MAN SE and RWE AG) and one mandate in the supervisory body of a non-listed company with similar requirements (AXA Konzern AG). Dr.-Ing. Ekkehard D. Schulz will retire from the Executive Board of ThyssenKrupp AG at the close of the Annual General Meeting on January 21, 2011. Given Dr. Schulz's longstanding membership of the four non-Group supervisory boards and the limited remaining duration of his Executive Board membership, we consider this temporary deviation from the recommendation in section 5.4.5 of the Code justified.

Duisburg/Essen, October 1, 2010

For the Supervisory Board

- Cromme -

For the Executive Board

- Schulz -

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Formerly Chairman of the Supervisory Board: Prof. Dr. h.c. mult. Bernhard Seitz, Prof. Dr. Günter Hopmann, Chairman of the Supervisory Board: Dr. Gerhard Cromme
Executive Board: Dr.-Ing. Ekkehard D. Schulz, Chairman; Dr.-Ing. Hans-Joachim Heesgen, Vice Chairman; Dr. Gerd Borker, Gerd Föhren, Dr. Axel Hoyer, Ralph Lohme
Registered office: Duisburg and Essen, Courts of register: Duisburg HR B 8030, Essen HR B 15384

All the suggestions of the German Corporate Governance Code are followed. Detailed information on this topic is also available on our website, including the current Declaration of Conformity and those of previous years.

Key corporate governance practices

Compliance as a key management duty of the Executive Board

Compliance, in the sense of measures to ensure adherence to statutory requirements 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 enhanced ever since, most recently in connection with the reorganization of the Group in October 2009. The Groupwide compliance activities focus on antitrust law and anti-corruption policies. The compliance program contains far-reaching measures to ensure adherence to corruption and antitrust regulations and the Group policies based on them.

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 employees 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. In these, the underlying statutory requirements are explained in more detail.

A compliance unit has been set up to develop, manage and implement the program. For example, full-time compliance officers inform employees about the relevant statutory provisions and internal policies in regular training sessions. They are also available to answer individual questions. Key tasks in 2009/2010 were the implementation of organizational and personnel changes in the compliance unit as a result of the reorganization of the Group, the performance and support of compliance audits, investigation of whistleblower disclosures, revision of training plans, and continuation of the training courses and the e-learning program on key compliance issues. Around the world, more than 2,400 employees received training on antitrust and anti-corruption law in the reporting period. Particular emphasis was placed on training in countries posing potentially higher compliance risks. The classroom courses are supplemented by Groupwide interactive e-learning programs, which have been completed by approximately 25,000 (anticorruption) and 21,000 (antitrust) employees so far. As an additional 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 Group companies. Here too the focus is on antitrust and anti-corruption compliance. 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 rules 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 departments assess matters that may be subject to ad hoc reporting requirements in order to ensure that 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 recorded in an insider register.



Around 46,000 employees have taken part in the compliance e-learning program so far.

Code of Conduct for employees

The skills and motivation of our employees are essential to the Group's long-term success. We are therefore committed to providing a positive working environment, a broad range of training and development opportunities, and a performance-based compensation system to allow employees to contribute their skills in the best possible way. ThyssenKrupp practices a culture based on respect for all, irrespective of gender, nationality, ethnic background, religion, disability or age. These principles have been part of the corporate culture for decades and were set out in 2007 in a Groupwide Code of Conduct. More information on the working environment at ThyssenKrupp is provided on pages 157-162.



Details: pages 157–162

Sustainability and responsibility

ThyssenKrupp is committed to the principles of sustainability and intergenerational justice. We consider the needs of current generations and at the same time are conscious of our responsibility towards future generations. Against this background, protecting people and nature is particularly important; climate protection and resource conservation are important guiding principles for our actions. More information on this can be found on pages 152-156.



Details: pages 152–156

Social commitment

To promote the positive development of the regions in which the Group operates we provide regular support to a large number of non-profit projects, organizations and initiatives in the fields of culture, science, education and sport as well as in the social, charitable and humanitarian areas. For more information on this, turn to pages 144-145.



Details: pages 144–145

Further information on corporate governance at ThyssenKrupp

Implementation of the German Corporate Governance Code

The Executive Board and Supervisory Board of ThyssenKrupp AG again dealt intensively with the requirements of the German Corporate Governance Code, especially the amendments adopted by the Code Commission on May 26, 2010. Based on this, on October 01, 2010 they issued the Declaration of Conformity pursuant to § 161 subsection 1 AktG shown on page 61.



Details: page 61

ThyssenKrupp is implementing the provisions introduced in connection with the Code amendments regarding the consideration of women in the composition of the executive board and in filling management functions in the company. The new provisions regarding the composition of the supervisory board are also being complied with: These call for the supervisory board to specify concrete objectives with regard to its composition and to take these into account when making proposals to the responsible electoral bodies. These objectives are presented in the following section. The Code Commission also stresses the obligation of supervisory board members to undertake the training necessary for their tasks, and recommends companies to support them appropriately in this; this recommendation is also implemented. The only recommendation currently not implemented is the modified recommendation that an executive board member of a listed company should not hold more than three supervisory board seats in external listed companies or in the supervisory bodies of non-listed companies subject to comparable requirements. More details on this are contained in the Declaration of Conformity.

The Code is also complied with at our listed subsidiary Eisen- und Hüttenwerke AG, taking into account the particularities of its membership in the Group. Individual deviations are presented and explained in the Company's Declaration of Conformity of October 01, 2010.



The criterion of diversity will play a greater role in the composition of Executive Board and Supervisory Board in the future.

Objectives of the Supervisory Board with regard to its composition

The executive committee, nomination committee and Supervisory Board of ThyssenKrupp AG decided in September 2009 to give stronger recognition to the criterion of diversity in the appointment of Executive Board members and also in the composition of the Supervisory Board. The aim at that time already was to achieve greater internationality and appropriate female representation in the Executive Board and Supervisory Board by giving consideration to diversity in addition to a balance of specialist skills.

This criterion was considered by the nomination committee and Supervisory Board in the proposals for the election of stockholder representatives made to the 2010 General Stockholders' Meeting. The Supervisory Board now has one female member each on the stockholder and employee sides, so even before the most recent Code changes a female proportion of 10% had been achieved. With the election of Prof. Dr. Weder di Mauro and Mr. Streiff the Supervisory Board has also become more international. On the basis of these balanced overall proposals, reflecting the interest of the Company, for all elected representatives, the composition of the Supervisory Board of ThyssenKrupp AG is such that its members overall have the knowledge, skills and specialist experience necessary to carry out the Supervisory Board's duties in a proper manner.

On September 03, 2010, the executive committee, nomination committee and Supervisory Board agreed to establish concrete objectives for the future composition of the Supervisory Board but not to limit these to the issue of female representation. Rather, further criteria are to be used to ensure a heterogeneous composition of the Supervisory Board. The following concrete objectives were resolved:

- Maintain a female proportion of 10% until the new elections of stockholder representatives in 2015
- Further increase female representation in the Supervisory Board after the next regular elections of stockholder and employee representatives. The target is a female proportion of at least 20%, the proportion to be equal on both the stockholder and employee sides.
- Maintain the proportion of Supervisory Board members with an international background at the current level at least
- Give consideration to specific knowledge and experience in the application of accounting standards and internal control systems
- Give consideration to technical expertise
- Give consideration to knowledge of the Company
- Independence of Supervisory Board members
- Avoid conflicts of interest
- Give consideration to an age limit of 70 at the time of election

The Supervisory Board's proposals for the election of Supervisory Board members should continue to be based on the welfare of the Company while giving consideration to these objectives.

Avoiding conflicts of interest

Again this reporting year, the only case of a consulting or other service agreement between Supervisory Board members and the Company related to Dr. v. Schenck, who is a member of our Company's Supervisory Board and at the same time an of counsel of the law firm Clifford Chance. To the extent that Clifford Chance provided legal advice to the Company in 2009/2010, the engagement was approved by the Supervisory Board personnel committee. Conflicts of interest of Executive Board or Supervisory Board members, which must be disclosed immediately to the Supervisory Board, did not occur.

Details of the other directorships held by Executive Board and Supervisory Board members on statutory supervisory boards or comparable German and non-German control bodies of business enterprises are provided on pages 287-289. With the exception of Dr. Schulz no Executive Board members hold more than three supervisory board seats in external listed companies or in supervisory bodies of non-listed companies subject to comparable requirements. Details of related party transactions are given in the Notes to the Consolidated Financial Statements on page 242.



Details: pages 287–289



Details: page 242

Directors' dealings

According to § 15a Securities Trading Act (WpHG) the members of the Executive Board and Supervisory Board and persons close to them are required by law to disclose the purchase and sale of ThyssenKrupp AG shares or related financial instruments whenever the value of the dealings amounts to €5,000 or more within a calendar year. No dealings were reported to ThyssenKrupp AG for fiscal year 2009/2010. Previous years' dealings are published on our website.

At September 30, 2010 the total volume of ThyssenKrupp AG shares held by all Executive Board and Supervisory Board members amounted to less than 1% of the shares issued by the Company.

Deductible in D&O insurance

The Company has taken out directors and officers (D&O) liability insurance with an appropriate deductible for the members of the Executive Board in accordance with the statutory requirements. D&O insurance with an appropriate deductible has also been agreed for the members of the Supervisory Board in accordance with the German Corporate Governance Code.

Stockholders and General Stockholders' Meeting

The stockholders of ThyssenKrupp AG exercise their rights at the Company's General Stockholders' Meeting, which is chaired by the chairman of the Supervisory Board. The General Stockholders' Meeting takes place once a year. Each share confers one vote.

Stockholders can exercise their voting rights at the General Stockholders' Meeting in person or by proxy, for which they can authorize a person of their choice or a Company-nominated proxy acting on their instructions. Proxy voting instructions to Company-nominated proxies can be issued via the internet before and during the General Stockholders' Meeting up to the end of the general debate. For the first time at the 2011 General Stockholders' Meeting stockholders will be able to cast their votes in writing by postal vote – without authorizing a proxy. Stockholders unable to attend the General Stockholders' Meeting, as well as interested members of the public, can follow the meeting live and in full on the internet.

The General Stockholders' Meeting at 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. Notice of the General Stockholders' Meeting including the agenda and

an explanation of the conditions for participation and the rights of stockholders is generally given one-and-a-half months before the date of the General Stockholder's Meeting. All documents and information on the General Stockholders' 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 and voting results on the internet directly after the General Stockholders' Meeting.

Appropriate control and risk management system

For the Executive Board and Supervisory Board, managing opportunities and risks arising in connection with the Company's operations is fundamental to professional corporate governance. Particular attention is paid to financial risks such as liquidity and default risks. Systematic risk management as part of our value-based management policy ensures that risks are identified and evaluated early and risk exposure is optimized. The Executive Board keeps the Supervisory Board regularly informed about existing risks and their development. The Supervisory Board audit committee regularly concerns itself with monitoring of the accounting process, the effectiveness of the internal control, risk management and auditing systems as well as monitoring of the financial statement audit. The internal control system, risk management system and internal auditing system are continuously enhanced and adapted to changing conditions. With the integration of central risk management in Corporate Center Controlling of ThyssenKrupp AG as part of the reorganization of the Group, planning and reporting processes were further improved. More details of our control and risk management systems can be found on pages 163-166.



Details: pages 163–166

Transparent governance through extensive information

To guarantee maximum transparency and equal opportunities for all, our dialogue with the capital market is aimed at informing all target groups equally and quickly. Stockholders and potential investors can find out about the latest developments in the Group at any time on our website, where all press releases and stock exchange (ad hoc) announcements of 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 the audit committee can also be viewed on the website, as can the most recent consolidated financial statements, interim reports and detailed information on implementation of 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.

Our investor relations work keeps us in close touch with our stockholders and potential investors. For example we hold regular meetings with analysts and institutional investors. The venues and dates of roadshows and investors' conferences are posted on our website. An intensive dialogue also takes place at analysts' and investors' conferences and in regular and ad hoc conference calls. All presentations for these events are freely accessible on the website, which also offers video or audio recordings of the main events. Stockholders, analysts, stockholder associations, the media and interested members of the public are kept informed about recurring dates, such as the date of the General Stockholders' Meeting or the publication dates of interim reports, by a financial calendar published in the annual report, the interim reports and on the Company's website.

Accounting and financial statement auditing by KPMG

In line with European Union requirements, the consolidated financial statements and interim reports of ThyssenKrupp are prepared 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 financial statement 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 or occurrences during the audit which have a significant 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 that conflict with the Declaration of Conformity issued by the Executive Board and Supervisory Board pursuant to § 161 Stock Corporation Act (AktG).

Compensation report



Details: page 87

The following compensation report forms part of the management report (see p. 87). Among other things it describes in detail the compensation system for the Executive Board.

Performance-based compensation for the Executive Board

We have long 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 performance bonus, the Mid Term Incentive plan (MTI), which is being continued from fiscal 2010/2011 in slightly modified form as the Long Term Incentive plan (LTI), as well as additional benefits and pension plans. The compensation for fiscal year 2009/2010 also includes an additional bonus; whether this is granted next fiscal year will have to be decided in due course.

According to the Act on the Appropriateness of Management 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 Supervisory Board, acting on the proposal of its personnel committee, resolved the compensation system for the Executive Board including major contractual elements in 2008, at the same time determining to review it regularly. In its meeting on September 04, 2009 the Supervisory Board determined that the compensation system largely corresponds with the parameters introduced by the VorstAG. The compensation system for the Executive Board was approved by the General Stockholders' Meeting on January 21, 2010 with a majority of 99.55% of the capital represented.

To ensure full conformity with the new statutory requirements the Supervisory Board reexamined the compensation system in its details and modified it in its meeting on May 12, 2010. The modified compensation system, described in more detail below, will be presented to the General Stockholders' Meeting for approval on January 21, 2011.

Compensation system for the Executive Board

Criteria for the appropriateness of Executive Board compensation include the duties of the individual Executive Board members, 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 performance bonus, MTI (in the future LTI) and – in fiscal year 2009/2010 – additional bonus, 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.



The compensation system for the Executive Board received the strong approval of the General Stockholders' Meeting.



Executive Board compensation comprises performance-related and non-performance-related components.

Executive Board member contracts concluded since the start of fiscal year 2008/2009 provide for a severance payment in the event of early termination without cause. The severance payment is limited to a maximum of two years' compensation including benefits (severance payment cap) and compensates no more than the remaining term of the employment agreement. A promise of payments in the event of early termination due to a change of control does not exist.

Regarding the various compensation components: The 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 the performance bonus and the MTI/LTI as a component with a long-term incentive effect. For the past fiscal year the Executive Board members will receive an additional bonus representing a cash-flow based management incentive.

Fixed compensation

Since the review at October 01, 2008, the fixed compensation for an ordinary Executive Board member has been €585,000 per year, paid out as non-performance-related basic compensation in monthly installments as a salary. The Executive Board members also receive benefits, mainly comprising the tax value of real property and related incidental costs (currently a lump sum of €55,000 p.a.), insurance premiums and private use of a company car. The individual Executive Board member has to pay tax on these benefits as compensation components. The benefits apply in principle to all Executive Board members; the amount varies according to personal situation.

The fixed compensation is generally reviewed every two years. In the review at October 01, 2010 the benefit lump sum of €55,000 was allocated to the fixed compensation, so the amount of benefits will decrease accordingly. In addition, the fixed compensation was increased by €30,000, so from October 01, 2010 it amounts to €670,000 in total.

Performance bonus

The first element of the performance-related compensation is the performance bonus. In accordance with the performance bonus rules resolved by the Supervisory Board, the amount of the performance bonus is dependent on the Group's EBT (earnings before taxes) and ROCE (return on capital employed), each of which is considered equally as a criterion. The performance bonus is therefore aligned with the performance indicators used in the Group. For example, if EBT is €2 billion and ROCE is 14.5%, the performance bonus is €1 million. Individual performance can be recognized up to 20%. Extraordinary events are ignored in determining the performance bonus. The performance bonus is paid out to the individual Executive Board members two weeks after its establishment by the Supervisory Board, generally in mid-November. With a view to the Act on the Appropriateness of Management Board Remuneration (VorstAG) the Supervisory Board has decided from fiscal year 2009/2010 to convert a quarter of the performance bonus into ThyssenKrupp stock appreciation rights to be paid out after a three-year lock-up period.

MTI and LTI

From fiscal year 2010/2011 a further compensation component is the LTI, a variable compensation component with a long-term incentive effect. In accordance with a resolution by the Supervisory Board, the MTI plan still applying for fiscal year 2009/2010 was modified and is being continued under the name Long Term Incentive plan – LTI. Under the MTI plan applying to date, notional shares (so-called stock rights, not stock options) are granted to an ordinary Executive Board member for an initial value of €150,000. After expiration of a three-year performance period the average ThyssenKrupp Value Added (TKVA) of this performance period is compared with the average TKVA of the previous three fiscal years. For every €50 million change in TKVA, the number of stock rights changes by 10%.

The resultant number of stock rights is multiplied by the average price of ThyssenKrupp's stock in the first three months after the end of the performance period to give the amount to be paid out to the Executive Board member. The modifications in the future LTI plan concern the increase in the MTI initial value of €150,000 for an ordinary Executive Board member to €500,000 in the LTI plan; in addition, changes in TKVA are only considered when they reach €200 million (instead of €50 million in the MTI plan). The LTI system is as follows:

For a certain initial value, which for an ordinary Executive Board member amounts to €500,000, notional 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. The number of stock rights issued under the LTI plan is then adjusted at the end of the respective three-year performance period. The basis for this is a comparison of average 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 previous three fiscal years. This compensation component therefore covers in total a period of six years. An increase in TKVA by €200 million results in a 5% increase in stock rights; if average TKVA decreases by €200 million, the number of stock rights decreases by 10%. More information on TKVA is contained on pages 93-95. At the end of the performance period the granted stock rights are paid out on the basis of the average price of ThyssenKrupp's stock in the first three months after the end of the performance period. As with the MTI plan, payments under the LTI plan are limited to €1.5 million for an ordinary Executive Board member.



Details: pages 93–95



The granting of an additional bonus to the Executive Board will be decided each year.

Additional bonus

This system of performance bonus and MTI/LTI is appropriate but requires supplementation under certain constellations. For example, due to the high negative TKVA in fiscal year 2008/2009 and despite substantial increases in fiscal year 2009/2010 there will be no payments under the MTI plan for the reporting period – just as there were none for the prior year – owing to the plan's long-term focus. In difficult economic years, which demand particular efforts of the Executive Board, the work of the Executive Board should not be rewarded only with the fixed compensation, as was the case in 2008/2009. In view of the tasks facing the Executive Board and its particular responsibility this would impair the competitiveness of our executive remuneration. It also has to be considered that high financial discipline is essential in critical times. For this reason a performance-based compensation element based on a cash-flow-related indicator is being established for a certain period. This indicator is the ratio of funds from operations to total debt (FFO/TD), which makes it possible to balance out fluctuations in EBT, net working capital and capital expenditures. The achievement of set targets by the Executive Board is to be rewarded with an additional bonus. With an FFO/TD ratio of 10% it amounts to €450,000 and increases generally by €50,000 for every 0.3% increase in the FFO/TD ratio. To ensure the sustainability and multi-year assessment basis required by the VorstAG particularly in the ratio between short-term and long-term compensation, 55% of the additional bonus will be converted into ThyssenKrupp stock appreciation rights and paid out after a three-year lock-up period (as with the performance bonus). Whether this additional bonus is granted again, and if so at what level, will be decided each year.

Pensions

Pensions are paid to former Executive Board members who have either reached pension age, become permanently incapacitated for work or whose employment contract has been prematurely terminated or not renewed taking into account other income. Under the amended contract 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 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; Dr. Schulz's pension 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 Executive Board compensation granted in 2009/2010

The following table shows the breakdown of compensation and pensions for individual Executive Board members in fiscal year 2009/2010. The prior-year figures are shown in square brackets:

EXECUTIVE BOARD COMPENSATION IN 2009/2010 in €'000s

	Annual income				Stock appreciation rights granted in fiscal year from 25 % of performance bonus		Stock appreciation rights granted in fiscal year from 55% of additional bonus		MTI rights granted in fiscal year		Total	Pensions		
	Fixed salary	Additional benefits	Performance bonus (75%)	Additional bonus (45%)	Number	Value ¹⁾	Number	Value ³⁾	Number	Value ³⁾		Expense / (income) from share-based compensation in the fiscal year	Annual pension when payable	Allocation to pension accrual in fiscal year
Dr.-Ing. Ekkehard D. Schulz ¹⁾ Chairman	966 [966]	130 [120]	611 [—]	532 [—]	8,964 [—]	210 [—]	28,626 [—]	671 [—]	10,172 [15,645]	229 [207]	3,349 [1,293]	1,019 [(641)]	628 [628]	906 [602]
Dr. Ulrich Middelmann ²⁾ Vice Chairman (until Jan. 21, 2010)	226 [732]	46 [173]	142 [—]	124 [—]	2,081 [—]	49 [—]	6,646 [—]	155 [—]	2,408 [11,852]	54 [157]	796 [1,062]	237 [(485)]	439 [439]	638 [640]
Dr. Olaf Berlien	585 [585]	94 [95]	370 [—]	322 [—]	5,433 [—]	127 [—]	17,349 [—]	407 [—]	6,165 [9,482]	139 [125]	2,044 [805]	617 [(388)]	293 [293]	664 [289]
Edwin Eichler	585 [585]	79 [82]	370 [—]	322 [—]	5,433 [—]	127 [—]	17,349 [—]	407 [—]	6,165 [9,482]	139 [125]	2,029 [792]	617 [(388)]	293 [293]	879 [405]
Dr. Alan Hippe	585 [293]	99 [63]	370 [—]	322 [—]	5,433 [—]	127 [—]	17,349 [—]	407 [—]	6,165 [4,741]	139 [63]	2,049 [419]	617 [—]	176 [176]	368 [113]
Ralph Labonte	585 [585]	92 [93]	370 [—]	322 [—]	5,433 [—]	127 [—]	17,349 [—]	407 [—]	6,165 [9,482]	139 [125]	2,042 [803]	617 [(388)]	293 [293]	1,177 [501]
Total	3,532 [3,746]	540 [626]	2,233 [—]	1,944 [—]	32,777 [—]	767 [—]	104,668 [—]	2,454 [—]	37,240 [60,684]	839 [802]	12,309 [5,174]	3,724 [(2,290)]	2,122 [2,122]	4,632 [2,550]

¹⁾ Supplement 65%

²⁾ Supplement 25%

³⁾ at grant date

The corresponding prior-year values (in €'000s) for the Executive Board members who stepped down in fiscal 2008/2009 Jürgen H. Fechter (appointment ended: March 31, 2009), Dr.-Ing. Karl-Ulrich Köhler (appointment ended: March 31, 2009) and Dr.-Ing. Wolfram Mörsdorf (appointment ended: April 14, 2009) are: Fixed salary: Fechter 293, Dr.-Ing. Köhler 293, Dr.-Ing. Mörsdorf 341; additional benefits: Fechter 46, Dr.-Ing. Köhler 41, Dr.-Ing. Mörsdorf 37; performance bonus: Fechter 0, Dr.-Ing. Köhler 0, Dr.-Ing. Mörsdorf 0; total: Fechter 464, Dr.-Ing. Köhler 459, Dr.-Ing. Mörsdorf 446; income from share-based compensation: Fechter (388), Dr.-Ing. Köhler (388), Dr.-Ing. Mörsdorf (388); annual pension when payable: Fechter 293, Dr.-Ing. Köhler 293, Dr.-Ing. Mörsdorf 293; allocation to pension accrual: Fechter 164, Dr.-Ing. Köhler 251, Dr.-Ing. Mörsdorf 315.

Dr. Heinrich Hiesinger joined the Executive Board on October 01, 2010 as Vice Chairman and will assume the position of Chairman at the close of the General Stockholders' Meeting on January 21, 2011. In the reporting year, Dr. Hiesinger received compensation of around €4.3 million for the loss of stock awards from Siemens AG due to his move to ThyssenKrupp AG.



Download the tables at:
http://www.thyssenkrupp.com/financial-reports/09_10/en/

Total compensation paid to active members of the Executive Board for their work in fiscal year 2009/2010 amounted to €12.3 million (prior year: €5.2 million).

In the year under review, allocations to the pension accruals for active Executive Board members amounted to €4,632,000 (prior year: €2,550,000 plus €730,000 for the Executive Board members Fechter, Dr. Köhler and Dr. Mörsdorf who left the Executive Board in fiscal year 2008/2009). The amount for 2009/2010 comprises service costs of €1,187,000 (prior year: €714,000 plus €165,000 for the Executive Board members Fechter, Dr. Köhler and Dr. Mörsdorf who left the Executive Board in fiscal year 2008/2009), interest costs of €1,906,000 (prior year: €1,836,000 plus €565,000 for the Executive Board members Fechter, Dr. Köhler and Dr. Mörsdorf who left the Executive Board in fiscal year 2008/2009) and past service costs of €1,539,000. Based on a contractual commitment that no longer applies to subsequently appointed Executive Board members, Dr. Schulz and Dr. Middelmann 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; Dr. Schulz is also entitled to an office with secretary for five years on account of his efforts for the Company. The Company has recognized pension liabilities for the future pension entitlements on the basis of IFRS.

No further benefits 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 benefits 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 5th installment of the MTI, which became due in the past fiscal year, resulted in no payment due to the sharp drop in TKVA in 2008/2009. In the prior year the Executive Board members received the following payments under the 4th installment: Dr. Schulz €880,000, Dr. Middelmann €667,000, Dr. Berlien, Mr. Eichler, Mr. Fechter, Mr. Labonte, Dr. Köhler and Dr. Mörsdorf each €533,000. In February 2010 the Executive Board members were granted new stock rights under the 8th installment. Under the 6th to 8th installments of the MTI the Executive Board members have a total of 119,429 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 €14.5 million (prior year: €24.4 million). In accordance with IFRS an amount of €190.6 million (prior year: €173.5 million) was accrued for pension obligations benefiting former Executive Board members and their surviving dependants.

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Discount share purchase plan for executives is a share price-based compensation component.

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.

The aim of the MTI is to encourage and reward value-oriented executive behavior based on the Group's goals, and also to help strengthen ties with the Group. Beginning with the 2nd installment of the MTI, issued in 2004, the group of employees eligible to receive stock rights was expanded on modified terms to include the executive board members of the then segment holding companies and other selected executive employees. Today the participants in the plan include the members of the business area management boards as well as management board members and selected executives of large Group companies. The MTI for this group of persons resulted in expense of €4.0 million in the reporting year (prior year: income of €15.6 million). The Executive Board of ThyssenKrupp AG decides every year on the renewal of the MTI plan and the group of participants.

In addition, there exists for selected executives of the Group in Germany 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 that integrates the central performance indicator TKVA into the incentive system. The aim of this share price- and value-based compensation component is to promote concentration on the Group's targets and strengthen executives' identification with the Company.

On expiration of the performance period, beneficiaries are offered the opportunity 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%. The shares purchased under the program have a three-year lock-up period.

The program resolved for 2007/2008 was implemented in the reporting period; it resulted in expense of €0.9 million (prior year: €3.0 million). The program was suspended for fiscal year 2008/2009. The renewal of the program for the reporting year, to be implemented in 2010/2011, was resolved by the Executive Board of ThyssenKrupp AG in September 2010. The Executive Board will decide on future renewals every year.

Appropriate Supervisory Board compensation

The compensation of the Supervisory Board is regulated in Article 14 of the Articles of Association of ThyssenKrupp AG. It is based on the duties and responsibility 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 performance 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, performance 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.

On the basis of the proposed dividend, members of the Supervisory Board will receive total compensation, including meeting attendance fees, for the reporting year of €1.8 million (prior year: €1.9 million). The individual members will receive the amounts listed in the following table. As the average EBT of the last three fiscal years is below the threshold of €1 billion, no payment will be made from the long-term compensation component for fiscal year 2009/2010.



Supervisory Board compensation comprises three components.

SUPERVISORY BOARD COMPENSATION in €

	2008/2009				2009/2010			
	Fixed compensation	Bonus	Long-term component	Total compensation ²⁾	Fixed compensation	Bonus	Long-term component	Total compensation ²⁾
Dr. Gerhard Cromme, Chairman ¹⁾	200,000	24,000	29,172	263,672	200,000	42,000	—	251,500
Bertin Eichler, Vice Chairman ¹⁾	146,095	17,531	21,310	194,436	150,000	31,500	—	190,000
Markus Bistram (until Sept. 15, 2009)	59,439	7,132	8,917	79,988	—	—	—	—
Theo Frielinghaus (until March 31, 2010) ¹⁾	62,500	7,500	8,326	82,826	28,040	5,888	—	35,928
Markus Grolms (from Oct. 14, 2009) ¹⁾	—	—	—	—	52,909	11,111	—	66,520
Heinrich Hentschel (until Jan. 23, 2009)	15,753	1,890	5,629	24,272	—	—	—	—
Susanne Herberger ¹⁾	34,384	4,126	1,670	42,180	60,582	12,722	—	76,304
Prof. Jürgen Hubbert (until Jan. 21, 2010)	50,000	6,000	7,293	66,293	15,479	3,251	—	19,730
Klaus Ix (until Jan. 23, 2009)	16,994	2,039	6,072	26,605	—	—	—	—
Bernd Kalwa ¹⁾	40,295	4,835	1,958	50,088	62,500	13,125	—	79,125
Hüseyin Kavvesoglu (until Jan. 23, 2009)	16,994	2,039	6,072	26,605	—	—	—	—
Prof. Dr. Hans-Peter Keitel (from Jan. 21, 2010)	—	—	—	—	34,658	7,278	—	43,436
Ernst-August Kiel (from April 12, 2010)	—	—	—	—	21,991	4,618	—	27,109
Dr. Martin Kohlhaussen (until Jan. 21, 2010) ¹⁾	75,000	9,000	10,940	100,440	17,875	3,754	—	23,629
Dr. Heinz Kriwet (until Jan. 21, 2010) ¹⁾	62,500	7,500	9,116	83,616	16,678	3,502	—	21,680
Prof. Dr. Ulrich Lehner ¹⁾	60,548	7,266	5,012	76,826	62,500	13,125	—	80,625
Dr.-Ing. Klaus T. Müller (until Jan. 23, 2009)	15,753	1,890	5,629	24,272	—	—	—	—
Prof. Dr. Bernhard Pellens ¹⁾	62,500	7,500	9,116	84,116	71,164	14,945	—	91,609
Dr. Heinrich v. Pierer (until Nov. 15, 2008)	6,500	780	5,332	12,612	—	—	—	—
Peter Remmler	34,384	4,126	1,670	42,180	50,000	10,500	—	63,000
Dr. Kersten v. Schenck ¹⁾	62,500	7,500	9,116	83,616	57,084	11,987	—	71,571
Peter Scherrer	44,444	5,333	6,483	58,260	50,000	10,500	—	63,000
Thomas Schlenz ¹⁾	87,500	10,500	12,762	119,262	87,500	18,375	—	113,375
Dr. Henning Schulte-Noelle ¹⁾	72,222	8,667	10,534	97,923	71,667	15,050	—	92,217
Wilhelm Segerath ¹⁾	62,534	7,504	9,121	84,159	62,500	13,125	—	80,625
Peer Steinbrück (from Jan. 21, 2010) ¹⁾	—	—	—	—	38,353	8,054	—	47,907
Christian Streiff	44,444	5,333	6,483	58,260	50,000	10,500	—	63,000
Jürgen R. Thumann ¹⁾	43,699	5,244	2,123	54,066	55,331	11,620	—	69,451
Prof. Dr. Beatrice Weder di Mauro (from Jan. 21, 2010)	—	—	—	—	32,347	6,793	—	40,140
Klaus Wiercimok	34,384	4,126	1,670	42,180	50,000	10,500	—	63,000
Total	1,411,366	169,361	201,526	1,878,753	1,399,158	293,823	—	1,774,481

¹⁾ Dr. Gerhard Cromme as Chairman of the Supervisory Board and of the Executive Committee, the Mediation Committee, the Personnel Committee and the Strategy, Finance and Investment Committee and as a member of the Audit Committee, Bertin Eichler as Vice Chairman of the Supervisory Board and member of the Executive Committee, the Mediation Committee, the Personnel Committee, the Audit Committee and the Strategy, Finance and Investment Committee, Dr. Martin Kohlhaussen as Chairman of the Audit Committee (pro rata), Prof. Dr. Bernhard Pellens as Chairman and member of the Audit Committee (pro rata in each case), Dr. Henning Schulte-Noelle as member of the Executive Committee, the Mediation Committee and the Personnel Committee, Thomas Schlenz as member of the Executive Committee, the Mediation Committee, the Personnel Committee and the Audit Committee, Prof. Dr. Ulrich Lehner as member of the Audit Committee and the Strategy, Finance and Investment Committee (pro rata in each case), Wilhelm Segerath as member of the Executive Committee and Theo Frielinghaus, Markus Grolms, Susanne Herberger, Dr. Heinz Kriwet, Peer Steinbrück and Jürgen R. Thumann (pro rata in each case) and Bernd Kalwa and Dr. Kersten v. Schenck each as members of the Strategy, Finance and Investment Committee receive higher fixed and variable compensation.

²⁾ Total compensation also includes the meeting attendance fees paid to the members of the Supervisory Board. The members of the Supervisory Board received an attendance fee for each meeting of the Supervisory Board and its committees they attended in the amount of €500. Dr. Gerhard Cromme received attendance fees of €9,500 (prior year: €10,500), Bertin Eichler €8,500 (prior year: €9,500), Theo Frielinghaus €2,000 (prior year: €4,500), Markus Grolms €2,500 (prior year: €0), Susanne Herberger €3,000 (prior year: €2,000), Prof. Jürgen Hubbert €1,000 (prior year: €3,000), Bernd Kalwa €3,500 (prior year: €3,000), Prof. Dr. Hans-Peter Keitel €1,500 (prior year: €0), Ernst-August Kiel €500 (prior year: €0), Dr. Martin Kohlhaussen €2,000 (prior year: €5,500), Dr. Heinz Kriwet €1,500 (prior year: €4,500), Prof. Dr. Ulrich Lehner €5,000 (prior year: €4,000), Prof. Dr. Bernhard Pellens €5,500 (prior year: €5,000), Peter Remmler €2,500 (prior year: €2,000), Dr. Kersten v. Schenck €2,500 (prior year: €4,500), Peter Scherrer €2,500 (prior year: €2,000), Thomas Schlenz €7,500 (prior year: €8,500), Dr. Henning Schulte-Noelle €5,500 (prior year: €6,500), Wilhelm Segerath €5,000 (prior year: €5,000), Peer Steinbrück €1,500 (prior year: €0), Christian Streiff €2,500 € (prior year: €2,000 €), Jürgen R. Thumann €2,500 (prior year: €3,000), Prof. Dr. Beatrice Weder di Mauro €1,000 (prior year: €0) and Klaus Wiercimok €2,500 (prior year: €2,000). In addition in the prior year Markus Bistram received attendance fees of €4,500, Heinrich Hentschel €1,000, Klaus Ix €1,500, Hüseyin Kavvesoglu €1,500 and Dr.-Ing. Klaus T. Müller €1,000. Total attendance fees were paid in the amount of €81,500 (prior year: €96,500).



Download the tables at:

http://www.thyssenkrupp.com/financial-reports/09_10/en/

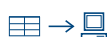
Members of the Supervisory Board of ThyssenKrupp AG will additionally receive compensation of €79,543 (prior year: €124,206) for supervisory board directorships at Group subsidiaries in fiscal year 2009/2010. The individual members of the Supervisory Board will receive the amounts shown in the following table:

COMPENSATION FROM SUPERVISORY BOARD DIRECTORSHIPS WITHIN THE GROUP in €

	2008/2009	2009/2010
Markus Bistram (until September 15, 2009)	40,109	—
Theo Frielinghaus (until March 31, 2010)	23,559	3,819
Susanne Herberger (from January 23, 2009)	16,003	16,500
Klaus Ix (until January 23, 2009)	7,524	—
Bernd Kalwa (from January 23, 2009)	12,315	15,750
Hüseyin Kavvesoglu (until January 23, 2009)	6,586	—
Ernst-August Kiel (from April 12, 2010)	—	9,382
Thomas Schlenz	17,000	19,732
Wilhelm Segerath	—	14,360
Klaus Wiercimok (from January 23, 2009)	1,110	—
Total	124,206	79,543

Beyond this, as in the previous year Supervisory Board members received no further compensation or benefits for personal services rendered, in particular advisory and mediatory services, in the reporting year, with one exception. The law firm Clifford Chance, for which Supervisory Board member Dr. Kersten v. Schenck works as an of counsel, received a total of €70,702 (prior year: €79,737) from ThyssenKrupp companies for its consulting services. 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 before October 01, 2009 will not receive any compensation from the long-term compensation component for the time they served on the Supervisory Board as average EBT in the last three fiscal years is below the threshold of €1 billion. In the prior year the figure was €3,773 (Gerold Vogel €612, Prof. Dr. Gang Wan €3,161).



ThyssenKrupp stock

The performance of ThyssenKrupp's stock in fiscal 2009/2010 was positively influenced by the general market upturn. It also profited from the strategic and operating measures implemented to improve our earnings situation. The substantial increases in the price of raw materials such as iron ore had a negative impact. At the end of the fiscal year on September 30, 2010 our share price stood at €23.92.

KEY DATA OF THYSSENKRUPP STOCK

		2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
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 €	13,670	22,977	10,819	12,106	12,306
Closing price end September	€	26.57	44.66	21.03	23.53	23.92
High	€	29.09	46.14	46.63	25.05	28.07
Low	€	16.62	26.19	20.78	12.11	19.82
Dividend	€	1.00	1.30	1.30	0.30	0.45 ¹⁾
Dividend total	million €	489	635	603	139	209 ¹⁾
Dividend yield	%	3.8	2.9	6.2	1.3	1.9 ¹⁾
EPS	€	3.24	4.30	4.59	(4.01)	1.77
Number of shares (outstanding ²⁾)	million shares	507.7	488.8	477.8	463.5	464.0
Trading volume (daily average)	million shares	4.5	3.8	4.3	4.8	3.4

¹⁾ Proposal to the General Stockholders' Meeting ²⁾ weighted average

Stock performance significantly influenced by economic situation and raw material prices

The positive performance of ThyssenKrupp's stock which started at the end of the previous fiscal year continued in the 1st quarter 2009/2010, influenced by the general economic recovery as well as the strategic and operating measures implemented at ThyssenKrupp. During this period, our stock significantly outperformed the DAX and DJ STOXX reference indices and reached a fiscal year high of €28.07 on January 08, 2010. In the 2nd quarter ThyssenKrupp's stock lost momentum following a weak phase at the end of January and closely matched the performance of the indices. This phase continued until half way through the 3rd quarter. From then until the beginning of the 4th quarter the share price was impacted by concerns over a slowdown of the economic recovery. In addition,



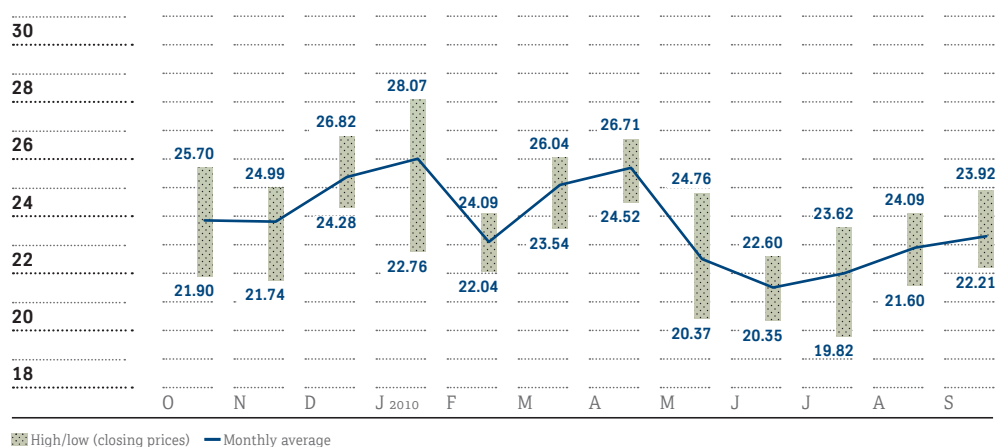
Download the tables at:
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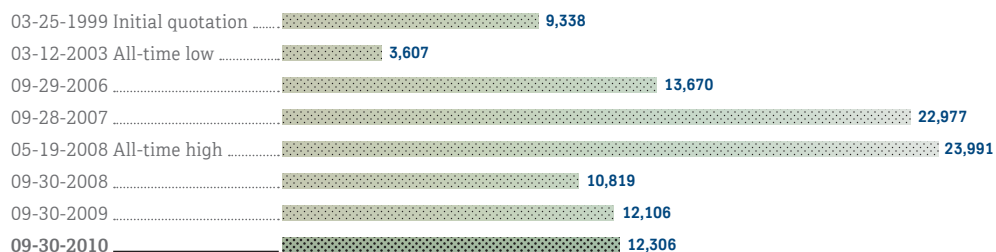
prices for raw materials rose sharply, putting pressure in particular on steel stocks such as ArcelorMittal, Salzgitter and Voestalpine. ThyssenKrupp's stock was also affected by this, though it held up relatively well compared with peer companies. The 4th quarter brought a marked recovery. On September 30, 2010 ThyssenKrupp's share price closed at €23.92, up 1.7% from a year earlier. In the same period, the DAX and DJ STOXX indices gained 9.8% and 10.1% respectively. Details of the stock's performance are shown in the following charts.

PERFORMANCE OF THYSSENKRUPP STOCK IN COMPARISON, indexed, Sept. 30, 2009 to Sept. 30, 2010, in %



HIGHS AND LOWS OF THYSSENKRUPP STOCK in €



MARKET CAPITALIZATION OF THYSSENKRUPP AG in million €

Market capitalization increased compared with the prior year, amounting to around €12.3 billion at the end of the fiscal year on September 30, 2010.

Stock listing in Frankfurt and Düsseldorf

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	Xetra trading	TKA GY

Around 900 million ThyssenKrupp shares were traded on the Xetra trading system and the German stock exchanges in fiscal 2009/2010. The roughly 25% decline from the previous year is attributable to the return of the stock markets to normal levels following the sharp dips during the financial crisis. In the reporting year the average daily volume was around 3.4 million shares, compared with around 4.8 million in the prior fiscal year. Trading in ThyssenKrupp stock accounted for roughly 2.3% of the total trading volume of the 30 DAX stocks (prior year: 2.2%). The decline in trading in ThyssenKrupp stock was therefore lower than for the market as a whole.

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 the various MSCI indices, ThyssenKrupp's stock is included in major national and international indices. Inclusion in an index increases a company's visibility and makes it easier to attract in particular international investors. The growing popularity of index funds among private investors and the associated capital inflows have a favorable impact on the liquidity of index-listed stocks.

ThyssenKrupp's stock has been listed in the Dow Jones Sustainability Index Europe since September 20, 2010. Inclusion in this index improves our chances of attracting investors with a focus on sustainability.



ThyssenKrupp's stock is included in several international stock market indices.

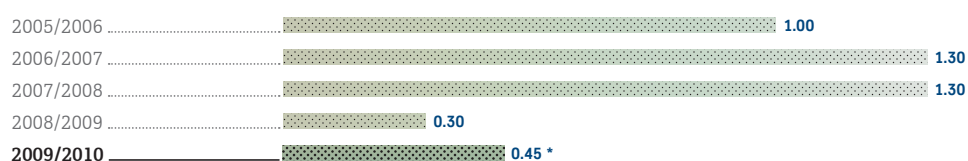
Earnings per share €1.77

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 464.0 million.

Dividend proposal of €0.45 per share

A proposal will be submitted to the General Stockholders' Meeting on January 21, 2011 to pay a dividend of €0.45 per share for fiscal 2009/2010. Based on the stock price of €23.92 on September 30, 2010, the dividend yield is 1.9%. The payout ratio is 26.1% of the net income of ThyssenKrupp AG or 25.4% of the consolidated net income attributable to the stockholders of ThyssenKrupp AG.

THYSSENKRUPP AG DIVIDEND PAYMENT in €



* Proposal to the General Stockholders' 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.

Further internationalization of stockholder structure

One of the key tasks of Investor Relations at ThyssenKrupp is investor communications with the aim of cultivating existing stockholder contacts and attracting potential new investors. We conduct a detailed analysis of our stockholder structure twice a year, in March and September, as a basis for planning road shows and participation in investor conferences. The most recent analysis at the end of September 2010 revealed that the number of identified institutional investors with ThyssenKrupp stock in their portfolio rose to 434 from 433 in the March 2010 analysis.

The analysis also confirmed the increasing internationalization of the stockholder base, a trend we have been observing for some time. Since the March 2010 analysis, investors in the United Kingdom, Ireland and continental Europe (excluding Germany) further increased their interests in the Company. Institutional investors in the UK and Ireland now hold 10.3% of the capital stock (up 0.9 percentage points). 10.0% of the capital stock is held in continental Europe (up 1.3 percentage points). The key region in Europe is now Norway, after the Norwegian sovereign wealth fund significantly increased its interests in ThyssenKrupp, followed by France and Switzerland. The share of capital stock held by North American investors remained largely constant and currently stands at 9.7% (down 0.3 percentage points). Institutional investors in Germany hold 8.5% of the capital stock (down 1.4 percentage points).

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



ThyssenKrupp's stockholder base became more international in the reporting year.

Following share buyback programs in the 2005/2006 and 2007/2008 fiscal years, ThyssenKrupp AG holds 50,094,707 treasury shares or 9.74% of the capital stock. These shares carry neither voting nor dividend entitlements. At the end of the reporting year the number of shares outstanding was 464,394,337. The 920,845 increase from the prior year was due to the use of treasury shares for employee share programs in fiscal 2009/2010.

Taking into account the share held by the AKBH Foundation and the treasury shares, the free float, which is generally considered in the weighting of ThyssenKrupp's stock in the stock indices, is 64.93% of the capital stock.

In recent years the stockholder base has become significantly broader and above all more international. 70% of the 20 largest institutional investors now come from outside Germany. Our investor relations work to raise ThyssenKrupp's profile on the international capital markets is reaping rewards.

Increasing interest in ThyssenKrupp stock

In the past two years the number of analysts covering ThyssenKrupp and making concrete investment recommendations has increased by 25% to 35. At the end of the 2009/2010 fiscal year, more than 80% of these analysts rated ThyssenKrupp's stock as a 'buy'. Substantial potential is seen in the initiated structural improvements and the new steel mills in Brazil and the USA.

In general, capital market interest in ThyssenKrupp's stock has grown further, not least due to the structural and operational improvements introduced in the areas of efficiency, projects and portfolio.

The increased transparency resulting from the new organizational structure of the Group also met with a positive response from the capital market. Analysts have started to attach greater weight in their investment recommendations to the earnings prospects of our capital goods activities, the so-called industrials.

Dividing the former Steel segment into the Steel Europe and Steel Americas business areas and the former Technologies segment into the Plant Technology, Components Technology and Marine Systems business areas and the associated disclosure of valuation-relevant key financials allows the individual businesses to be modeled more precisely. Our improved transparency therefore also promotes the fair valuation of ThyssenKrupp's stock. In addition, the ramp-up of the two steel plants can now be monitored clearly on the basis of the key financial figures published, and the performance of the individual ThyssenKrupp businesses can be better compared with competitors.

Alongside this improved transparency, our investor relations efforts on the capital market are focused on accentuating our industrial businesses. In the recent crisis some of these businesses, such as Elevator Technology and Plant Technology, made major contributions to the Group's earnings, while the structural improvements initiated in other areas, such as Components Technology, are resulting in significant earnings increases. The equity stories of these businesses were refined, and we sought targeted contact with corresponding analysts and fund managers. To this end Investor Relations contacted brokers with proven expertise, in particular in Scandinavia, and participated more frequently in conferences focusing on industrials. Overall our participation in investor conferences increased 50% from 2009; ThyssenKrupp's stock was presented to numerous new investors. In general, we expanded our investor contacts by over 6% to more than 900.



ThyssenKrupp Investor Relations accentuates the Group's industrial businesses.



Our capital market marketing efforts are focused primarily on Europe and the USA.

Field trips played an important part in expanding our contacts, giving groups of fund managers the opportunity to gain insights into our operations through plant tours and discussions with management. Here too, Investor Relations moved the focus more to the activities of our Technologies division. A total of eight materials and industrials field trips took place, more than double the prior-year number.

In our shareholder targeting activities – aimed at cultivating existing investor contacts and making new ones – Investor Relations continued to focus on major financial centers. In addition to European destinations in Germany, the United Kingdom, Switzerland, France, Italy, Spain, Austria and the Scandinavian countries, in the future we will be vigorously expanding our marketing activities in the US capital markets, concentrating on the East and West Coast and the Midwest. The expansion of our operating business in North and South America through the new plants in Brazil and the USA provides good starting points from which to grow our stockholder structure in these regions. Initial meetings with investors have already been conducted in São Paulo. We also continue to keep Canada in our sights. We maintain contact with investors in Asia either via video conferencing or European-based decision-makers.

A further key component of our investor relations activities is intensive personal contact with our private investors. Dialogue centers on the annual General Stockholders' Meeting and on company presentations to private investors in the various regions of Germany, generally organized in conjunction with stockholder associations or local banks.



Details: page 294

If you would like to contact Corporate Center Investor Relations or find out about dates in the 2010/2011 financial calendar, turn to page 294 of this Annual Report or visit our website at www.thyssenkrupp.com and click on Investor Relations.

Management report on the Group

P. 81–182

02

The Group's performance in the reporting year, its current position and the opportunities and risks it faces going forward are the main topics of the management report on the Group. It provides a full and informative picture of your Company – from the reorganization of the Group at October 01, 2009 and its strategic alignment, to the performance of the eight business areas, the Group's technological capabilities, movements in the workforce, environmental protection and an outlook for the coming two fiscal years.

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ThyssenKrupp Quarter, Essen, Germany

The open and transparent architecture of the ThyssenKrupp Quarter is an outward sign of the fact that the Company sees itself as a corporate citizen, as part of the community. The public is invited to discover the campus, while at the same time the Company has a commitment to the community. Support for education and training, and our commitment to a clean environment are just two examples of this.

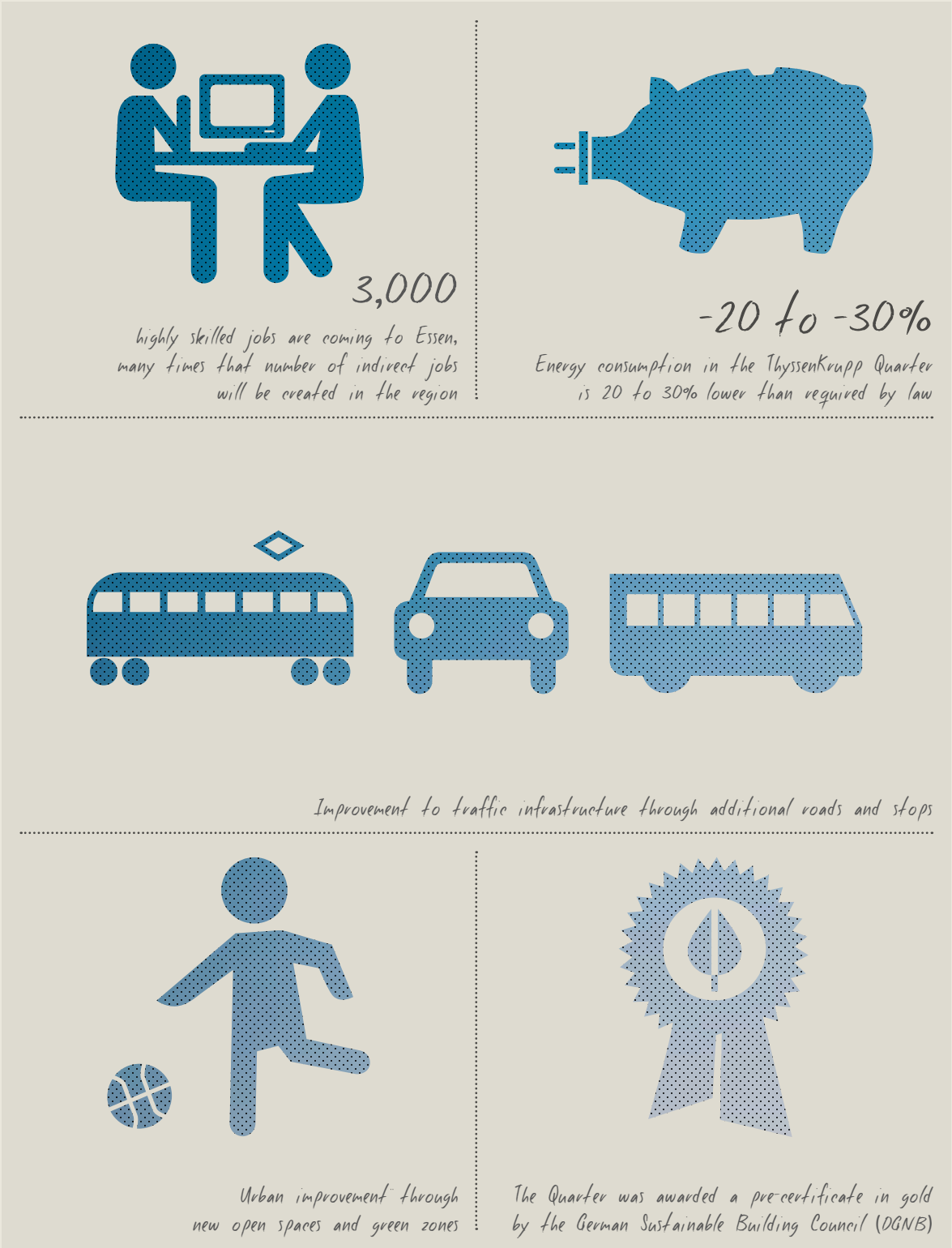
Development of technologies
to conserve resources and energy

Creation of expansive green spaces
and recreational areas for employees
and citizens alike

Economic strengthening
of the Ruhr and commitment
to the region

Support for education and
training, schools, universities

Upgrading of infrastructure
and roads



Creating
momentum

Areas of business and organizational structure

With its innovative capabilities, efficient organization and clear management structures, ThyssenKrupp is ready to meet the challenges of the markets and the needs of our international customers. Constant product improvements deliver greater cost-efficiency and higher technical quality and mark out our progress in materials and technology, the Group's two major areas of activity.

Capabilities

Customized steel grades, plastics and aluminum – these are just some of the materials ThyssenKrupp supplies to business partners in around 80 countries worldwide. We also produce technology goods such as elevators and escalators, complete industrial complexes, components for areas such as cars and wind turbines, as well as modern marine systems. ThyssenKrupp has more than 177,000 employees on all five continents working hard to provide the products and services required by our mainly industrial customers.

THYSSENKRUPP GROUP

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

Business services

ThyssenKrupp Business Services

ThyssenKrupp IT Services

Organizational structure

On October 1, 2009 ThyssenKrupp introduced a new organizational structure in the Group. The activities previously allocated to five segments are now combined in eight business areas, each with several operating units. The business areas are bracketed together in two divisions – Materials and Technologies – which describe the Group's strategic focus. The business areas and their Group companies operate on the market independently, while ThyssenKrupp AG as corporate headquarters performs strategic management functions.

In addition there are two Business Services companies providing standardized Groupwide services for all Group companies, such as parts of accounting and IT as well as payroll. In addition to its strategic functions, corporate headquarters is also the Group's interface to wide areas of the corporate environment, in particular the capital market and stockholders, government and the interested general public.

The new organizational structure has proved a success, already helping improve the Group's profitability and strategic strength in the first year of its existence; it has focused the Group's business activities more strongly and created leaner, more efficient structures. We are now in a position to implement operating and strategic measures more directly and respond more quickly to the requirements of the market and our customers.

Founded in 1999, ThyssenKrupp AG is a stock corporation under German law and is dual-domiciled in Duisburg and Essen. Our head office functions, most of which were previously located in Düsseldorf, moved to the new ThyssenKrupp Quarter in Essen in summer 2010. The architecturally sophisticated campus in Essen was completed after a three-year construction period. It is one of the biggest urban office projects of recent years in Germany. The reorganization of the holding company initiated in October 2009 was largely completed with the move. Consolidating our head office functions not only considerably reduces costs but also improves communications and speeds up decision-making.

ThyssenKrupp has Group representatives in Berlin, Brussels and another 30 locations around the world. With in-depth knowledge of the regional markets they are important points of contact for our customers and Group companies.

ThyssenKrupp AG owns, directly or indirectly, around 830 companies and equity interests in approximately 80 countries. Details on our shareholdings are provided on pages 256-278. More than two thirds of the Group's 2,300 production sites, offices and service bases are located outside Germany. The largest of our more than 1,200 locations is Duisburg with over 17,000 employees, ahead of São Paulo, Brazil, with more than 10,000 and Dover, USA, with 6,500 employees.



Details: pages 256–278

Management responsibility in the Group

The Executive Board of ThyssenKrupp AG defines the strategy for the Group's development and directs the Groupwide corporate functions and the business areas. It is also responsible for the value management initiatives in place to sustainably optimize our enterprise value. Further information on our strategy and the ThyssenKrupp PLuS and ThyssenKrupp best programs can be found on pages 91–99. In addition to their own directorates, the members of the Executive Board are responsible for specific world regions, enhancing the international presence of the Group. The allocation of these regions is based on the personal knowledge of markets, customers and cultures of the individual Board members.



Details: pages 91–99



Details: pages 161–162

One key task of the entire Executive Board is to develop outstanding young talent for top management positions and gradually increase their responsibilities. The aim is to ensure young talents gather experience in different functions and countries to improve their management and intercultural skills. For a detailed report on management development and the duties of the Executive Board, please turn to pages 161–162.

Corporate governance statement



Details: pages 58–63

The corporate governance statement to be issued in accordance with Art. 289a German Commercial Code (HGB) is included in the corporate governance report on pages 58–63. It is also available on the internet at www.thyssenkrupp.com/en/investor/kodex-bericht.html.

Compensation report



Details: pages 67–74

The compensation report is included in the corporate governance report on pages 67–74 and forms part of the management report on the Group.

Disclosure of takeover provisions

The following information, valid September 30, 2010, 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 General Stockholders' Meeting.

Shareholdings exceeding 10% of the voting rights

There is one direct shareholding in the Company which exceeds 10% of the voting rights: The Alfred Krupp von Bohlen und Halbach Foundation, Essen has informed ThyssenKrupp AG that effective September 30, 2010 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 General Stockholders' 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.

Authorization of the Executive Board to repurchase stock

By resolution of the General Stockholders' Meeting of January 21, 2010 the Company was authorized until January 20, 2015 to repurchase treasury stock up to a total of 10% of the capital stock at the time of the resolution 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).

[1]

The authorization by the 2010 General Stockholders' Meeting to purchase treasury stock is valid until January 20, 2015.

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 January 20, 2015 at the latest. Each purchase of treasury stock by means of equity derivatives is limited to a maximum of 5% of the capital stock of the Company at the time of the resolution by the General Stockholders' Meeting. Any right of stockholders to conclude such option transactions with the Company shall be excluded, applying Art. 186 par. 3 sentence 4 AktG.

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Repurchased stock may be used for all legally permissible purposes.

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, use them to discharge conversion rights in respect of convertible bonds issued by the Company or the Company's subsidiaries, and issue them to employees of the Company and affiliated companies as well as members of the management boards of affiliated companies to satisfy rights or obligations to acquire Company shares granted to the aforementioned group of people. The Supervisory Board is authorized to use the repurchased stock to satisfy rights or obligations to acquire Company shares granted to members of the Executive Board of the Company. In the latter five cases, the stockholders' subscription rights are excluded. The Supervisory Board may determine that measures of the Executive Board regarding the purchase and use of treasury shares under this authorization are subject to its approval.

By resolution of the General Stockholders' 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 no-par-value 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 contain certain conditions in the event of 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.
- The Company has concluded an agreement with the European Investment Bank, Luxembourg, for a promotional loan in the amount of €210 million. This agreement can be terminated with immediate effect if one or several entities (excluding the Alfried Krupp von Bohlen und Halbach Foundation) acting in concert gain indirect or direct control of the Company (change of control). Control is understood to mean the right to direct the management and policies of the Company through ownership of voting capital, by contract or otherwise. In the event of termination due to change of control, the loan must be repaid at a date set by the European Investment Bank, but no earlier than 30 days after termination.
- In fiscal year 2008/2009 the Company issued a bond in the amount of €1 billion and completed a private placement of €100 million. It is also guarantor of further 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.

Business management – goals and strategy

New markets and new technologies are central elements of our forward strategy. Through continuous portfolio optimizations and efficiency enhancements we aim to open up new perspectives for the Company and our customers. The reorganization of the Group is already reaping rewards and has added to our strength. We utilized the economic and financial crisis as an opportunity.


Strategic perspectives

ThyssenKrupp is an integrated materials and technology group. Its eight business areas, which reflect the Group's key competency areas, are combined in the two divisions Materials and Technologies.

Using the crisis as an opportunity

The global economic and financial crisis severely impacted ThyssenKrupp's performance. But we adapted quickly to the changed conditions and implemented a systematic program of measures. This enabled ThyssenKrupp to emerge from the crisis stronger.

- In fiscal 2008/2009 our numerous efficiency enhancement and restructuring measures already achieved sustainable cost savings of around €0.8 billion. In the reporting year we improved this figure to around €1.5 billion.
- The new Group structure in place since the start of the reporting year opened the way to tighter management and greater efficiency and is based on the principle of making strategic management more centralized and operational management more decentralized. The leaner and more efficient structures are already enabling us to operate closer to the market and implement strategic and operational measures more directly.

 The new organizational structure has proved a success.

We adapted the implementation of our strategic projects in Brazil and the USA flexibly.

Strategic action areas defined

In connection with the expected economic recovery, the Group is returning to its original development strategy with four strategic action areas:

New markets: We are continuing our systematic efforts to expand the Group internationally. These are currently focused on our major carbon and stainless steel projects. In addition we are looking to grow our activities in dynamic markets, above all in China and India. The active expansion of our elevator business in these regions is a successful example of this.

New technologies: As the main focus of all Group activities we will be strengthening the areas of innovation and technology, as they form an important basis for ThyssenKrupp's future success. For this we have defined various components which make up the "ThyssenKrupp House of Innovation". To find out more, please turn to the section on Innovations on pages 146–151.

Portfolio optimization: The Group's portfolio is managed according to value-based criteria. In the past fiscal year, we disposed of activities in particular in the areas of shipbuilding and industrial services as part of our active portfolio management. In the future the Group will continue to optimize its portfolio through targeted divestments and make acquisitions to utilize opportunities for strategic growth. Details of acquisitions and disposals are provided on pages 108–109.

Organizational development: ThyssenKrupp's first fiscal year in the new Group structure was a success. Organizing the Group in eight business areas allows for more direct management and shorter reporting lines. The new structure has already proved a success in practical terms. Bringing together the head office functions in the new ThyssenKrupp Quarter in Essen has significantly improved internal structures and processes and contributed to our corporate culture. In the future we will continue our efforts to improve the organization of the Group on a forward-looking basis.

Major strategic projects under implementation

ThyssenKrupp has ambitious plans to achieve profitable growth in key international markets of the future. A central element in this is the expansion of our core carbon flat steel business through major investments in Brazil and Alabama/USA. The flat steel market in the NAFTA region has a large, steadily growing premium segment. Our aim is not just to maintain but to expand our leading position in the global market for premium flat-rolled carbon steel. The new plants are part of the Steel Americas business area. Both sites started production in the 4th quarter 2009/2010. More information on the start-up of the plants is provided on pages 120–121.

We will also expand our position as a global stainless steel producer. For this, too, a new plant is being built in Alabama/USA, where the first rolling lines started up in September 2010. Further equipment will follow step-by-step. The new plant, which is part of the Stainless Global business area, will strengthen our presence on the NAFTA market. Details of the project are presented on page 123.



Details: pages 146–151



Details: pages 108–109



Details: pages 120–121



Details: page 123



We aim to systematically and continuously increase the value of the enterprise.

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.

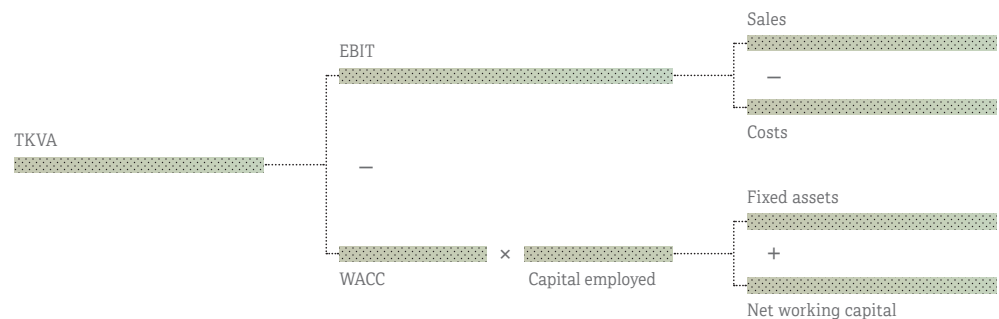
Integrated control system secures Groupwide transparency

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 immediately 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 as 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 calculated as 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 weighted average cost of capital (WACC) and average capital employed (CE). Capital employed is defined as invested assets plus net working capital.

CALCULATION OF THYSSENKRUPP VALUE ADDED (TKVA)



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 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 provisions 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 2009/2010. Specific WACC figures were established for the business areas which reflected their respective risk structures. In the reporting year, the business area WACC figures were:

WACC FOR THE BUSINESS AREAS 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. In the past two fiscal years, the ThyssenKrupp PLuS program of measures has made a major contribution to increasing operating efficiency – in particular through sustainable cost-cutting measures. The ThyssenKrupp best value enhancement program was also a key element in this. Both programs are described in more detail on pages 97–99. 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. The following tables show how TKVA and its components developed over the last two fiscal years:



COMPONENTS OF THYSSENKRUPP VALUE ADDED (TKVA)

	2008/2009						
	EBIT (million €)	Capital employed (million €)	ROCE (%)	WACC (%)	Spread (% points)	TKVA (million €)	
Group	(1,663)	20,662	(8.1)	8.5	(16.6)	(3,419)	
Thereof:							
Steel Europe	(134)	5,864	(2.3)	9.0	(11.3)	(662)	
Steel Americas	(77)	3,475	(2.2)	9.0	(11.2)	(389)	
Stainless Global	(864)	3,240	(26.7)	9.0	(35.7)	(1,156)	
Materials Services	(211)	3,943	(5.4)	8.5	(13.9)	(546)	
Elevator Technology	571	1,555	36.7	8.0	28.7	446	
Plant Technology	163	1,294	28.8	9.0	19.8	256	
Components							
Technology	(396)	3,011	(13.2)	9.0	(22.2)	(667)	
Marine Systems	(543)	409	—	9.0	—	(577)	

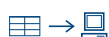
	2009/2010						Change TKVA (million €)
	EBIT (million €)	Capital employed (million €)	ROCE (%)	WACC (%)	Spread (% points)	TKVA (million €)	
Group	1,787	20,590	8.7	8.5	0.2	37	3,456
Thereof:							
Steel Europe	709	5,236	13.5	9.0	4.5	238	900
Steel Americas	(145)	6,256	(2.3)	9.0	(11.3)	(708)	(319)
Stainless Global	(51)	2,975	(1.7)	9.0	(10.7)	(318)	838
Materials Services	462	3,051	15.1	8.5	6.6	202	748
Elevator Technology	578	1,356	42.6	8.0	34.6	469	23
Plant Technology	249	1,252	38.4	9.0	29.4	368	112
Components							
Technology	252	2,639	9.6	9.0	0.6	15	682
Marine Systems	48	378	17.3	9.0	8.3	31	608

Positive value added

In the past fiscal year ThyssenKrupp generated positive value added. TKVA – ThyssenKrupp Value Added – was €37 million. In the prior year, TKVA was significantly negative at €(3,419) million. Two key factors were responsible for the turnaround: The ThyssenKrupp Group's earnings before interest and taxes (EBIT) rose from a prior-year loss of €1,663 million to a profit of €1,787 million in 2009/2010, while average capital employed remained virtually unchanged. As a result, ROCE increased to 8.7% and was therefore higher than the relevant WACC for the Group of 8.5%.

Contributions to Group TKVA by the individual business areas varied. With the exception of Steel Americas and Stainless Global, all business areas generated positive value added in fiscal 2009/2010. The higher value added figures were partly due to the improved business situation, leading to increases in EBIT and ROCE in the business areas. In addition, the restructuring measures already introduced were systematically implemented. Elevator Technology recorded the highest TKVA at €469 million. Despite rising sales it was possible to reduce capital employed in virtually all areas. The only exception was Steel Americas due to the major investments in the new plants in Brazil and the USA. The business area's capital employed rose by €2,781 million to €6,256 million. As the plants were only started up towards the end of the fiscal year, the cost of capital was set against negative EBIT. As a result, negative TKVA in the business area rose from €(389) million to €(708) million.

Please refer to the tables above for more details.



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 conditions for the ability to pay dividends and for sustainable, value-enhancing growth in our core businesses.



Business management will be based on EBIT in the future.

Further development of value-based management

From fiscal 2010/2011 ThyssenKrupp is switching its key earnings performance indicator from EBT to EBIT. This changeover will focus control of the Group even more systematically on the performance factors that can be influenced by operational management. Factors which can only be optimized and assessed at Group level – in particular financial income and taxes – are excluded from the assessment of the operating units. A further advantage of basing control on EBIT is that EBIT is the parameter used to calculate TKVA. This means that operating control and value management are optimally interlinked.

In conjunction with the introduction of EBIT-based control, ThyssenKrupp has modified its definitions of EBIT and capital employed, again with effect from fiscal 2010/2011:

In the future EBIT will no longer include those components of Other financial income/expense which are not operational in nature. This includes the effect on income from the capitalization of interest costs during construction. Consequently, amortization of capitalized construction interest will also no longer be included in EBIT in the future.

Likewise, capital employed will be adjusted for non-operating, interest-bearing and tax-bearing components.

The modified definitions of EBIT and capital employed are also used in reporting at business area level. In this we take into account that the receipt of advance payments, in particular in the business areas with long-term construction contracts, is an integral component of risk management (to avoid default risks on the customer side) and thus of operating business. To take appropriate consideration in value management of these advance payments and the interest and financing effects that can be achieved with them, the EBIT of the relevant business areas is increased by an imputed income amount calculated by applying the WACC for the business areas to the average net advance payments surplus – i.e. essentially the difference between advance payments received from customers and advance payments made to suppliers. In the business areas the capital employed used in the calculation of TKVA is also increased by the amount of the net advance payments surpluses. As the net advance payments surpluses are used between the business areas, the positive imputed income contributions in EBIT and the increases to capital employed must be eliminated again during consolidation at ThyssenKrupp Group level and are therefore not included in the Group's key figures.

INCOME FIGURES IN COMPARISON 2009/2010 in million €

	EBT	EBIT (new definition)
Steel Europe	639	726
Steel Americas	(320)	(599)
Stainless Global	(121)	(58)
Materials Services	411	462
Elevator Technology	602	645
Plant Technology	308	400
Components Technology	220	251
Marine Systems	38	141
Corporate/consolidation	(642)	(632)
ThyssenKrupp Group	1,135	1,336

ThyssenKrupp PLuS



ThyssenKrupp PLuS helped make the Group sustainably more profitable.

Earnings and liquidity targets achieved

The aim of the Groupwide action program ThyssenKrupp PLuS is among other things to realize positive earnings effects on the cost and sales sides and to stabilize or – if possible – improve liquidity to keep borrowing requirements to a minimum. We once again achieved these targets in the past fiscal year. Our measures sustainably reduced expenditures and made the Group more profitable.

The success of our earnings measures is reflected alongside other factors in the significant improvement in the Group's income. For example, we further lowered the Group's administrative and selling costs and reduced expense for external service providers by insourcing services that were previously outsourced. This improved our own performance and contributed to the rise in earnings.

Compared with the previous fiscal year, net working capital increased only to the extent necessary for the improved level of business. Supporting measures such as more efficient inventory management and improved receivables management also played a part.

By exercising restraint in allocating funds in the past fiscal year, we also stayed within our spending targets in all business areas and took account of our long-term strategic objectives.

ThyssenKrupp best

Increasing the value of the Company for our stockholders, enhancing our performance for customers and eliminating weaknesses in our operating structures – these goals were once again met by ThyssenKrupp best in fiscal 2009/2010. For nine years now, the Groupwide value-enhancement program has been supporting the continuous improvement process and providing the necessary guidance and tools.

The idea pursued from the start is paying off: Geared to sustainability and firmly established in the organization, the program uses our own employees as topic experts, project leaders and project team members, pursues a broad methodological approach and demands and encourages the exchange of knowledge between project leaders. It once again proved successful. All employees can get involved in projects and share their new-found knowledge. More than 1,500 new projects were launched in the past fiscal year alone.



Download the tables at:
http://www.thyssenkrupp.com/financial-reports/09_10/en/



ThyssenKrupp best projects are now running in 54 countries across the world.

Global success

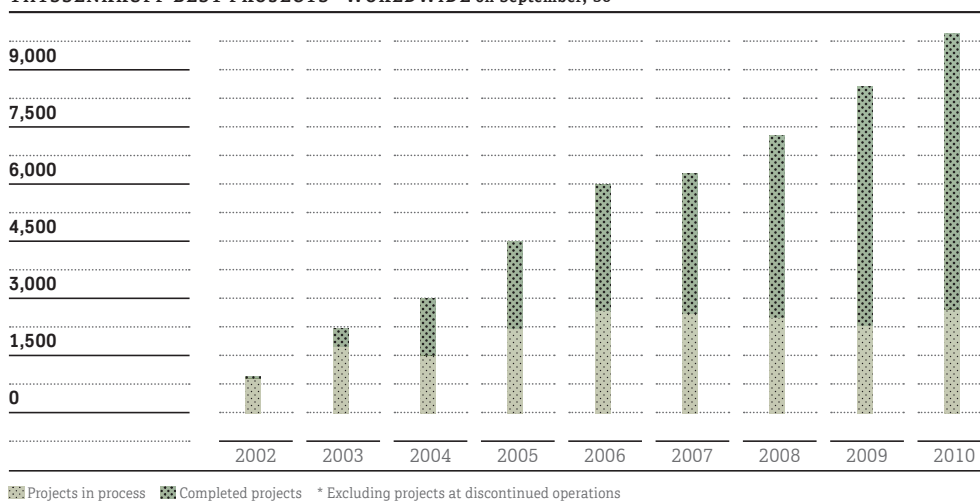
Since its launch in 2001 ThyssenKrupp best has significantly increased the value of the Group. In the reporting year the program's financial results were at a record level, beating all previous figures in its nine-year history, thanks to the efforts of several thousand employees and around 70 topic experts.

At September 30, 2010 the program included a total of 9,943 projects, plus a further 1,801 projects at discontinued operations. The 11,000th ThyssenKrupp best project was initiated in the reporting year and entered in best plaza, the Groupwide knowledge sharing database.

In 2009/2010, more than 50% of all projects were once again carried out at Group companies outside Germany. Companies at over 400 locations in 54 countries have now contributed projects to the program. The majority – roughly 70% – were in Europe, mainly Germany, France, Spain and Italy. Some 20% of projects took place on the American continent – many successful project teams have now been formed in the USA, Canada, Mexico, Brazil and other South American countries. New value-enhancement projects were also started up in China, South Korea and other countries in the Asia-Pacific region; they account for 7% of all ThyssenKrupp best projects.

The transfer of knowledge from one Group company to another is a key success factor of ThyssenKrupp best. Successful projects are communicated between different areas, revised and transferred to other companies. In addition to the program's central, internet-based platform best plaza, numerous events are staged to promote the direct sharing of information between Group companies. For example we organized regional meetings of sales employees from several business areas in 2009/2010 to encourage exchanges between the sales areas.

THYSSENKRUPP BEST PROJECTS* WORLDWIDE on September, 30



Initiatives and priority themes

In the ThyssenKrupp best initiatives, we combine the results and experience gathered from projects and provide the tools for project work. There are several training modules to impart and enhance the required knowledge. In addition, around 70 topic experts act as multipliers to drive the initiatives forward in the business areas. They support the Group companies in identifying and utilizing improvement potential and promote the transfer of knowledge within the Group.



ThyssenKrupp best currently comprises three Groupwide initiatives.

There are currently three ThyssenKrupp best initiatives: the Net Working Capital initiative launched in 2008, the Sales & Service initiative from 2007 and the Purchasing initiative in progress since 2005. All initiatives make a major contribution 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 optimizes capital employed in receivables, payables and inventories and supports the management of net working capital. In addition to enhancing value, this also frees up cash.

Six Sigma more firmly established

Six Sigma is a proven method of carrying out improvement projects using standard processes. We have therefore stepped up our efforts to establish Six Sigma more firmly in the Group. In addition to training further employees as improvement specialists, which is now also carried out across business areas by our own trainers, we have also integrated the program more strongly in the organizational structures of the Group companies.

2010 ThyssenKrupp best Award

Three project teams from the Materials Services, Plant Technology and Steel Europe business areas received the traditional ThyssenKrupp best Award in the reporting year. Projects were judged on the basis of methodology, implementation, scope, transferability to other Group companies and overall potential. First prize went to a team from the Materials Services business area. They succeeded in combining four sales brands in the plastics area with 50 sites in Germany while maintaining a nationwide presence. In second place was a project from the Plant Technology business area aimed at expanding service activities by establishing a sustainable service concept in the minerals industry. Third prize was awarded to a project team from the Steel Europe business area. They developed a new, dynamic mathematical model which analyzes and calculates target inventory levels for production to sustainably reduce work-in-process inventory.

Group review

ThyssenKrupp performed successfully in 2009/2010. Thanks to the economic recovery, demand for our products and services improved appreciably. Order intake and sales showed a clear upward trend. The operating and structural measures promptly introduced in response to the global economic and financial crisis were effective. As a result, earnings were positive again. The Group's pre-tax profit came to €1,135 million.

General economic conditions

In 2010 the global economy recovered more quickly from the deep recession than expected a year ago. Global GDP grew vigorously, especially in the 1st half 2010. The impetus for this came from the in part very expansive monetary and fiscal policies of some countries and the robust growth in world trade, from which German industry in particular profited strongly. However, as the year progressed the economic upturn in many countries slowed. Overall the world economy is expected to show growth of over 4% in 2010 – after 1% contraction the year before.

Economic upturn

The highest growth in 2010 was in the emerging countries. In most industrialized countries the upturn was noticeably more moderate. After a good start to the year, the US economy experienced subdued growth. Exports and capital spending were up again after the decline in the prior year. Consumer spending, the main pillar of the US economy, provided little stimulus on account of continued high unemployment, slow growth in incomes and low real estate prices. The Japanese economy owed its growth above all to sharply increased exports. However, over the course of the year economic growth was slowed by the appreciation of the yen.

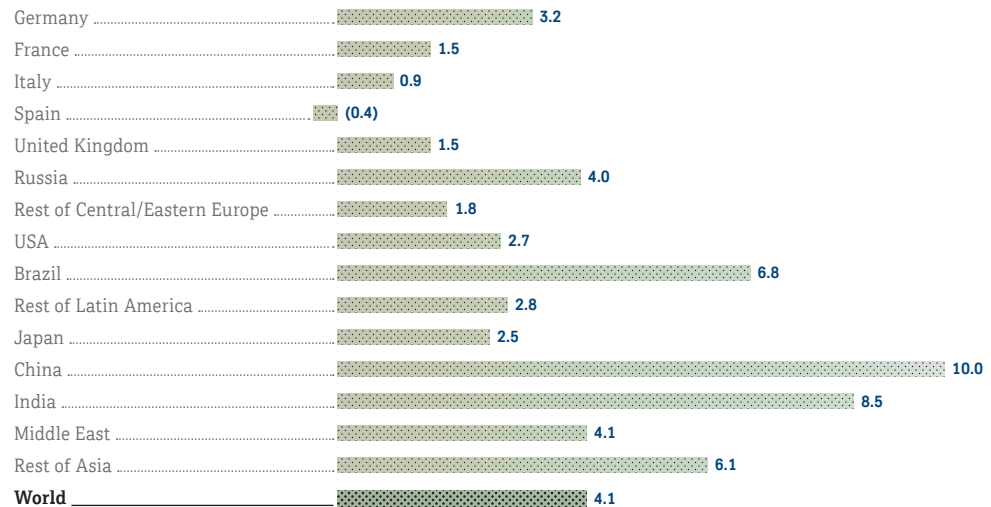
The recovery in the euro zone remained predominantly low-key. Positive growth contributions came from consumer and government spending as well as higher exports, but a slightly negative factor was capital spending. Overall the economic situation in the euro zone was split. Countries suffering the effects of a burst house-price bubble and very high national deficits reported only slow or even negative growth rates. The German economy achieved above-average growth. In the 2nd quarter, it grew at its highest quarterly rate since reunification thanks in particular to higher exports and increased investment. As a result of this strong mid-year performance, the German economy is expected to gain more than 3% in 2010 despite a slowdown in the 2nd half.



The German economy is estimated to have grown more than 3% in 2010.

Most of the emerging economies experienced strong growth. The Chinese economy advanced vigorously especially in the 1st half due to high public-sector investment and rising consumer spending. However, in the further course of the year growth slowed due to government measures to cool the economy. The other major emerging countries – in particular India and Brazil – also reported a large increase in economic output in 2010.

GROSS DOMESTIC PRODUCT 2010* Real change versus previous year in %



* Estimate

Economic conditions in the sectors

The improved economic environment had a positive effect on virtually all our markets. Demand for carbon and stainless steel increased worldwide. Output in the auto industry was up, thanks in part to government support programs in many countries. In the machinery sector, too, the order situation largely improved. The construction industry showed a very mixed regional picture. Despite the recovery in many sectors, production in the industrial countries has not yet returned to pre-crisis levels.

Carbon steel flat-rolled market returns to growth

The improved economic environment led to a strong increase in demand for steel worldwide. In the 1st six months of 2010 in particular, global crude steel production significantly exceeded the low prior-year figure, with monthly figures reaching all-time highs. However, from mid-year the monthly growth rates slowed. Full-year global output in 2010 advanced 13% to almost 1.4 billion metric tons – exceeding the previous record of 2007. China and India, which raised their output by 10% and 6% respectively, carried on their growth trend of the previous year. In the rest of the world there were in part even stronger increases as markets bounced back from the drastic declines in the previous year. Crude steel production was up by 19% in the EU, 29% in the NAFTA region and 23% in Japan – but still below pre-crisis levels. The German steel mills had a significantly better workload from the spring and raised their 2010 full-year output by 30% to 43 million metric tons. They profited particularly from customers' strong export focus, especially in the auto industry, and were also able to substantially expand steel exports.

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Global crude steel production increased by around 13% to 1.4 billion tons in 2010.

1
The European flat carbon steel market recovered strongly in 2010.

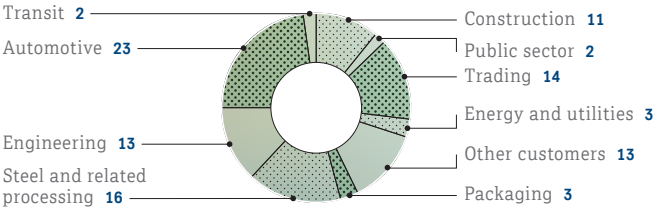
With steel demand higher again, steel prices on the global spot markets bounced back strongly from their previous dramatic slide. A major factor in the increase was the drastic rise in steel production costs caused by the raw material price trend.

Around mid-year the previously very high global steel demand dipped slightly. This was first noticed in Asia, where particularly in China excessive growth in steel consumption slowed, partly as a result of a more restrictive monetary policy, and prices declined. But in North America, too, and later on in Europe the steel markets entered calmer waters when the positive impetus from stock building came to an end and real steel consumption increased only moderately.

The European carbon steel flat-rolled market was also characterized for the most part by a strong recovery. Orders received by steel suppliers showed a marked upturn from the 4th quarter 2009 but weakened again in the course of the 2nd quarter 2010. In the first six months of 2010 European producers' shipments in the EU were significantly up from an albeit very low prior-year level. The strong demand was driven initially by restocking. In the course of the economic recovery, distributors and end consumers had to replenish inventories run down during the recession. The same was true further down the supply chain. By mid-year, inventory levels had returned to normal. But real consumption also improved increasingly from the spring; positive contributions from the auto industry and many metal processing areas were partly offset by the continued recession in the European construction sector. However, volumes overall were strong, and the European suppliers benefited in particular from this; imports from third countries remained at a relatively moderate level in the first eight months, partly as a result of the temporarily weaker euro.

The situation in North America followed a similar trend. From fall 2009 steel demand picked up, initially driven mainly by the need for restocking at end consumers and service centers. Later on stronger impetus came from the recovering auto industry and the energy sector. From the early summer the recovery began to falter as restocking came to an end, and the previously very high growth in demand slowed in the 2nd half of the year.

THYSSENKRUPP SALES BY CUSTOMER GROUP 2009/2010 in %



Stainless steel market recovered

After the slump in many regions of the world, global demand for stainless steel flat products recovered in 2010. Provisional estimates show it climbed 16% to just under 16 million metric tons. Growth of 22% and 18% respectively is expected for the western European and North American markets, 8% for China, and 20% for the rest of Asia.

Orders received by stainless producers in Europe, North America and China picked up significantly at the beginning of 2010, aided by distributor restocking and increasing demand in various end consumer segments. However, orders in all regions slipped back again in the further course of the year, mainly due to the nickel price trend. Towards the end of the fiscal year orders rose again slightly.

Stainless steel prices showed a mixed trend over the course of the year. After increasing initially from the beginning of the year, base prices and alloy surcharges in Germany, Europe and North America slipped again as the year progressed. The price trend in China was similar, though the price slide started earlier here. Towards the end of the 3rd quarter a small rise in prices was observed again in Europe and China. The nickel price initially trended upwards at the start of the year and in April reached its highest level since May 2008. After falling sharply it stabilized towards the end of the fiscal year at an average of around 22,000 US dollars per metric ton.

Demand for nickel alloys improved from the beginning of the year, though the volatility of metal prices meant that the recovery was slow, with very pronounced differences depending on sector and region. The upturn in the chemicals sector, which is particularly important to ThyssenKrupp, was still tentative but overall orders picked up.

The titanium market appears to be through the worst of the recession, boosted by increased demand from the aviation sector. The air shows in Berlin and Farnborough led to a high influx of orders for the big manufacturers Boeing and Airbus.



Almost 68 million cars and light trucks were produced worldwide in 2010.

Auto market back in forward gear

In 2010 the international auto market recovered from the previous year's severe slump. According to current estimates, global production increased by 14% to just under 68 million cars and light trucks. With over 15 million vehicles – a rise of 23% – China was one of the fastest growing markets in 2010. Almost one in four vehicles worldwide is now produced in China. In some cases large increases were also recorded in the other BRIC countries Brazil, Russia and India.

The North American auto market staged a marked recovery in 2010. Production and new vehicle sales increased even after scrappage programs ended. Output in the USA is estimated to have risen by over 30% to 7.4 million cars and light trucks in 2010. Despite this growth, output failed to reach pre-crisis levels. The shift in auto production to Mexico continued in 2010; here production was up by 45% to 2.2 million cars and light trucks.

Vehicle production in Western Europe grew at a slower rate. Overall production is estimated to have increased by 8% to 14.2 million cars and light trucks in 2010; the situation here was impacted mainly by the ending of rebate programs in many countries. Most of the growth in Western Europe was attributable to the manufacturers in Germany, whose production was up year-on-year by almost 12% to 5.7 million units. A strong increase in exports more than offset declining new registrations on the domestic market. The heavy trucks market also showed a positive trend again.

Machinery sector on road to recovery

In many countries the machinery sector was characterized by low capacity utilization and a reluctance to invest in 2010. A notable exception was the Chinese machinery sector, which benefited from government stimulus programs. Japan made up some ground following the previous year's slump. Growth in the USA remained moderate.



Germany's machinery output grew by an estimated 6% in 2010.

In Germany the order situation improved significantly over the course of the year. Orders mainly from abroad but also on the domestic market rose steeply, with the result that from mid-2010 capacity utilization was well over 80% again. With demand increasing in many emerging economies, the situation for Germany's plant engineering sector also improved. Orders for elevators and escalators were relatively subdued. Overall Germany's machinery output increased by an estimated 6% in 2010.

Construction activity weak in most industrial countries

The construction markets remained very weak in most industrial countries in 2010. In the USA construction activity declined further. Despite tax credits for home buyers, demand for housing decreased. In Europe, too, construction output fell. In Germany the cold weather at the beginning of the year had a negative impact. The stimulus packages led to a positive trend in public-sector construction, though demand slowed as many municipalities scaled back their investment plans due to tight finances. Despite rising orders, commercial construction activity was unable to compensate. As a result, construction output is expected to be slightly lower overall in 2010.

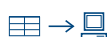
Construction activity in the emerging countries increased. The Chinese construction sector profited greatly from government stimulus programs. Construction activity in India also remained strong.

ThyssenKrupp – positive performance

THYSSENKRUPP IN FIGURES

		2008/2009	2009/2010
Order intake	million €	35,970	41,250
Sales	million €	40,563	42,621
EBITDA	million €	192	3,224
EBIT	million €	(1,663)	1,787
Adjusted EBIT	million €	(375)	1,682
EBT	million €	(2,364)	1,135
Adjusted EBT	million €	(1,076)	1,030
Capital expenditures	million €	4,079	3,513
Employees (Sept. 30)		187,495	177,346

ThyssenKrupp's business performance improved appreciably in the 2009/2010 fiscal year. Thanks to the economic recovery, we registered growing demand for our products and services. Order intake and sales increased significantly. After returning a loss in the prior year, we achieved higher pre-tax earnings than expected a year ago, thanks in part to substantial effects from our cost-reduction programs. In view of the pleasing profit situation, the Executive Board and Supervisory Board will propose the payment of an increased dividend of €0.45 per share to the General Stockholders' Meeting in January 2011.



Download the tables at:
http://www.thyssenkrupp.com/financial-reports/09_10/en/

Orders and sales higher

Sales and in particular order intake increased appreciably. Order intake climbed year-on-year by 15% to almost €41.3 billion. With the exception of Marine Systems all business areas contributed to this growth. Demand for carbon and stainless steel and industrial components was particularly strong.

ORDER INTAKE BY BUSINESS AREA in million €

	2008/2009	2009/2010
Steel Europe	7,892	10,986
Steel Americas	0	69
Stainless Global	4,147	5,121
Materials Services	12,085	12,805
Elevator Technology	5,038	5,099
Plant Technology	3,538	3,859
Components Technology	4,177	5,653
Marine Systems	870	531
Corporate	127	132
Business area order intake	37,874	44,255
Inter-business area orders	(1,904)	(3,005)
Group order intake	35,970	41,250

The Group's sales improved by 5% to €42.6 billion. Sales declined at the shipyards and for billing reasons in plant construction; in materials services and elevators and escalators, too, prior-year sales levels were not quite reached. However, sales of flat-rolled carbon steel, stainless steel and components for the auto industry showed in part vigorous growth.

SALES BY BUSINESS AREA in million €

	2008/2009	2009/2010
Steel Europe	9,570	10,770
Steel Americas	0	68
Stainless Global	4,486	5,901
Materials Services	12,815	12,763
Elevator Technology	5,308	5,188
Plant Technology	4,450	3,931
Components Technology	4,603	5,724
Marine Systems	1,594	1,211
Corporate	127	131
Business area sales	42,953	45,687
Inter-business area sales	(2,390)	(3,066)
Group sales	40,563	42,621

Earnings before taxes up to €1,135 million

In 2009/2010 ThyssenKrupp achieved earnings before taxes of €1,135 million, higher than we forecast a year ago. Year-on-year EBT improved by €3,499 million.

The earnings figures for the reporting year include nonrecurring items of €105 million – income from the disposal of the Industrial Services units of the Materials Services business area and from the sale of Hellenic Shipyards in the Marine Systems business area, restructuring charges in the Components Technology business area and non-operating expense at Marine Systems. The Group's adjusted EBT was €1,030 million, up €2,106 million from the prior-year figure of €(1,076) million.





With the exception of Steel Americas all business areas contributed to the higher EBT in 2009/2010.

With the exception of Steel Americas all business areas contributed to the Group's higher EBT. Higher losses were incurred at Steel Americas due to the startup of the new plants in Brazil and the USA. Stainless Global also returned a loss again, but like the Steel Europe and Materials Services business areas achieved a significant improvement in earnings. This was mainly due to higher volume demand for materials. While stainless steel prices increased, average carbon-steel prices were lower year-on-year due to the high share of long-term contracts. In addition, EBT in the prior year was impacted by significant inventory writedowns which were no longer necessary to the same extent in the reporting year.

Elevator Technology further increased its profit thanks to the pleasing situation in Asia and growth in the share of service business. Plant Technology, too, further improved on its prior-year profit as a result of the generally stable course of business in plant construction. Following a loss in the prior year, Components Technology returned to profit, mainly due to higher supplies to the auto industry. Marine Systems significantly reduced its prior-year losses and reported a small pre-tax loss after nonrecurring items.

In all business areas the restructuring and cost-reduction programs implemented had a positive effect on earnings.

EBT BY BUSINESS AREA in million €

	2008/2009	2009/2010
Steel Europe	(197)	639
Steel Americas	(216)	(320)
Stainless Global	(926)	(121)
Materials Services	(295)	411
Elevator Technology	570	602
Plant Technology	236	308
Components Technology	(458)	220
Marine Systems	(554)	38
Corporate	(534)	(609)
Consolidation	10	(33)
Group EBT	(2,364)	1,135

ADJUSTED EBT in million €

	2008/2009	2009/2010
EBT	(2,364)	1,135
+/- Disposal losses/gains	(1)	(212)
+ Restructuring expense	781	46
+ Impairment	478	3
+ Other non-operating expense	30	58
- Other non-operating income	0	0
Adjusted EBT	(1,076)	1,030

Adjusted EBT is earnings before taxes excluding one-time or infrequent positive or negative special items that are unusual in type and amount and are of material importance and thus affect the results of our operating activities. Special items excluded are gains and losses on disposals, restructuring costs, impairment, other non-operating expense and other non-operating income.



Components of Group earnings

At €42,621 million, net sales in fiscal year 2009/2010 were up year-on-year by €2,058 million or 5%. Despite the increase in sales, the cost of sales decreased by €646 million or 2%. The main factors in this were sharply reduced restructuring costs and significantly lower inventory writedowns and impairment charges, partly offset by higher material costs as a result of rising sales and raw material prices. Gross profit improved by a substantial 74% to €6,362 million, leading to a correspondingly large increase in gross margin from 9% to 15%.

The decrease in selling expenses by €151 million resulted in particular from significantly reduced restructuring expense. As a result of the cost-reduction measures, general and administrative expenses were €194 million lower than the corresponding prior-year figure.

The €34 million increase in other operating income reflected increased income from foreign currency translation for assets in association with the steel mill in Brazil. These assets were secured by bank liabilities; the offsetting effects from the translation of these liabilities are reflected in other financial income/expense. This was partly offset by the absence in the 2009/2010 fiscal year of the cancellation of foreign currency hedges for planned raw material purchases due to the financial crisis, contained in the year-earlier figure.

The €191 million increase in other operating expenses was primarily due to non-capitalizable costs for equipment not yet in operation in connection with the major projects in Brazil and the USA. A further factor here were foreign currency translation expenses for capital expenditures in connection with the steel mill in Brazil; here, too, providing security through corresponding cash holdings had an offsetting effect reflected in other financial income/expense.

The €228 million increase in income from the disposal of consolidated companies was due mainly to the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway in the Materials Services business area and Hellenic Shipyards in the Marine Systems business area.

The €379 million improvement in financial income included the €85 million increase in income from companies accounted for using the equity method due to the significantly improved earnings of the companies in question. The additional €245 million increase in other financial income was mainly due to a €49 million improvement in exchange-rate gains on financial transactions and a €129 million year-on-year increase in capitalized interest costs relating to the construction of the steel mills in Brazil and the USA.

Income tax expense amounted to €280 million in the reporting year; this represents a tax rate of 18%. In the prior year there was an income tax benefit of €491 million mainly due to the negative earnings situation.

After taking into account income taxes, net income was €927 million, up €2,800 million from the prior year, when a net loss of €1,873 million was posted.

Including non-controlling interest in income, earnings per share in the 2009/2010 fiscal year improved significantly to €1.77 from a negative value of €(4.01) the year before.

Unappropriated net income of ThyssenKrupp AG and dividend

The legal basis for the dividend payment is the HGB unappropriated net income of ThyssenKrupp AG in the amount of €415 million (prior year €154 million). It comprises the HGB net income of ThyssenKrupp AG in the amount of €800 million (prior year €882 million net loss) less transfers to retained earnings of

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Financial income increased by a total of €379 million in 2009/2010.



Our dividend proposal for 2009/2010 is €0.45 per share.

€400 million (prior year withdrawal from retained earnings of €438 million and from reserves for treasury shares of €532 million), plus the income carried forward from the prior year of €15 million.

The Executive Board and Supervisory Board propose to the General Stockholders' Meeting the payment of a dividend of €0.45 (prior year €0.30) per share, a transfer to retained earnings of €184 million, and the carryforward of the balance of €22 million. Should the number of shares eligible for dividend distribution change before the date of the General Stockholders' Meeting, the proposed dividend distribution will be adjusted accordingly. Therefore, of the €415 million unappropriated net income, a total of €209 million will be used to pay a dividend on the 464,394,337 shares eligible for dividend payments at September 30, 2010.

Portfolio optimization continued

In the year under review we carried out several transactions to optimize and restructure our portfolio and strengthen our core business.

In the Steel Europe business area we increased our share in DOC® Dortmunder Oberflächenzentrum GmbH surface engineering center in Dortmund by 24.9% to 100%. The DOC® is an important ideas factory for customized steel coating innovations. In Italy we significantly strengthened our market position in laser-welded blanks for automotive applications with the takeover of the operations of Euroweld S.r.l.

The Materials Services business area strengthened its focus on materials and associated technical services with two major disposals in the 1st quarter 2009/2010. Following the disposal in November 2009 of ThyssenKrupp Industrieservice GmbH to WISAG, a leading German facility management provider, we sold the North American scaffolding experts ThyssenKrupp Safway to the American private equity company Odyssey Investment Partners in December 2009. With the acquisition of the remaining shares in Thyssen Röhm Kunststoffe GmbH we strengthened our plastics business and restructured its operations in Germany. We expanded our materials services in central and southeast Europe with the takeover of Techno-Stahl Stahlgroßhandel und Brennschneidbetrieb GmbH in Austria, which specializes in the flame-cutting of sheet metal and slabs.

The Elevator Technology business area continued its growth strategy with further acquisitions in Europe and the Middle East. This included the purchase of Atena S.A., a subsidiary of the French CNIM group, which significantly strengthened the elevator activities of the Central/Eastern/Northern Europe operating unit in the greater Paris area.

In the Plant Technology business area, Polysius acquired ATP technology know-how with the takeover of the Canadian UMATAC Industrial Processes Division in September 2010. This technology is used to engineer and build equipment for extracting oil from oil shale. UMATAC previously belonged to the American AECOM Technology group.

In the Components Technology business area we further streamlined our portfolio. The valve manufacturer Definox was sold to Alfa Laval Corporate AB of Sweden, one of the biggest producers of valves for the consumer goods industry. A purchase agreement was signed in July 2010 and the transaction was completed in October 2010.

The Marine Systems business area made further progress with the reorganization of the shipyards business and concentrated its activities on naval shipbuilding. The Emden production facilities of ThyssenKrupp Blohm + Voss Nordseewerke were taken over by SIAG Schaaf Industrie AG in the reporting period.

In connection with the establishment of a close strategic partnership with Abu Dhabi MAR, an international shipbuilding group based in Abu Dhabi, the sale of 100% of Blohm + Voss Shipyards in Hamburg and an 80% interest in each of the companies Blohm + Voss Repair and Blohm + Voss Industries was contractually agreed. In addition, Abu Dhabi MAR is to acquire the civil shipbuilding

manufacturing facilities and employees of the former HDW Gaarden in Kiel. In naval surface vessel construction, we are establishing a joint venture for design and project management with our partner. The agreements on the strategic partnership were signed in April 2010. Closing is scheduled for the first half of 2010/2011.

The sale of a 75.1% interest in Hellenic Shipyards to one of the shareholders of the Abu Dhabi MAR group has already been completed. The Greek shipyard therefore left the consolidated group in September 2010. This disposal is part of an overall solution agreed with the Greek government and the Abu Dhabi MAR group which also secures the acceptance and completion of the submarines built to date and orders for two further Class 214 submarines under new contracts. The corresponding agreements entered into effect at the end of October 2010.

To concentrate and further expand our maritime security systems, it is planned to combine Atlas Maritime Security GmbH and the EADS subsidiary Sofrelog S.A.S. in a joint venture. A corresponding agreement was signed in June 2010.

Since the merger of Thyssen and Krupp through to the end of the reporting year we have sold companies with sales of €11.0 billion and acquired others with sales of €8.8 billion.



The number of employees decreased by 5% in the course of 2009/2010.

Small rise in number of employees

On September 30, 2010 ThyssenKrupp employed 177,346 people worldwide. The number of employees increased slightly in the 2nd half 2009/2010. However, compared with the end of September 2009 the headcount was down by 10,149 or 5%. The workforce declined in particular in the Materials Services business area due to major disposals. However, there was an increase in jobs at Steel Americas, Elevator Technology and Components Technology.

The decline was particularly steep in Germany, where the number of employees dropped by almost 13% to 71,072. This was due above all to the disposals at Materials Services and Marine Systems. Outside Germany the headcount was unchanged from the previous year. Details of the breakdown of the workforce in the various regions of the world are contained in the Employees section on page 158.

Over the course of the year we were able to reduce short-time working almost completely. At the end of September 2010 only 2,411 employees in the Group were affected by reduced working hours. The highest level was 38,020 in April 2009. In the Steel Europe business area, which had 14,004 workers on short time in April 2009, it was scaled back almost completely.



Details: page 158

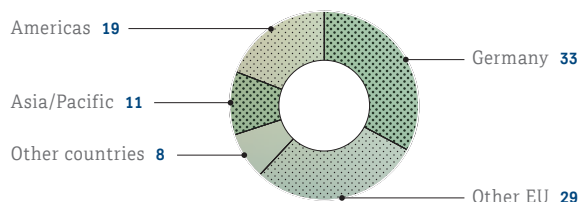
Sales markets and marketing

The EU region was again the main sales market for ThyssenKrupp in 2009/2010 with a share of 62% of sales, of which 33 percentage points related to Germany. Customers in America accounted for 19% of sales, with the USA our most important sales market in North America and Brazil in South America. The Asia/Pacific region grew in importance for our business, but still accounted for a relatively low sales share of 11%. The regional breakdown of sales was virtually unchanged from previous years.

SALES BY REGION in million €

	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Germany	15,837	18,545	19,161	13,031	13,933
Other EU	13,293	16,198	16,677	12,142	12,485
Americas	11,609	10,218	9,706	7,858	8,266
Asia/Pacific	4,123	4,146	4,852	4,341	5,013
Other countries	2,263	2,616	3,030	3,191	2,924
Total	47,125	51,723	53,426	40,563	42,621

SALES BY REGION 2009/2010 in %



Many of our products hold leading positions on the international markets thanks to their superior technology and cost-efficiency alongside the good service we provide over the entire life cycle of our products. In addition, our longstanding customer/supplier relationships strengthen our market position: By working on joint development projects with our partners, our engineers and technicians know very precisely the requirements of our customers and can offer correspondingly specific solutions. Examples range from prototype vehicles for which our materials specialists develop lightweight components to ambitious construction projects in which we install innovative elevators and escalators to meet modern architectural standards.

Customer-focused marketing

We sell most of our materials and technology products to industry; only a small number of our products and services are directed at private customers. Our industrial customers expect intensive communications, detailed information on product and service solutions and individual advice tailored to their specific requirements. We make full use of all available communication tools. For initial and follow-up contacts our website is invaluable. Presentations and international trade shows showcase our products and services and allow customers the opportunity to talk to our experts. Product documentation provides all the data required in decision-making. Technical customer magazines report on the latest innovation trends in the Group. Furthermore, we develop our products according to the requirements of individual countries and customers and strive for quality leadership on all our markets.

The ThyssenKrupp brand stands for high quality standards in our products and services. All our operating companies use the Group's standard corporate design. Operating independently on their markets within a set strategic framework, they can respond flexibly to changing market needs and customer requirements. This closeness to customers and our focus on service are key features of our marketing activities.

Capital expenditures and net financial debt



The Group's capital spending came to €3.5 billion in 2009/2010.

In fiscal year 2009/2010 ThyssenKrupp invested a total of €3,513 million, €566 million less than in the prior year. Of this figure, €3,408 million was spent on property, plant and equipment and intangible assets, while the remaining €105 million was used for the acquisition of businesses and shareholdings as well as other financial assets. Capital expenditure was €2,152 million higher than depreciation, which came to €1,361 million.

The lower level of investment was due to the decision made in the economic and financial crisis to use the funds primarily for the strategic growth projects in Brazil and the USA and for maintaining existing operations. Excluding the major projects, capital spending amounted to €1,459 million compared with €1,921 million in the prior year.

INVESTMENT BY BUSINESS AREA in million €

	2008/2009	2009/2010
Steel Europe	436	286
Steel Americas	2,135	2,054
Stainless Global	343	344
Materials Services	279	188
Elevator Technology	135	81
Plant Technology	61	32
Components Technology	542	288
Marine Systems*	37	8
Corporate	126	268
Consolidation	(15)	(36)
Group*	4,079	3,513

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

The investment projects in Brazil and the USA were also the main factors influencing net financial debt. At the end of the fiscal year, net financial debt at €3,780 million was €1,721 million higher than on September 30, 2009. Further information can be found in the notes to the consolidated statement of cash flows in the section "Financial position" on pages 136–137.

 Details: pages 136–137

Procurement: Importance of purchasing increasing

Due to increased demand in the past fiscal year, materials expense was 1% higher than the year before at €27.1 billion. As a percentage of sales it fell from 66% in the prior year to just under 64%, even though prices for raw materials and other material categories rose again, after falling at the start of fiscal 2009/2010. Through our global purchasing and cooperation with the Group subsidiaries we utilized favorable market conditions and achieved sustainable savings. The supply of materials for our plants was secured at all times; despite the rise in demand there were no delivery bottlenecks. This was due in part to our longstanding relationships with suppliers. We have been working with over a third of our suppliers for more than four years.

MATERIALS EXPENSE BY BUSINESS AREA in million €

	2008/2009	2009/2010
Steel Europe	6,344	6,811
Steel Americas	5	116
Stainless Global	4,256	4,894
Materials Services	10,106	10,101
Elevator Technology	1,768	1,687
Plant Technology	2,857	2,396
Components Technology	2,827	3,437
Marine Systems	1,031	602
Corporate	38	56
Materials expense of business areas	29,232	30,100
Consolidation	(2,385)	(2,987)
Group	26,847	27,113

New system of quarterly prices for iron ore

Demand for seaborne iron ore increased further. This was attributable above all to the global recovery in steel production and the Chinese steel industry's growing iron ore imports. On the back of the strong increase in demand at the beginning of 2010, the major ore producers succeeded in introducing a new worldwide system of quarterly prices based on the spot market. Due to sharp price increases on the spot market, the average purchasing prices agreed for the first two contractual quarters of the 2010/2011 supply year rose significantly.



Coking coal is now also increasingly being sold on the basis of quarterly prices.

In the reporting year ThyssenKrupp Steel Europe AG purchased 17.6 million tons of iron ore, around two thirds more than the prior-year volume, which was greatly reduced due to the crisis. Most of it, 11.5 million tons, came from Brazil, followed by Canada with 3.6 million tons and Africa with 1.7 million tons. Smaller volumes were purchased in Australia and Sweden.

A large proportion of coking coal is also now billed on the basis of quarterly prices. As a result of the recovery in demand from the beginning of the year, price increases had to be accepted for coking coal in the first two contractual quarters for the 2010/2011 supply year, after the steep reduction in the previous year. Higher prices were also introduced for PCI coal.

Demand for internationally traded blast furnace coke also picked up. As a result, prices in the 1st six months of 2010 increased in some cases to 500 US dollars per ton (fob China); however, in the summer months prices softened again slightly. The price of Chinese coke continues to be severely impacted by the 40% export tax.

The ocean freight market for the shipment of iron ore and coal was relatively stable. Even for large bulk freight volumes there was sufficient capacity thanks to the new ships now on the market.

Sharp price fluctuations for alloying metals

The economic recovery in the reporting year led to increased demand for alloying metals. Prices again showed a volatile upward trend but without repeating the fluctuations and price highs of the previous year. This was the case for example for nickel, chromium and molybdenum, which are particularly important alloying metals for the Stainless Global business area.

The swings in the nickel price were in part attributable to speculation. The average cash price on the London Metal Exchange (LME) fluctuated between 17,527 US dollars in the 1st quarter 2009/2010 and 22,476 US dollars in the 3rd quarter, falling again in the 4th quarter to 21,188 US dollars. Daily prices were subject to even wider variations. The range between the high of 27,600 US dollars and the low of 15,810 US dollars shows the scale of the volatility, which is increasingly caused by market speculators. For example, in just one month the LME price jumped by 5,840 US dollars although nickel inventories in the same period were at an all-time high.

The reference price for ferrochromium from South Africa remained very stable in the first two quarters at 1.03 US dollars and 1.01 US dollars per pound – roughly 0.45 kg – but reached 1.30 US dollars in the fourth quarter, having previously climbed even higher. These changes were attributable to demand and increasing costs for energy and transportation in the main supplier country South Africa.

Quarterly average prices for ferromolybdenum increased over the fiscal year from 28.65 US dollars to 42.05 US dollars per kilogram. In the final quarter the price dropped to 39.43 US dollars. The relative price span over the year was high, but short-term volatility was much lower than for nickel. Molybdenum has been listed on the LME for some months. However, this listing is currently insignificant for market prices due to lack of acceptance by market players.

The LME price of zinc, used by the Steel Europe business area for steel coatings, showed volatility similar to that of previous years. In the 1st half of the fiscal year it rose steadily on the back of higher demand to average 2,250 US dollars/ton. In the course of the 2nd half the supply situation improved after temporarily idled production capacity went back into operation, initially halting the upward trend.

The copper price increased from 6,017 US dollars/ton at the beginning of the reporting period to 7,556 US dollars/ton in mid-February 2010, then slipped to 6,295 US dollars before climbing again to 7,980 US dollars by mid-April. After subsequently plummeting to 6,133 US dollars it then rose to 8,033 US dollars/ton.

After the slump in the prior year, world demand for unalloyed steel scrap increased again on the back of the steel market upturn. As a result, the price of grade 2 scrap – new scrap – in Germany increased from €186/ton in October 2009 to €319/ton in May 2010. It then dipped slightly for seasonal reasons before advancing again to €312 at the end of the fiscal year. The average market price for the fiscal year was €256/ton, up 26% from the prior year.

Higher product prices due to increased raw material costs

The rising prices of raw materials in the course of the fiscal year led to higher prices for the products made from them. Materials strongly dependent on raw material and steel prices could only be purchased at prices appreciably higher than the year before.

Not until the 3rd quarter did prices for industrial services start to return in small steps to the level reached prior to the significant price cuts brought on by the crisis. Construction services and the engineering sector were not quite so severely impacted.

Sharply rising demand in the course of the year coupled in some cases with low inventories at suppliers resulted at times in longer delivery periods. In some areas this led to sharply fluctuating delivery prices. However, supplies were secured at all times, also for semi-finished products.

On the plant construction procurement markets, prices and the supply situation also varied widely over the course of the year. At the start of the fiscal year capacity utilization at the European suppliers was very low, especially as production capacities had been expanded in previous years. These capacities remain on the market even during a business downturn.

New purchasing organization

The purchasing organization changed with the reorganization of the Group; a distinctly more centralized approach was adopted. In the central control system, sourcing category management for all non-production materials and services in the Group is the responsibility of Corporate Center Materials Management, working closely together with all Group companies and the national holding companies. In regions where ThyssenKrupp has a large number of Group companies – for example in the NAFTA region, Europe and China – regional panels have been set up to support this new procedure. In fiscal year 2009/2010 we aggregated a purchasing volume of over €500 million.

In a further key change, ThyssenKrupp set up centralized IT and investment purchasing organizations. In close cooperation with the Group companies we succeeded in realizing a savings potential in the double-digit million euro range. Energy purchasing has now also been assigned to Corporate Center Materials Management. Internationally, the energy purchasing organization in association with the Group companies has already entered into natural gas and electricity contracts for companies in Italy, France and the USA. In the past fiscal year we made savings of over €30 million in energy procurement.

Intelligent purchasing systems reduce costs

Our purchasing systems also performed successfully. Using the established ThyssenKrupp RFQ platform, for example, we issued over 11,300 requests for quotes in the past fiscal year and obtained better conditions through increased competition. We achieved further savings by making increased use of the “e.auction” module.

Processing costs were reduced by further expansion of the catalog ordering system. Today almost 7,100 users worldwide can order 5.1 million articles on the system.

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Savings of over €30 million were made in energy procurement in 2009/2010.

A selection process for new key suppliers was added to the ThyssenKrupp supplier management system. Altogether almost 1,300 supplier projects worldwide were carried out with the support of the platform.

Key Performance Indicators provide increased transparency

We have defined nine Key Performance Indicators (KPI) for the purchasing reporting and controlling system set up in 2008/2009. All German companies are connected to the system. In the new fiscal year the Group companies in the rest of Europe and North America will also be included. With the help of the KPIs we aim to make the cost-efficiency of processes and savings achieved in purchasing more transparent.

To continuously optimize purchasing and increase the competency of employees, training in purchasing methods and tools was carried out worldwide. Altogether 1,200 employees in 23 countries took part.

323 new projects involving centralized and decentralized activities were initiated in the past fiscal year through the ThyssenKrupp best purchasing initiative, leading to savings in the three-digit million euro range. One example is the Supply Management Efficiency Program at Elevator Technology, in which a sourcing code management system is used to identify and implement sustainable savings potential. More details of our Groupwide efficiency program ThyssenKrupp best are provided on pages 97–99.



Details: pages 97–99

Increasing freight costs

While at the beginning of the reporting year the capacities of almost all carriers were underutilized, this changed from the start of 2010. The recovery in demand even led to temporary supply bottlenecks because numerous forwarders had laid up or sold capacities and ceased investment. While freight prices initially stabilized at the prior-year level due to the low capacity utilization, in road haulage price increases were then introduced, though these were in part averted through framework agreements or long-term contracts. Bottlenecks were also encountered in rail freight, though these were less severe than in road freight; nevertheless moderate price rises had to be accepted. The capacity shortage pushed up truck and container spot freight rates in some cases to their pre-crisis levels.

In conventional ocean and inland waterway shipping, there was no shortage of capacity at any time. However, the picture was different for container shipments: An artificial shortage of shipping space was created by delaying departure times, cancelling services to some destinations, and prolonging journey times. This ultimately led to higher prices.

In air freight the withdrawal of aircraft likewise kept capacities artificially low so as to force through price increases. We countered this with Group framework agreements.

In the reporting year supply chain management at ThyssenKrupp was further enhanced. The system of optimizing, planning and managing processes along the value chain from supplier to production to customer was reorganized.

Energy: Favorable natural gas purchases

Despite higher energy demand worldwide – caused by the global economic upturn – we were able to obtain attractive future procurement prices for natural gas and some electricity volumes for the Group.

Natural gas prices higher in Germany than other European countries

In the reporting year the price per barrel of Brent crude oil – an international crude oil benchmark – ranged from 67.20 US dollars to 87.59 US dollars.

At times prices on the natural gas futures market were so favorable that we were able to secure long-term supply contracts with attractive prices for our German plants: Compared with gas prices in the reporting year, in fiscal years 2011/2012 and 2012/2013 we will pay around 12% less in Germany. Despite this, on an international scale gas prices are still too high on account of the unsatisfactory competitive situation; there is still a lack of low-cost sourcing alternatives for large industrial users like ThyssenKrupp. Added to this are drastically increased network balancing costs. Network balancing is a necessary service provided by network operators to maintain a constant balance between gas supply and demand. The prices for this service more than doubled in Germany in 2009/2010.

Outside Germany we were also able to profit from lower prices on the energy markets and secure attractive conditions for the coming years. For example, ThyssenKrupp Acciai Speciali Terni in Italy agreed natural gas prices around a third lower than those paid in 2009/2010. The gas will be supplied in 2011/2012 and 2012/2013. In France ThyssenKrupp Sofedit negotiated a price reduction of 26% for supplies in 2010/2011. ThyssenKrupp Steel USA also secured prices around 25% lower than originally planned for half of its future natural gas requirements.

Despite fall in prices: German electricity costs among highest in Europe

In 2009/2010 electricity prices in Germany were at a low level on the spot market and on the longer-term futures market. However, despite the price slump electricity prices in Germany are still at the top end of the European scale because government-imposed costs such as the electricity tax and the subsidization of heat-and-power cogeneration make electricity more expensive. This is compounded by the surcharges to subsidize renewable energies, which leapt in the reporting year, causing high additional costs.

Due to the decline in production caused by the global recession, small electricity volumes already purchased on the futures market and no longer needed were sold in the 1st quarter 2009/2010. In some cases this electricity had to be sold below procurement cost. For the rest of the fiscal year our consumption exceeded the volumes already purchased; to cover the gaps we purchased volumes at favorable rates on the short-term futures market.

Based on an expected reduction in electricity requirements, the electricity volumes already purchased provide relatively high supply security for the new fiscal year. For 2011/2012 and 2012/2013, too, some electricity volumes have already been procured at favorable prices.

With the commissioning of the ThyssenKrupp Steel USA plant in Alabama, the long-term electricity supply contract there entered into effect. Even for the small takeoff volumes in the ramp-up phase, the very favorable conditions are significantly below the European price level. In France we continued to profit from the government-regulated electricity tariff, which was extended to 2010.

Income from emissions trading

In accordance with the legal rules, ThyssenKrupp received emission allowances for 21,263,403 tons of CO₂ in calendar year 2009. However, due to the low production levels in the steel area actual emissions were only 15,280,906 tons. This means that the allocated CO₂ emission allowances will be enough for the second trading period of the EU emissions trading scheme (2008 – 2012). In the reporting year we were even able to sell some emission allowances and carry others forward so as to use them in the third trading period (2013 – 2020), where we expect a significant deficit.

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Expected electricity requirements in 2010/2011 are secured to a large extent.

All income from the emissions trading scheme is eaten up by the higher costs caused by the full inclusion of CO₂ costs in electricity prices. Electricity producers include the full costs of CO₂ emission allowances in their electricity prices. For this reason, electricity prices in Germany and Europe are substantially higher than in countries that do not have emissions trading – even when prices fall due to economic conditions.

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



Internal measures and economic recovery strengthened ThyssenKrupp in 2009/2010.

ThyssenKrupp emerged from the economic and financial crisis stronger. Order intake, sales and EBT show that our Group has achieved the turnaround. This was partly due to the economic recovery, from which we profited worldwide, and partly to numerous internal measures that made the Company stronger and more efficient. We improved our structures, increased efficiency and optimized our portfolio. All this now strengthens our position on the markets and creates a good platform for future growth.

The reorganization of the Group has proved worthwhile. Short decision paths and better communications enable us to respond more quickly to changing markets and customer requirements. All eight business areas performed well last year and improved their competitive position and business situation – even if this is not always reflected in corresponding earnings figures.

With our new plants in Brazil and the USA we have invested in the future of the Company. Thanks to the attractive sales opportunities on the North American market they will make a sustainable contribution to increasing the value of the enterprise in the future.

Business area review

The operations and know-how of the Group in the strategic competency areas Materials and Technologies are focused in our eight business areas: Steel Europe, Steel Americas, Stainless Global, Materials Services, Elevator Technology, Plant Technology, Components Technology and Marine Systems. You can find out more about the individual areas and their performance in the reporting year in the following section.

Steel Europe

STEEL EUROPE IN FIGURES

		2008/2009	2009/2010
Order intake	million €	7,892	10,986
Sales	million €	9,570	10,770
ThyssenKrupp Steel Europe	million €	6,103	6,983
Processing	million €	5,097	5,611
Other Companies	million €	1,449	490
Consolidation	million €	(3,079)	(2,314)
EBT	million €	(197)	639
Adjusted EBT	million €	21	639
Capital expenditures	million €	436	286
Employees (Sept. 30)		36,416	34,711

The Steel Europe business area brings together the Group's flat carbon steel activities, mainly in the European market. As the main sales driver, the ThyssenKrupp Steel Europe operating unit delivers high-quality carbon steel flat products directly to the market and also supplies the Processing operating unit, which mainly operates in downstream production areas, with starting material for tinplate, electrical steel and tailored blanks for example.

Higher order and shipment volumes

With steel industry activity firmer and demand for steel strong over large parts of the reporting year, orders and operating rates improved in the Steel Europe business area, but without yet quite reaching pre-crisis levels. The value of orders received in 2009/2010 came to €11.0 billion, up 39% from the prior year. The main factor in this was a 62% rise in order volumes. Demand slowed again slightly in the summer months due to destocking and seasonal factors; however our booking capabilities were also restricted in part as we were operating close to our capacity limit, particularly in crude steel production.



Steel Europe increased order intake by 39% in 2009/2010.

Sales of the business area increased by 13% to €10.8 billion. This was due to higher shipments, up 29%. Average selling prices for the fiscal year were still well below the prior-year level. However, from the 3rd and increasingly in the 4th fiscal quarter price agreements with customers were brought into line with the higher raw material costs.

As demand improved, so too did operating levels. Blast furnace 9 was fired back up in November 2009. Blast furnace A at investee company Hüttenwerke Krupp Mannesmann followed in January 2010. This meant that the metallurgical operations had a full workload again from the middle of the fiscal year. With crude steel capacity tight, slabs had to be bought in, particularly in the final fiscal quarter. Capacity utilization in the downstream processing lines also improved significantly.

The crude steel output of Steel Europe in the reporting year, including the share of investee company Hüttenwerke Krupp Mannesmann, was 13.3 million metric tons, up 44% from the low prior-year level. Rolled-steel production for customers, including contract rolling, increased by 35% to 13.6 million tons.

Steel Europe achieved earnings before taxes of €639 million in 2009/2010, compared with a loss of €197 million in the prior year. The reasons for this were increased demand from our customers, allowing better utilization of production capacities, and an improved cost situation on average. The rigorous implementation of restructuring and cost reduction programs had a favorable effect. However, steel selling prices were lower on average than in the prior fiscal year, although they improved as the year progressed.

The companies of the business area employed a total of 34,711 people on September 30, 2010, almost 5% fewer than at the end of the prior year. The main workforce reduction took place in Germany, primarily due to departures under the 20/10 cost reduction program and the transfer of jobs to other units in connection with the reorganization of the Group. The short-time working made necessary by the dramatic order slump in 2008/2009 was gradually reduced to zero following the recovery in demand from late summer 2009.

Performance of the operating units

The ThyssenKrupp Steel Europe operating unit achieved significantly higher sales in the reporting period. Substantially increased shipment volumes more than offset the decline in selling prices. The expansion in industry sales was due in particular to outside-customer business, which recorded a sharp decline in the prior year and now profited mainly from restocking but also from growth in real demand from many end customers. The strongest impetus initially came from steel distributors and steel service centers. Rerollers, profile manufacturers and other metal processing businesses soon followed suit, but from a very low base. By contrast, demand from the tube industry remained subdued.

Shipments to automotive manufacturers and suppliers also recovered strongly, but without reaching the high levels of 2007 and 2008. Price improvements reflecting actual and expected movements in raw material costs were achieved in the contract negotiations with automotive customers effective July 01, 2010.

ThyssenKrupp Steel Europe's pre-tax profit was significantly higher than the prior-year figure, mainly due to the improved volumes and the absence of the prior year's restructuring costs. Ongoing ThyssenKrupp best projects and newly initiated cost reduction measures also had a positive impact.

The activities of the Processing operating unit showed a mixed picture. Overall, sales and pre-tax profits increased.



Short-time working at Steel Europe was reduced completely at the end of 2009/2010.

The Tinplate business profited from continuing very strong demand, particularly in the beverage and food can segment. Sales rose slightly. The substantial increases in starting material costs could not be passed on to customers in full due to the customary calendar year contracts in place. The strong volume-related increase in sales of medium-wide strip was due to the significantly improved operating levels at automotive suppliers and rerollers; the latter experienced exceptionally high demand following the deep slump.

Sales of Electrical Steel were higher than a year earlier for consolidation reasons. Effective October 01, 2009, the production of non-oriented electrical steel, previously located at ThyssenKrupp Steel Europe, was assigned to the Electrical Steel unit. Demand for grain-oriented electrical steel recovered slowly after the crisis. However, the huge capacity increases implemented by competitors in recent years resulted in a supply surplus, putting selling prices under pressure. These negative effects were moderated by a focus on high-quality grades. The non-oriented electrical steel business fared better; sales were higher thanks to a marked increase in shipments.

Heavy Plate recorded a decline in sales. Shipments increased on the back of improved demand but selling prices were down on average from the prior year, though they increased as the year progressed. Tailored Blanks experienced a significant rise in business, with stagnating shipments in Europe being outweighed by strong increases in China and the NAFTA region.

Metal Forming profited to a particular extent from the recovery in the European auto industry and strong growth in the Chinese market as well as in the NAFTA region. Following successful restructuring a best-owner solution is now being sought for the business. Color/Construction recorded a lower volume of business than in the prior year. Improved sales of flat products, for example for the auto and garage door industries, were offset by a declining trend in the construction elements area. A number of prestige projects were completed – including the high-quality wall cladding for the new ThyssenKrupp Quarter in Essen as well as sandwich and trapezoidal panels for the new plant in Alabama.

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The electrical steel business was reorganized at October 01, 2009.

Significant events

The electrical steel business was reorganized in the reporting period. As of October 01, 2009 the grain-oriented and non-oriented electrical steel units were placed under the operating control of ThyssenKrupp Electrical Steel GmbH, creating a full-line supplier whose market position will be further strengthened by the growing importance of energy efficiency.

At Tailored Blanks, production in Wolfsburg was discontinued and integrated into the main Duisburg-Hüttenheim plant at April 30, 2010 in response to fiercer competition on the German market. In connection with the plant closure, welding equipment was transferred to China to better meet market growth there.

Our market position in Italy was considerably strengthened by the acquisition of the operations of Euroweld S.r.l.

Capital expenditures

The Steel Europe business area's capital expenditures for property, plant and equipment and intangible assets reached €286 million in the reporting year, with depreciation at €579 million. The low spending relative to depreciation was the result of the decision made in light of the economic crisis to reduce investment significantly and concentrate on maintenance and environmental protection programs. From the 3rd quarter of the reporting year more investment projects were approved as the economy recovered and the earnings situation improved. One focus was on upgrading the production line of hot strip mill 3 in Bochum.



Steel Europe invested in major environmental and modernization programs in 2009/2010.

The capital spending focused on important environmental control projects such as the building of an electricity-generating top gas expansion turbine at the Duisburg-Hamborn blast furnace plant, the modernization of the furnace to reduce emissions at the Dortmund continuous annealing line and the fitting of dust collection equipment in the Duisburg-Schwelgern sinter plant to reduce particulate pollution. In addition, significant funds went into modernizing the outdated automation equipment on the production line at hot strip mill 2 in Duisburg-Beeckerwerth. This project will expand our range of products and sizes in skelp grades and high-alloy steels.

At the electrical steel plants in Gelsenkirchen and Isbergues, France, the capacity expansion program for higher-quality grades was continued and in part completed. The capacity expansion project for medium-wide strip at the Hagen plant is still in progress. In addition, the inland waterway shipper Veerhaven put a new barge train into operation to secure the supply of raw materials via the Rhine.

Steel Americas

STEEL AMERICAS IN FIGURES

		2008/2009	2009/2010
Order intake	million €	0	69
Sales	million €	0	68
ThyssenKrupp CSA Siderúrgica do Atlântico	million €	0	67
ThyssenKrupp Steel USA	million €	0	1
Other Companies/consolidation	million €	0	0
EBT	million €	(216)	(320)
Adjusted EBT	million €	(216)	(320)
Capital expenditures	million €	2,135	2,054
Employees (Sept. 30)		1,659	3,319

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

Steel mill in Brazil has begun production

On June 18, 2010 the new integrated iron and steel mill of ThyssenKrupp CSA Siderúrgica do Atlântico near Santa Cruz in the west of Rio de Janeiro was officially opened in the presence of Brazil's president Luiz Inácio Lula da Silva. With a capital budget of €5.2 billion, it is the biggest foreign investment for ThyssenKrupp in the Group's history. It is also the biggest industrial investment project in Brazil in the past ten years and the first major steel mill to be built in the country since the mid-1980s.

The production capacity of the mill at the end of the ramp-up phase will be around 5 million tons of crude steel a year. Construction work on the main units is complete or nearing the finish line. The port terminal and raw materials yard have been built. Coke plant battery A and the sinter plant were completed in the past fiscal year. The first blast furnace, the melt shop and the power plant are also in operation. The second blast furnace will be fired up at the end of 2010. Work on the ancillary facilities, such as power distribution and water treatment, and on other infrastructure facilities is also nearly complete. Only the work on the coke plant will still take some time. As things stand, battery B will be put into operation in spring 2011 and battery C in fiscal 2011/2012.

The first slabs produced by ThyssenKrupp CSA reached Steel Europe in October 2010. In total 36,170 tons of slabs were produced in Brazil up to the end of the reporting year.

The Brazilian iron ore producer Vale increased its stake in ThyssenKrupp CSA from around 10% to almost 27% in the 1st quarter 2009/2010; the purchase price was €965 million. This move is confirmation of the value of our investment and of our industrial strategy. At the same time it further strengthened the basis for a long-term partnership between ThyssenKrupp and the strategically important raw materials supplier Vale.

Processing plant in the USA in operation

Construction work on our processing plant in Calvert, Alabama/USA is in large part complete. The investment budget is 3.6 billion US dollars. The hot strip mill was put into operation at the end of July 2010. The cold rolling mill and the finishing lines began production in September 2010. The pickling line will start operation at the beginning of fiscal year 2010/2011. Due to the economic situation, completion of the coating lines will be postponed until fiscal year 2010/2011. Work on the ancillary plants and on other infrastructure facilities is expected to be completed by the end of 2010.

The processing plant in the USA will process slabs from the Brazilian mill into high-quality flat products. Slab grades that cannot be produced in the Brazilian mill initially during the ramp-up phase are being sourced from Germany. The roughly 5 million tons per year total hot-rolled capacity includes the rolling capacity needed for the stainless plant of Stainless Global in Alabama.

Earnings situation and workforce

The earnings situation was mainly influenced by the start-up costs associated with the completion of the projects and by the ramp-up of production. In fiscal year 2009/2010 the business area made a pre-tax loss of €320 million, a lower loss than originally expected. Key factors besides the project start-up costs were positive exchange rate effects due to the movement of the Brazilian real against the euro, and the capitalization of interest costs during construction.

On September 30, 2010, 18,500 people were employed on the construction site in Brazil and 1,500 in the USA. As construction progressed, fewer outside contractors were employed. At the same date, Steel Americas had 3,319 employees, roughly two thirds of them with ThyssenKrupp CSA and one third with ThyssenKrupp Steel USA. Compared with the prior year the business area's workforce thus doubled.

Entry to the NAFTA market

In parallel with the construction work on the two major projects we systematically continued our market analyses of price and volume trends and customer requirements in the NAFTA region. Sales plans for the ramp-up phase were developed in accordance with customer requirements and the available product specifications. For this, our sales experts intensively continued their visits to key customers in the target automotive and electrical sectors as well as steel service centers and the tube/pipe industry. A total of more than 1,300 visits have been carried out to customers so far, mainly in the USA but also in the relevant export markets.

The first coil was shipped to a customer in September 2010. Up to the end of fiscal year 2009/2010 around 2,000 tons of finished material was sold on the North American market. Most of it was hot-rolled coil and it was mainly sold to steel distributors and steel service centers. As the ramp-up progresses and the other production units gradually come on stream, the product portfolio and the customer base will steadily widen.

We are confident about further market entry. Both the start of production and our products have met with a strong response from North American flat steel customers. Buyers are interested firstly in diversification on the supply side through a new supplier and secondly in the higher-quality steel grades and product sizes that ThyssenKrupp Steel USA will offer.



ThyssenKrupp Steel USA shipped its first coil to a customer in September 2010.

Stainless Global

STAINLESS GLOBAL IN FIGURES

		2008/2009	2009/2010
Order intake	million €	4,147	5,121
Sales	million €	4,486	5,901
ThyssenKrupp Nirosta	million €	1,807	2,454
ThyssenKrupp Acciai Speciali Terni	million €	1,679	2,408
ThyssenKrupp Mexinox	million €	322	450
ThyssenKrupp Stainless USA	million €	0	0
Shanghai Krupp Stainless	million €	122	220
ThyssenKrupp Stainless International	million €	649	985
ThyssenKrupp VDM	million €	743	796
Other equity interests/consolidation	million €	(836)	(1,412)
EBT	million €	(926)	(121)
Adjusted EBT	million €	(775)	(121)
Capital expenditures	million €	343	344
Employees (Sept. 30)		11,755	11,235

As one of the world's leading stainless steel producers the Stainless Global business area stands for the highest standards in stainless steel flat products as well as high-performance materials such as nickel alloys and titanium. The business area also includes the stainless steel mill in Alabama, which is being built in cooperation with Steel Americas.

Orders and sales improved, loss significantly reduced

The business area's order situation improved markedly in 2009/2010. The volume of orders received increased by 7%. Demand for stainless cold-rolled rose by 11%. Order volumes were also higher for nickel alloys and titanium. In terms of value, the business area's order intake climbed by 23% to €5.1 billion, mainly due to the year-on-year rise in alloy surcharges.

Overall deliveries were up 18% from the prior year at 2.2 million metric tons. Shipments of stainless cold-rolled and hot-rolled increased, while deliveries of titanium and nickel alloys declined. Overall, sales increased by 32% to €5.9 billion.

Stainless Global improved its earnings before taxes by €805 million in 2009/2010, but still posted a loss of €121 million. With the exception of the new ThyssenKrupp Stainless USA plant, which is still being ramped up, all operating units in the stainless steel business substantially reduced their losses or returned to profit. The main reasons for this were significantly lower inventory writedowns and impairment charges, targeted cost reductions, and a generally improved market situation permitting higher base prices and better utilization of production capacities. The restructuring measures resolved at the end of 2008/2009 were continued at all locations. With the SPRINT performance program we were able to improve our earnings and competitiveness on a long-term basis and further flexibilize our cost base.

On September 30, 2010 the companies of the Stainless Global business area employed a total of 11,235 people worldwide, more than 4% fewer than a year earlier.

Performance of the operating units

For the operating units ThyssenKrupp Nirosta and ThyssenKrupp Acciai Speciali Terni the situation on the German and European stainless steel markets improved in terms of both prices and volumes. Order intake and sales increased sharply. Earnings at Nirosta improved strongly following the heavy loss in the prior year. The earnings performance of ThyssenKrupp Acciai Speciali Terni was also positive. In both operating units, higher base prices, increased cold-rolled volumes and implemented restructuring measures contributed to the earnings improvement. Continued stable growth in the forging business additionally bolstered the performance of ThyssenKrupp Acciai Speciali Terni.



Stainless Global recorded a 32% sales increase in 2009/2010.

ThyssenKrupp Mexinox and Shanghai Krupp Stainless likewise recorded increases in the volume and value of orders received, as well as higher shipments and sales. In Mexico, distributors began restocking and demand from the auto and appliance industries increased significantly. The US market also stabilized. At Shanghai Krupp Stainless, contract rolling orders from Chinese stainless steel producers led to improved capacity utilization. ThyssenKrupp Mexinox made a small profit, Shanghai Krupp Stainless a small loss.

The worldwide recovery in demand had a positive effect on both orders and sales in the ThyssenKrupp Stainless International operating unit. Together with implemented cost reduction measures, the beginning stabilization of the global stainless steel markets led to a marked earnings improvement.

ThyssenKrupp VDM achieved higher orders and sales but was unable to benefit in full from the late-cycle market recovery compared with stainless steel. The nickel alloys business has improved since the beginning of the year, with price levels remaining largely stable. The market for titanium alloys also recovered slightly with higher demand from customers in the aerospace sector. Initiated restructuring measures and the absence of inventory writedowns resulted in a small profit being made.

Stainless steel mill in the USA

A modern, integrated stainless steel mill is being built in Alabama/USA in cooperation with Steel Americas at a cost of around 1.4 billion US dollars. Construction is progressing in line with the agreed schedule.

Commissioning of the first rolling mill started at the end of September 2010, followed by the cold-rolled annealing and pickling line and the skin pass mill; the cut-to-length line and the coil polishing line in the finishing department went into operation in June 2010. The first slitting line started up in November 2010.

Construction work on the foundations for the hot-rolled annealing and pickling line and the second rolling mill began on schedule in January 2010. Installation of the equipment started in September 2010 and commissioning is scheduled for October 2011.

The building of the third rolling mill and additional finishing lines is being kept flexible and can be delayed by up to another 24 months.

The scale of the overall project remains unchanged as we continue to believe there is a need for an optimized stainless steel production site on the North American market. To allow flexible handling of the start of production of the melt shop, intensive work is continuing on its detailed engineering. Hot-rolled coil for the plant will initially be sourced from the European mills.

Capital expenditures

Stainless Global invested €344 million in property, plant and equipment and intangible assets in the reporting year, with depreciation amounting to €160 million. The focus of the investment was the construction of the fully integrated stainless steel mill of ThyssenKrupp Stainless USA in Alabama.

ThyssenKrupp Nirosta invested larger amounts in maintaining and modernizing its production equipment. A major part of the spending went on expanding the fire safety program.

ThyssenKrupp Acciai Speciali Terni invested above all in the annealing and pickling area. This included completion of the installation of rolling stands in the entry zone of the new hot-rolled line; it increases cold-rolled capacity. This means we can now produce semi-cold-rolled, which can be substituted for traditional cold-rolled in certain applications to the benefit of customers. In addition, the dust collection system in the Terni melt shop was modernized and expanded.

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The focus of investment at Stainless Global in 2009/2010 was the stainless steel mill in Alabama.

ThyssenKrupp Mexinox implemented various individual projects to maintain and expand its equipment. Due to the security situation in Mexico and also at the San Luis Potosi site we also invested in safety measures for our employees and the plant.

Capital spending at the Shanghai Krupp Stainless cold rolling mill in 2009/2010 focused mainly on replacement investment; in addition the implementation of the fire safety program was continued.

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

ThyssenKrupp VDM completed the investment program begun in 2006 to strengthen and expand business in the aerospace, oil and gas sectors. In addition, investment focused on improving fire safety, maintaining existing operations, meeting regulatory requirements and process optimization.

Materials Services

MATERIALS SERVICES IN FIGURES

		2008/2009	2009/2010
Order intake	million €	12,085	12,805
Sales	million €	12,815	12,763
Metals Services	million €	8,139	8,201
Special Services	million €	3,192	3,748
Industrial Services	million €	1,544	880
Consolidation	million €	(60)	(66)
EBT	million €	(295)	411
Adjusted EBT	million €	(223)	330
Capital expenditures	million €	279	188
Employees (Sept. 30)		44,316	33,856

With 500 locations in over 40 countries the Materials Services business area specializes in materials distribution including technical services. In addition to products, Materials Services provides services ranging from processing and logistics to warehouse and inventory management through to supply chain and project management.

Moderate recovery in demand and prices – clear earnings improvement

At €12.8 billion, Materials Services almost equaled its prior-year sales in 2009/2010, even though ThyssenKrupp Industrieservice and ThyssenKrupp Safway, which were sold in the 1st quarter, are only included in the figures for two and three months, respectively. Overall, volumes and selling prices improved gradually in the course of 2009/2010 after a weak start; however this did not apply in equal measure to all product areas and regions. In addition, there were slight signs of weakening towards the end of the fiscal year.

Materials Services improved its earnings before taxes by €706 million to €411 million. This also includes the gains from the disposal of the above-mentioned companies; excluding these nonrecurring items EBT was €330 million. Alongside the economic recovery, the growth in earnings was mainly due to sustainable cost reductions. In addition, due to the stabilized price levels there were no major inventory writedowns, unlike in the prior year.



Materials Services generated EBT of €411 million in 2009/2010.

At the end of the fiscal year the companies of the business area employed 33,856 people, 24% fewer than a year earlier. The disposals reduced the workforce by over 12,000; in addition, approaching 3,000 jobs were lost at all levels in connection with the cost reduction programs. In the same period, however, increased business in some regions and stronger orders for service projects resulted in growth of 4,700 jobs.

Performance of the operating units

The Metals Services operating unit combines our global materials activities in the warehouse, service and direct-to-customer businesses – in particular rolled steel, stainless steel, tubes and nonferrous metals in all grades and styles. Although order volumes from manufacturing industry, the engineering sector and to a limited extent the construction sector increased appreciably, they were still well below the record levels of 2007/2008. Despite higher volumes, the operating unit's sales were only slightly up from the prior year because average prices were still lower. This was true – with the exception of the service center operations, which performed very well – of Germany and also of some other western European countries. In contrast, the eastern European market recovered much more quickly.

In North America the nonferrous metals business in particular made excellent progress. However, the international direct-to-customer business in rolled steel and tubes suffered from slow demand and fierce competition for the few major projects available. Customers were generally cautious, placing orders on a purely project-related basis and at very short notice. In addition to the economic recovery, major structural measures improved the operating unit's business situation; these included mergers, business combinations, site consolidations and optimized processes in purchasing, logistics and sales. Following a substantial loss in the prior year, Metals Services achieved a significant improvement in pre-tax earnings in 2009/2010, recording the best result in the business area.

The Special Services operating unit encompasses our materials and supply chain activities for the aerospace industry as well as plastics warehousing and services. It also includes the distribution of raw materials such as metals, alloys, coke/coal and minerals. The portfolio is completed by consulting- and service-intensive products for the railway and construction sectors together with equipment, project management and steel mill services. Special Services' sales increased significantly year-on-year. The performance of the global aerospace business was very pleasing. We agreed new projects and entered into long-term contracts with the leading aircraft manufacturers in Europe and North America; we are currently growing the business in China. In plastics distribution, where we are one of the world's leading players, business picked up noticeably after the long weather-related winter break in the construction industry. Nevertheless we had to deal with high margin pressure and fierce competition. In Germany we streamlined our organizational structure and launched a wide-ranging sales initiative.

Following the marked improvement in steel industry activity the raw materials business grew strongly, particularly in alloys and coke/coal. The workload in Brazil for our steel mill services stabilized at an encouragingly high level; the first larger projects for the Group-owned CSA steel mill in Brazil were billed towards the end of the reporting year. Operating levels in Germany were also much higher year-on-year. Weather-related postponements, delays in the implementation of stimulus programs, financing difficulties in major projects as well as increased competition weighed on sales in the construction and railway equipment business. Overall, however, the Special Services operating unit achieved a further improvement in EBT, which was also good in the crisis year 2008/2009. Major factors in this were the growth of the aerospace and raw materials businesses and the structural measures in the plastics business.

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Metals Services delivered the business area's highest EBT contribution.

The Industrial Services operating unit's figures were dominated by the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway. Sales and pre-tax profits excluding nonrecurring items in 2009/2010 were slightly down from the prior year.



The plastics business in Germany was reorganized in 2009/2010.

Significant events

Besides the sale of the two companies in the industrial services business, one of the main structural tasks in 2009/2010 was the reorganization of the plastics business in Germany. As a prerequisite for this we completed the acquisition of Thyssen Röhm Kunststoffe GmbH from Evonik Industries AG.

In addition, various companies were merged and operations combined. The acquisition in April 2010 of Techno-Stahl Stahlgroßhandel und Brennschneidbetrieb GmbH in Austria, a company specializing in the thermal cutting of sheet metal and slabs, further expanded Materials Services' processing capacities and strengthened in particular the operating unit's materials services capabilities in central and southeastern Europe.

Capital expenditures

Materials Services invested €125 million in property, plant and equipment and intangible assets, with depreciation at €142 million. The spending was focused on the new service center of ThyssenKrupp Stahl-Service-Center GmbH in Krefeld. This highly modern and expandable site replaces the previous head office in Langenfeld and the branches in Bochum and Leverkusen. Other investments were mainly in smaller modernization projects and maintaining existing operations.

Elevator Technology

ELEVATOR TECHNOLOGY IN FIGURES

		2008/2009	2009/2010
Order intake	million €	5,038	5,099
Sales	million €	5,308	5,188
Central/Eastern/Northern Europe	million €	1,521	1,449
Southern Europe/Africa/Middle East	million €	819	824
Americas	million €	2,122	1,984
Asia/Pacific	million €	634	737
Escalators/Passenger Boarding Bridges	million €	329	331
Accessibility	million €	227	218
Corporate/consolidation	million €	(344)	(355)
EBT	million €	570	602
Adjusted EBT	million €	598	602
Capital expenditures	million €	135	81
Employees (Sept. 30)		42,698	44,024

The Elevator Technology business area supplies passenger and freight elevators, escalators and moving walks, passenger boarding bridges, stair and platform lifts as well as service for the entire product range. 44,024 employees at more than 900 locations provide a tight-knit service network to keep us close to customers.

Earnings higher again

Despite a continuing difficult market environment, the business area performed well in 2009/2010. New orders were steady year-on-year at €5.1 billion. A decline in modernization business was offset by growth in service business. Exchange-rate effects increased order intake by €129 million. New orders

were slightly higher in the Escalators/Passenger Boarding Bridges operating unit and significantly higher in the Asia/Pacific operating unit. In the Central/Eastern/Northern Europe, Americas and Accessibility operating units order intake was steady, while Southern Europe/Africa/Middle East fell just short of the prior-year figure.

Sales decreased slightly by 2% to €5.2 billion, mainly due to a decline in new installation and modernization business. Service sales and the number of service units under contract increased further. Exchange-rate effects increased sales by €125 million. The Asia/Pacific operating unit achieved significant growth, while the Americas operating unit was unable to repeat its good prior-year performance. All other operating units were either steady or slightly down from the prior year.

Elevator Technology generated earnings before taxes of €602 million, bettering the prior year's record earnings by 6%. Exchange-rate effects had a positive effect here too. All operating units delivered positive earnings contributions.

The number of employees on September 30, 2010 was 44,024, up 3% year-on-year. The main increases were in China, the Middle East and Brazil.

Performance of the operating units

Order intake in the Central/Eastern/Northern Europe operating unit was stable in 2009/2010. New orders dropped in the UK, France and Eastern Europe, but all other regions equaled or exceeded their prior-year performance. Sales were down from the prior year due to declines in the UK, France and Eastern Europe. Sales on the German market increased. The other regions recorded steady sales. The operating unit's earnings before taxes were lower than a year earlier. Increases in Eastern Europe, Austria and the Benelux countries were offset by large declines in the UK and France.

Order intake in the Southern Europe/Africa/Middle East operating unit was slightly lower year-on-year, mainly due to the decline in modernization business. New orders were significantly higher in the Gulf states and Turkey thanks to new installation business, but lower in Egypt and on the Iberian Peninsula. The operating unit's sales were steady overall thanks to strong growth mainly in the Gulf states but also in Egypt, Turkey and Italy. On the Iberian Peninsula, stable service sales were unable to compensate for a decline in new installation and modernization business. Pre-tax profits were roughly level with the prior year. Earnings were higher year-on-year in the Gulf states and Spain but lower in Italy and Turkey.

The Americas operating unit ended the reporting year with order intake level with the prior year. Exchange rates for the Canadian dollar and Brazilian real had a positive effect. Excluding exchange rate effects, the operating unit's new orders were slightly lower, mainly due to a fall in new installation business in North America. Brazil posted higher new orders, even excluding exchange rate effects. The operating unit's sales were down from the strong prior-year level despite positive exchange rate effects: Growth in service sales was unable to offset declines in new installation and modernization business. Sales in South America and particularly Brazil were encouraging. Thanks to a large profit increase in Brazil and positive exchange rate effects, the operating unit equaled its strong prior-year EBT. Higher earnings in service business offset the declines in new installation and modernization business.

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With EBT of €602 million, Elevator Technology bettered the prior year's record earnings.



Strong new installation and service business in Asia resulted in high order intake.

Strong growth in new installation and service business resulted in significantly higher order intake in the Asia/Pacific operating unit; a key factor was the continuing good performance in China. In addition, exchange rates had a slight positive effect. The operations in Southeast Asia did not quite reach their prior-year order intake figures. The operating unit's sales increased considerably thanks to strong construction activity in China. There were marked declines in Australia, while business in Korea was stable. Overall, exchange rates had a positive effect on sales. EBT increased significantly due to the growth in China and the significant year-on-year improvement in Korea.

The Escalators/Passenger Boarding Bridges operating unit increased its order intake compared with the prior year while sales were stable. Declines in passenger boarding bridge business were outweighed by growth in escalator business, in both orders and sales. Earnings before taxes increased markedly, mainly due to the absence of prior-year restructuring costs at the German escalator plant.

Despite growth in Europe and Asia, order intake and sales at the Accessibility operating unit were flat year-on-year, reflecting significant declines at the North American operations due to the financial and real estate crisis. EBT was unchanged from the prior year.

Significant events

Elevator Technology continued to expand its service and sales activities in 2009/2010. In addition to the purchase of smaller elevator firms in Germany, the focus of the expansion strategy was the acquisition of the French company Atena S.A., Paris. With the purchase of the remaining shares in ThyssenKrupp Asansör Sanayi ve Tic. A.S., Istanbul, the business area now owns 100% of the Turkish company.

Capital expenditures

The business area's spending on property, plant and equipment and intangible assets in fiscal 2009/2010 came to €70 million, with depreciation at €72 million.

In addition to replacement capital expenditure, the spending was mainly focused on expanding and optimizing production in China and India. Work also began on the construction of a new elevator plant in Spain. In numerous countries IT systems were adapted to changed workflows.

Plant Technology

PLANT TECHNOLOGY IN FIGURES

		2008/2009	2009/2010
Order intake	million €	3,538	3,859
Sales	million €	4,450	3,931
Uhde	million €	2,025	1,450
Polysius	million €	1,061	1,077
Fördertechnik	million €	670	821
System Engineering	million €	701	561
Transrapid	million €	35	48
Other equity interests/consolidation	million €	(42)	(26)
EBT	million €	236	308
Adjusted EBT	million €	281	308
Capital expenditures	million €	61	32
Employees (Sept. 30)		13,043	12,972

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

Stable performance in a difficult market environment

Plant Technology faced significantly intensified competition in the past fiscal year, especially in the petrochemical and cement industries. However, the business area's performance was stable in a difficult overall market environment. Plant Technology achieved order intake of €3.9 billion in 2009/2010, an improvement of 9% from the prior year. Contributions to this positive performance came in particular from the Uhde, Fördertechnik and System Engineering operating units. The majority of the orders were from international customers. The most important regions were Asia (39%), America (21%) and Africa (14%).

Sales in 2009/2010 were 12% lower at €3.9 billion due to billing technicalities. Orders in hand of around €6.2 billion at September 30, 2010, mainly for longer-term project business, continue to secure over one year's sales.

Plant Technology generated record pre-tax earnings of €308 million. The main contributions came from Uhde, Polysius and Fördertechnik.

The number of employees at September 30, 2010 was virtually unchanged from a year earlier, down 0.5% at 12,972. In addition to the disposal of the special vehicle construction business of System Engineering, restructuring measures at System Engineering and Transrapid resulted in a job decrease. However, the strong order situation led to an increase in employee numbers in particular at Fördertechnik.

Performance of the operating units

The Uhde operating unit recorded a significant increase in order intake in the reporting year thanks to several major orders. Uhde received contracts to build fertilizer plants in Abu Dhabi and Egypt. A modern hydrogen plant is being built in the Indian state of Orissa, and in the USA an order was won for a new coke plant. Sales at Uhde were noticeably lower than a year earlier, when several major orders were completed. Despite this, pre-tax profit significantly exceeded the prior-year level due to billing technicalities.

The Polysius operating unit, which builds plants for the cement and minerals industries, reported a fall in orders year-on-year. This was mainly due to the positive effect of several major orders in the prior year. By contrast, several projects were postponed in the reporting period, though major new orders were acquired in Mexico and Vietnam. Due to strong orders in hand, sales were once again higher than a year earlier. Thanks to an improved operating performance, EBT was level with the strong prior-year figure.

Fördertechnik performed very well. Orders for mining and handling equipment reached record levels in 2009/2010. They included orders for open-pit equipment including two fully mobile crushers in Brazil, a complete coal-handling plant for a power station in South Africa and several decentralized power plants in India. The biggest single order in Fördertechnik's history was received from a Canadian customer for a complete oil sands processing plant featuring new technical developments. Orders in hand at fiscal year-end were at their highest-ever level, covering almost two years' sales. Sales and pre-tax profit also increased further from the high prior-year levels.

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Orders in hand of €6.2 billion at Plant Technology secure over a year's sales.

[1]

ThyssenKrupp Fördertechnik increased orders, sales and EBT in 2009/2010.

The System Engineering operating unit – focused on production systems and assembly lines for the automotive industry – reported a substantial increase in orders. Higher order intake mainly in the body-in-white business more than offset reduced order levels in parts production caused by lower production volumes and temporary plant closures at individual customers. Sales were lower year-on-year due to billing technicalities. Reduced orders in parts production, underutilization in the assembly systems business, additional expenses at a foreign subsidiary and restructuring costs resulted in a pre-tax loss.

Sales and pre-tax earnings at Transrapid were higher than a year earlier thanks mainly to billings under the Chinese license agreement.

Significant events

To further develop the Asian market, Polysius expanded its production operations in China and established an additional company in Vietnam. The acquisition of the assets of a Canadian company broadened the technology base for oil slate business.

ThyssenKrupp Engineering South Africa formed a joint venture with the South African engineering company PDNA that meets all Black Economic Empowerment qualification criteria. As a result, Uhde and Fördertechnik are ideally positioned for forthcoming project awards from public-sector customers and from the major “public companies”.

To further optimize capacities at System Engineering, the Polish site in Gdansk was closed. The special vehicle construction business of ThyssenKrupp Drauz Nothelfer was sold.

Capital expenditures

In the reporting year the business area invested €32 million in property, plant and equipment and intangible assets. Depreciation totaled €35 million. Capital spending focused mainly on expanding existing production capacities and developing new technologies. All operating units of Plant Technology also invested significantly to extend their technology base and strengthen the international engineering and production network.

Uhde expanded its engineering office in Mumbai to meet rising demand from Indian customers. As part of development work in the strategic field of biotechnology, a PLA (polylactide) plant was built in Brandenburg which produces polyester on the basis of renewable raw materials.

Under its low-cost sourcing strategy Polysius invested in an assembly and production workshop in Shanghai.



Plant Technology invested €32 million in the reporting year.

Components Technology

COMPONENTS TECHNOLOGY IN FIGURES

		2008/2009	2009/2010
Order intake	million €	4,177	5,653
Sales	million €	4,603	5,724
Presta Camshafts	million €	209	299
Forging group	million €	587	788
Waupaca	million €	612	860
Rothe Erde	million €	1,096	992
Berco	million €	259	347
Presta Steering	million €	706	918
Bilstein group	million €	1,147	1,543
Other equity interests/consolidation	million €	(13)	(23)
EBT	million €	(458)	220
Adjusted EBT	million €	(148)	269
Capital expenditures	million €	542	288
Employees (Sept. 30)		27,973	29,144

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

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Order intake at Components Technology increased by 35% in 2009/2010.

Positive performance

Components Technology performed very well in the past fiscal year. Compared with the weak prior year, which was impacted by the economic and financial crisis, sales were up by 24% to €5.7 billion, and orders increased by 35% to €5.7 billion.

This strong performance was mainly driven by increased demand in the automotive industry, due in part to temporary government stimulus programs in virtually all European countries, the USA, Brazil and China. There were also positive effects from reduced inventory levels at our customers.

Following the high loss of the prior year, the business area achieved a pre-tax profit of €220 million in 2009/2010. This positive performance was driven by the demand recovery and the continuing implementation of the restructuring and cost-reduction programs introduced the year before. In addition to temporary personnel adjustments, these measures mainly include structural capacity adjustments, such as the closure of plants in Europe and the USA. Adjusted EBT was €269 million.

At the end of September 2010, Components Technology had 29,144 employees, 4% more than a year earlier. Thanks to the economic upturn, additional employees were hired in particular in Brazil, China and the NAFTA region; this was partly offset by structural declines in Germany and other parts of Europe.

Performance of the operating units

The performance of the operating units of Components Technology was generally positive in fiscal 2009/2010.

The automotive supply business performed well. Sales were significantly up from the crisis-hit prior year. Increased orders from the auto industry resulted in higher sales at Presta Camshafts, Presta Steering and the Bilstein group. Presta Camshafts and Presta Steering improved their earnings and returned a pre-tax profit. By contrast, the EBT of the Bilstein group was impacted by restructuring and impairment charges.

The forging group increased its sales of forged car and truck crankshafts significantly and returned to profit. Demand was higher particularly on the Brazilian and US markets. The European market also started to recover, leading to rising sales.

The US foundries of Waupaca, which produce components for cars, trucks and other applications, profited from increased market demand, further savings on the healthcare program and structural capacity adjustments. Compared with the prior year, sales grew significantly and the unit achieved a pre-tax profit.

In Berco's construction equipment business, demand picked up from the middle of the reporting year. From a low base level a year earlier, sales almost doubled in the 2nd half, due among other things to customers replenishing their depleted inventories to meet higher demand. Sales also increased year-on-year. An extensive cost-reduction program including structural capacity adjustments was initiated to further improve competitiveness. Due to the weak 1st half, restructuring and impairment charges, and increased material costs, Berco was unable to return to profit.

With demand in the general engineering sector still weak and wind energy customers placing orders for immediate needs only, 1st-half order intake for Rothe Erde slewing bearings and rings decreased. In the 2nd half, orders improved from the weak prior-year period. Full-year orders were higher. Sales fell short of the year-earlier level, but the trend in the 2nd half was rising. Rothe Erde generated a pleasing pre-tax profit, though due to weaker sales this was lower than the prior-year figure.

Significant events

Due to the market situation, capacities had to be adjusted to the lower demand. Plants were closed in the forging group in Germany, France and the USA and at Presta Steering in the USA. Structural capacity adjustments are also being implemented in the Bilstein group with plant closures in Germany and Spain. Due to the slump in demand in the USA, the Etowah, Tennessee plant of the US foundry group Waupaca was idled. Despite this Waupaca maintained its leading market position as the biggest independent iron foundry in the USA.

These measures significantly increased the productivity and profitability of the operating units in the course of fiscal 2009/2010.

Capital expenditures

In the reporting year Components Technology invested €272 million in property, plant and equipment and intangible assets, with depreciation at €277 million. Capital spending was mainly aimed at maintaining existing operations and continuing projects already started. The greater part of the investments were made in Germany, China, North and South America and India.

The Bilstein group is building a new plant in Chattanooga, USA to assemble complete front and rear axles for a major German car manufacturer. Investments were also made in stabilizer production at the Mexican site.

Presta Steering developed the new electro-mechanical steering system ParPAS to production readiness and launched it on the market. The production start-ups for the EPAS steering system will extend from May 2010 to September 2011. In total around 800,000 steering systems are to be delivered per year. The necessary restructuring of the production facilities has already been completed.

Thanks to numerous new orders, Presta Camshafts expanded its production capacities at the Ilsenburg site and in China. Based on continuing positive forecasts for the wind energy sector, Rothe Erde continued the special investment program launched two years ago.

The forging group started construction of a machining site for truck crankshafts in India to allow Indian truck engine manufacturers to source locally in the future.



Bilstein is building a new axle assembly plant in the USA.

Marine Systems

MARINE SYSTEMS IN FIGURES

		2008/2009	2009/2010
Order intake	million €	870	531
Sales	million €	1,594	1,211
Naval	million €	1,047	699
Shipyards and Services	million €	574	527
Other equity interests/consolidation	million €	(27)	(15)
EBT	million €	(554)	38
Adjusted EBT	million €	(90)	(35)
Capital expenditures	million €	37	8
Employees (Sept. 30)		7,770	5,488

With the restructuring of its shipyards, Marine Systems is positioning itself as one of Europe's leading global system suppliers for submarines and naval vessels.

Order intake and sales down, earnings improved

The market environment for Marine Systems was largely unfavorable in 2009/2010. Order intake in the markets for merchant ships and mega yachts came to a complete standstill for a time. Tight public finances also had a negative impact. However in recent months freight rates for merchant shipping have improved significantly, boosting the market for repairs, refits and conversions.

Order intake decreased by 39% to €531 million. Sales at Marine Systems were down 24% from the prior year at €1.2 billion. The main reason was the absence of all sales from the submarine orders for Greece, which were cancelled in September 2009.

Earnings before taxes improved year-on-year by €592 million to €38 million, mainly due to the deconsolidation of Hellenic Shipyards in Greece. Excluding this nonrecurring item, the business unit returned a pre-tax loss.

Workforce numbers decreased by 29% in the past fiscal year. On September 30, 2010, 5,488 people were employed at the Hamburg, Kiel, Malmö and Karlskrona locations. Once the restructuring steps described below have been completed, the headcount will be reduced by around a further 2,250 employees.

Performance of the operating units

Order intake in the Naval operating unit was low. The new orders included the spring 2010 design contract to develop the new generation of Swedish submarines (A26). Other than this, mainly smaller projects were acquired. The order already initialed in July 2009 for six material packages for the construction of export class 214 submarines for the Turkish navy had still not come into effect at the end of the fiscal year due to protracted financing negotiations between end customer and bank consortium.

One major delivery was the first class 214 submarine for Portugal. With global trade picking up again and freight rates rising, it was possible to sell four container ships from cancelled orders to third parties.

In the Shipyards and Services operating unit, the fiscal year was characterized by the completion of three mega yachts. The historic yacht "Nahlin", which underwent a general refit, was handed over to the customer in June 2010 and the "Orca" in September. The third yacht – the "Eclipse" – was also completed in September and made ready for acceptance trials.

The repair business was weaker at times, whereas the market for components held up well contrary to expectations.

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Marine Systems made a profit of €38 million in 2009/2010.

Restructuring of the shipyards

The restructuring of the Marine Systems business area was continued in fiscal 2009/2010: ThyssenKrupp Marine Systems reacted to the global shipbuilding crisis with significant capacity and cost reduction measures at all locations and will systematically focus its activities on naval shipbuilding.

In October 2009 a contract of sale was concluded with SIAG Schaaf Industrie and the transformation of the Emden location of Blohm + Voss Nordseewerke into a viable high-tech site for offshore technology began. The naval surface vessel business of Blohm + Voss Nordseewerke acts as a general contractor for design, purchasing and project management.

Furthermore, ThyssenKrupp Marine Systems is close to implementing the agreements signed with the Abu Dhabi MAR group on April 13, 2010. Abu Dhabi MAR intends to acquire 100% of Blohm + Voss Shipyards, and thus the mega yacht construction business, as well as an initial 80% share of the ship repair and component production activities. At the same time the naval surface vessel business will be transferred to a 50/50 joint venture with the Abu Dhabi MAR group. The corresponding regulatory approval procedures have been completed, and closing is planned for the first half of 2010/2011.

The sale of a 75.1% share in the Greek Hellenic Shipyards to one of the stockholders of the Abu Dhabi MAR group has already been realized. Hellenic Shipyards thus left the consolidated Group in September 2010.

The sale is part of an overall solution with the Greek government and Abu Dhabi MAR, which also provides under new agreements for the acceptance/completion of the previously built submarines and the ordering of two further class 214 submarines. The corresponding agreements came into force at the end of October 2010.

ThyssenKrupp Marine Systems will therefore concentrate in the future on military shipbuilding, with the focus on submarines, and will also profit from the new partnership and the marketing prospects it offers.



ThyssenKrupp Marine Systems will concentrate on military shipbuilding in the future.

Capital expenditures

In the reporting year Marine Systems invested €8 million in property, plant and equipment and intangible assets, with depreciation of €24 million. Capital spending mainly served to maintain existing operations. Worthy of particular note are a shop modernization project at Howaldtswerke-Deutsche Werft as a result of the future joint use of infrastructure at the Kiel-Gaarden location with Abu Dhabi MAR, as well as IT investments at Kockums to handle the A26 design order for the Swedish navy.

Corporate at ThyssenKrupp AG

Corporate comprises the Group's head office including management of the business areas. It also includes the business services activities in the areas of finance, communications, IT and human resources, as well as non-operating real estate and inactive companies. Sales of services by Corporate companies to Group companies in the reporting period came to €131 million, compared with €127 million a year earlier.

Corporate's earnings before taxes came to €(609) million, a year-on-year deterioration of €75 million. This was due to nonrecurring expense in connection with the relocation of head offices to Essen and lower financial income. In addition, the transfer of additional administrative functions to ThyssenKrupp AG and the Business Service Centers led to an increase in expense at Corporate; expense at the business areas was correspondingly lower.

Consolidation mainly includes the results of intercompany profit elimination.

Financial position

Our solid financial position proved its worth in the reporting year, allowing us to invest in projects of importance to the future. The figures in the statements of cash flows and financial position reflect the business recovery in all areas of the Group. A key factor in this success was our central financing system, which optimized borrowing and investment for the Group.

Central financing and maintenance of liquidity

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 up to one year. All consolidated Group companies 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 companies to cover the financial requirements of others. Cash pooling reduces the volume of external financing requirements and our interest expense. In addition, we reduce cost-incurring bank account transactions by settling intercompany sales via intercompany financial accounts.

Any external financing required is covered by committed credit facilities 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 17 on page 229.

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.



Details: page 229

Issuer ratings for ThyssenKrupp 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. In the 1st quarter 2009/2010 Standard & Poor's lowered our long-term rating to BB+, meaning the Group lost investment grade status with this rating agency. At Moody's and Fitch our rating remains investment grade. On July 30, 2010 Fitch upgraded the outlook for the BBB- rating from negative to stable.

ThyssenKrupp's credit standing is currently rated by the agencies as follows:

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BB+	B	Stable
Moody's	Baa3	Prime-3	Negative
Fitch	BBB-	F3	Stable

Experience shows that ratings upgrades lead to lower refinancing costs, while downgrades have a negative effect. Regaining investment grade status with Standard & Poor's is therefore an important goal.

Analysis of the statement of cash flows

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

In 2009/2010 there was a cash inflow from operating activities of €868 million, compared with €3,699 million the year before. The main reason for the significant €2,831 million reduction was a €5,422 million deterioration in funds tied up in inventories, trade receivables and payables and other provisions. Whereas a release of funds of €4,292 million was achieved in the prior year, there was a €1,130 million increase in funds tied up in the reporting year, mainly due to the recovery in demand and the use of provisions for restructuring measures. This was partly offset by the significant improvement in net income before impairment losses/reversals and deferred taxes, which was up by €3,260 million to €2,522 million.

The cash outflow from investing activities was down €920 million from the prior year at €2,958 million. This was due to a €522 million reduction in capital expenditures for property, plant and equipment (including advance payments and investment property) to €3,299 million, and a €473 million increase in proceeds from the disposal of consolidated companies, mainly due to the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway. This was partly offset by a €50 million reduction in proceeds from disposals of property, plant and equipment and investment property.

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 year before, there was a significant increase in the negative free cash flow by €1,911 million to €(2,090) million, which was mainly due to the substantial reduction in the cash inflow from operating activities.



Free cash flow was negative as in the prior year.

Cash inflow from financing activities in the reporting year came to €255 million, compared with a cash inflow of €2,824 million in the prior year. The €2,569 million net cash outflow was mainly due to repayments of financial debt of €153 million in the reporting year, compared with borrowings of €3,222 million in the previous year. This was partly offset by reduced dividend payments compared with the prior year (€467 million) and lower expenditures for the acquisition of shares in already consolidated companies (€146 million). In addition, there were proceeds to equity of €500 million in 2009/2010 in connection with the increase of the shareholding of Vale S.A. in ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. In the prior year, proceeds to equity in this connection came to €465 million.

CHANGE IN CASH AND CASH EQUIVALENTS in million €

Cash and cash equivalents 09/30/2009	Operating cash flows	Cash flows from investing activities	Cash flows from financing activities	Exchange rate changes	Cash and cash equivalents 09/30/2010
5,375	868	(2,958)	255	133	3,673

For technical reasons in part not to scale

Analysis of the statement of financial position

1

Total assets increased by €2.3 billion at September 30, 2010.

Compared with September 30, 2009, total assets increased by €2,345 million to €43,712 million. This increase was influenced by currency translation effects of €1,025 million, mainly due to the fall in the US dollar exchange rate in the reporting period.

Non-current assets increased in total by €2,306 million, which included a €2,529 million increase in property, plant and equipment. As well as exchange-rate effects, which caused an increase of €265 million, the two major projects in Brazil and the USA played a major part in the increase. This was partly offset by reclassifications of €52 million to assets held for sale. The €9 million increase in intangible assets included two main offsetting effects: a €162 million increase due to exchange-rate effects was partly offset by a €131 million reduction caused by reclassifications to assets held for sale. The €255 million decrease in other non-financial assets related in particular to advance payments to suppliers, which were reclassified to property, plant and equipment in connection with the steel mill in Brazil.

Current assets increased by €39 million compared with the prior year. Significant increases in inventories and trade accounts receivable and a rise in assets held for sale were partly offset by a substantial reduction in cash and cash equivalents and other financial assets.



Trade receivables increased
by €762 million in 2009/2010.

Inventories increased in total by €1,527 million. Due to the marked improvement in the business situation in the fiscal year, there were price- and volume-driven increases in the business areas Steel Europe (€605 million) and Materials Services (€145 million). The increase in the Steel Americas business area (€386 million) was connected with the start of production of the Brazilian steel mill and the commissioning of the processing plant in the USA. The large increase in inventories in the Stainless Global business area (€419 million) was due to raw material price and volume increases. Exchange-rate effects caused a €145 million increase in inventories. Reclassifications to assets held for sale resulted in a reduction of €59 million.

Trade accounts receivable were €762 million higher. The recovery in demand in the reporting period resulted in increases in the business areas Steel Europe (€202 million), Materials Services (€295 million) and Components Technology (€151 million). In addition an increase of €166 million was caused by exchange-rate effects. Reclassifications to assets held for sale resulted in a reduction of €75 million.

Other financial assets reported under current assets decreased by a significant €568 million, mainly due to capital contributions at ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. made in the 2009/2010 fiscal year by co-shareholder Vale S.A.

Other current non-financial assets were down €78 million from the prior year to €1,646 million at September 30, 2010. Increases resulted from exchange-rate effects (€51 million) and higher tax refund entitlements (€150 million). These were offset by lower advance payments made in connection with the purchase of inventories (€215 million) and €73 million reclassifications to assets held for sale.

The €1,969 million decrease in cash and cash equivalents to €3,380 million was mainly due to the negative free cash flow in the reporting period of €(2,090) million and dividend payments of €183 million. Reclassifications to assets held for sale resulted in an additional decrease of €293 million. This was partly offset by exchange-rate effects of €131 million and the €500 million capital contribution made in the reporting period at ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. in connection with the increase in the shareholding of co-shareholder Vale S.A.

Assets held for sale increased by €302 million. At September 30, 2009 assets of €491 million were recognized here in connection with the disposals initiated in October 2009 of ThyssenKrupp Industrieservice and ThyssenKrupp Safway in the Materials Services business area; these disposals were completed by mid December 2009. As part of the ongoing portfolio optimization measures, the disposal of parts of the Marine Systems business area was initiated in April 2010. In addition, at the end of the 2009/2010 fiscal year the disposals of the Iranian company ThyssenKrupp Assanbar PJSC belonging to the Elevator Technology business area and the Spanish company ThyssenKrupp Xervon S.A. from the Materials Services business area were initiated. The sale of ThyssenKrupp Xervon S.A. was completed in October 2010. The initiated disposals resulted in the recognition of assets held for sale of €726 million at September 30, 2010; overall, non-current assets of €202 million and current assets of €524 million were reclassified in this connection. In addition, assets held for sale at September 30, 2010 included €67 million property, plant and equipment in the Steel Americas business area.

The €692 million increase in total equity to €10,388 million was attributable mainly to the net income for the year of €927 million and to net unrealized gains recognized in other comprehensive income from foreign currency translation (€483 million) and from derivative financial instruments (€45 million after taxes). This was partly offset by profit distributions (€183 million) and actuarial losses on pensions and similar obligations recognized in other comprehensive income (€647 million after taxes). The €119 million increase in non-controlling interests contained in the increase in total equity includes €103 million net income attributable to non-controlling interests. The remaining increase was mainly due to unrealized gains from foreign currency translation attributable to non-controlling interests (€27 million) and to derivative financial instruments (€28 million after taxes); this was partly offset by profit distributions (€44 million).

Non-current liabilities decreased in total by €600 million. This included a €1,003 million decrease in financial debt, which related in the amount of €749 million to the reclassification of a bond to current financial debt; a further €157 million resulted from a reduction in liabilities to financial institutions. This was partly offset by a €561 million increase in provisions for pension and similar obligations, €122 million of which was due to currency translation effects. In addition, there was a significant €878 million increase due mainly to the updated interest rates used for the revaluation of pension and healthcare obligations at September 30, 2010; reductions resulted from employer contributions to plan assets (€171 million), disposals (€60 million), a reduction in provisions for partial retirement agreements recognized under other pension-related obligations (€74 million) and reclassifications to liabilities associated with assets held for sale (€125 million). The larger decrease in deferred tax liabilities by €168 million compared with the €48 million decrease in deferred tax assets is mainly due to the tax capitalization of startup costs at ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. and tax variations in pension valuation.

Current liabilities increased overall by €2,253 million. This includes a €973 million increase in current financial debt mainly due to the aforementioned reclassification of a bond from non-current financial debt and a €134 million rise in liabilities to financial institutions.

The €262 million decrease in other current provisions was mainly due to the use of provisions for the restructuring measures initiated in the Group in fiscal 2008/2009, and to €53 million reclassifications to liabilities associated with assets held for sale.

The main reason for the €262 million reduction in current income tax liabilities was an excess of income tax payments over current income tax expense.

Trade accounts payable increased by a significant €1,242 million. There were increases in the Stainless Global business area (€242 million), mainly due to significant payment term extensions with raw material suppliers and higher purchasing prices, as well as in the business areas Steel Europe (€304 million), Materials Services (€459 million) and Components Technology (€189 million) as a result of the demand improvement in the reporting period. In addition, exchange-rate effects led to an increase of €80 million. The increase was partly offset by the reclassification of €60 million to liabilities associated with assets held for sale.

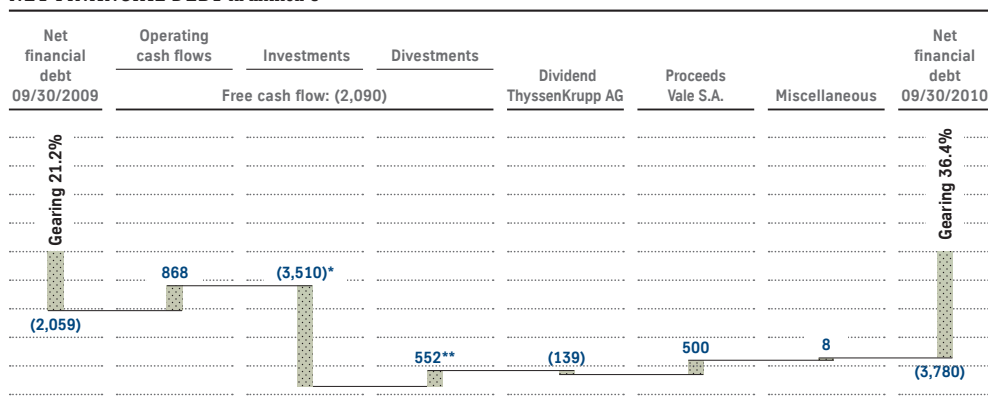
The €250 million increase in current non-financial liabilities reflects in particular a €286 million rise in liabilities from construction contracts in the Plant Technology business area. In addition, exchange-rate effects caused an increase of €149 million. Reclassifications to liabilities associated with assets held for sale resulted in a decrease of €232 million.

[1]

Trade payables increased by €1.2 billion in 2009/2010.

Liabilities associated with assets held for sale were €256 million higher altogether. The disposal of parts of the Marine Systems business area initiated in April 2010 and the disposals of ThyssenKrupp Assanbar PJSC (Elevator Technology business area) and ThyssenKrupp Xervon S.A. (Materials Services business area) initiated at the end of the 2009/2010 fiscal year led to a €544 million increase in liabilities associated with assets held for sale. Overall, non-current liabilities of €173 million (of which financial debt: €7 million) and current liabilities of €371 million (of which financial debt: €19 million) were reclassified in this connection. This was partly offset by the disposal of liabilities associated with assets held for sale in the amount of €288 million due to the completion of transactions initiated in the prior year.

NET FINANCIAL DEBT in million €



* incl. cash and cash equivalents acquired in the amount of €3 million

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

For technical reasons in part not to scale.

Assets not recognized and off-balance financing instruments

The main off-balance financing instruments we use are factoring programs. More details can be found under Note 10 on page 217.

Various assets of the Group are not recognized in the statement of financial position. These are mainly leased or rented assets (operating leases). More details on this are presented under Note 21 on page 232. In addition, there are also self-created assets.

One of the intangible assets not recognized is the ThyssenKrupp brand. We continued to further develop our brand in the reporting year and so strengthened the image of our Group companies on their markets.

Our long and well-established relationships with suppliers and customers are also of significant value. They bring stability to our business activities and make us less vulnerable to sudden market fluctuations. This gives us a concrete advantage on our markets. In addition, trust and cooperation facilitate numerous joint research and development projects combining the expertise and strengths of the Group with those of our partners. This pays dividends in the form of innovative, forward-looking products and services opening up new possibilities for cost efficiency and technical progress for our customers and us.

Our cooperation with the international automotive industry is one example of this cross-disciplinary competence network. New and improved materials, high-performance blanks and optimized components from our business areas assist vehicle designers in their work. In plant construction, numerous reference facilities have helped us earn an international reputation for outstanding projects which are both cost-efficient and environmentally friendly. Here, too, the focus is on close contact with our customers.

Long-term customer relationships are also an important asset in our elevator business. Cost-efficiency, delivery performance and technical competence combined with an attractive product design are essential requirements for our international customers. We have installed numerous modern elevators and escalators in architecturally renowned high-rise buildings and airports throughout the world. The associated contacts and references provide a good basis for follow-up orders.

ThyssenKrupp's strengths in all business areas include highly motivated and dedicated managers and employees who combine outstanding professional knowledge with a strong work ethic. They are experts in their fields and contribute to the value of ThyssenKrupp.

Sustainability

Sustainability is an essential element of ThyssenKrupp’s corporate philosophy. We respond early to new social and economic challenges and in so doing secure our long-term innovativeness and sustainable growth. A continuous and open dialogue with our stakeholders ensures transparency and acceptance.

As an integrated materials and technology group, ThyssenKrupp offers innovative product solutions worldwide that secure sustainable success for our customers and make a positive contribution to global sustainable development. The basis for this is responsible corporate management geared to long-term value creation. In a constantly changing environment we continually develop our Company to ensure that we can deliver innovative solutions to the global challenges, both now and in the future.

Sustainability management

Sustainability is systematically integrated into the Group’s principles and business processes through our centralized sustainability management system.

SUSTAINABILITY AREAS

Corporate governance	Compliance	Finance
Environment & climate	Social commitment	Innovations
Customers & suppliers	Social standards	Energy & resources
Health & safety	Attractiveness as employer	

For this, we continuously analyze the internal and external requirements in key areas and develop corresponding goals and measures. Extensive reporting constantly enhances the transparency of our performance and positions with regard to sustainability. At ThyssenKrupp we regard sustainability as a key management function. An independent Corporate Sustainability directorate will be created in fiscal 2010/2011 to underline the importance of sustainability in our organization.

Exchange and dialogue

We attach major importance to conducting a continuous and intensive exchange with our stakeholders – investors, employees, customers, government offices and also our neighbors. This dialogue on our Company's sustainability performance is a mainstay of our long-term trusting cooperation with these stakeholders and shows us the expectations they place on our Company.

ThyssenKrupp is also actively involved in the debate on sustainable development and corporate responsibility. In Germany this includes our participation in "econsense", a German industry forum for sustainable development comprising 28 companies and organizations with global activities. Established ten years ago, this network regards itself as a platform for dialogue and a think tank on relevant issues of sustainability and corporate responsibility.

Sustainability activities

Detailed information on our main sustainability activities in the selected areas of innovations, environmental and climate protection, employees and social commitment is provided in subsequent sections, e.g.:

- Our total spending on innovations in the reporting year was €677 million. Roughly 3,500 engineers, technicians and scientists around the world ensure that the Company maintains its strong innovative capabilities (more on pages 146-151).
- Our Groupwide environmental and climate protection management system sets the framework for protecting the environment, establishing knowledge networks and coordinating transnational activities (more on pages 152-156).
- With an adjusted figure of 1.8 t CO₂ per ton of crude steel, our Steel Europe business area is well below the global average (more on page 156).
- For us, the health and safety of employees is a corporate objective of equal standing with business success and high product quality. In the reporting year alone the number of accidents fell by 11%. Over the past five fiscal years the decrease has been more than 30% (more on page 160).
- In May 2010 ThyssenKrupp in Essen hosted the national stage of the young scientists competition of Stiftung Jugend forscht e.V. (more on page 144).



Details: pages 146–151



Details: pages 152–156



Details: page 156



Details: page 160



Details: page 144

Social commitment

Sustainable success at ThyssenKrupp is influenced by an intact and viable society – both at our locations and at national and international level. To this end ThyssenKrupp is involved in numerous projects and initiatives aimed at improving future perspectives and supporting people in need.

Long-term and trusting partnerships are central to ThyssenKrupp's successful cooperation with various groups in society. Group companies at all our sites regard themselves as active members of the community and support a wide variety of non-profit projects, organizations and initiatives.

Support for non-profit projects



179 young people qualified for the Jugend forscht competition hosted by ThyssenKrupp in 2010.

Host of 'Jugend forscht 2010' competition

We have been supporting 'Jugend forscht' – Germany's biggest and most successful science and technology competition for young people – for several decades. In May 2010, ThyssenKrupp and the Jugend forscht e.V. foundation hosted the national stage of the competition in Essen, for which 179 young scientists had qualified with a total of 107 projects. ThyssenKrupp has a particular interest in encouraging young people to take up so-called MINT subjects (Mathematics, IT, Natural sciences and Technology) and increase their enthusiasm for these areas from an early age. One-off events – such as taking part in the 'Jugend forscht' competition – can be defining moments that win young people over to science and technology.

Aid for those in need and victims of natural disasters

To give people in need a better quality of life, ThyssenKrupp has a history of supporting numerous non-profit social and humanitarian projects. This also includes providing aid when natural disasters rob entire cities and regions of the resources they need to live.

In the reporting year, the Group Works Council appealed to our workforces around the world to donate to the "Help for Haiti" campaign to help victims of the earthquake there. The Executive Board of ThyssenKrupp AG welcomed this appeal and decided to support it financially: All donations made by employees around the world were matched by ThyssenKrupp AG. Under the motto 1+1=2, every euro

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Employees and the Company donated for victims of the natural disasters in Haiti and Pakistan in the “1+1=2” program.

donated by employees was then worth double. Our German workforces alone donated around €270,000. Added to this were donations from employees in more than 27 other countries worldwide plus the topping up and doubling by ThyssenKrupp AG. The funds were mainly used for three reconstruction projects initiated by the Duisburg-based children’s charity Kindernothilfe e.V. – a school in Port au Prince, a village development program in the Carrefour region and an emergency education program.

When torrential rains in summer 2010 caused the worst floods in Pakistan for 80 years, the Group Works Council launched an appeal entitled “Pakistan flood disaster: 1+1=2!” for donations from our workforces around the world. ThyssenKrupp AG made its own donation and once again doubled every euro donated by employees. Donations from employees in Germany alone raised more than €210,000 for victims of the disaster. The money is being used by Kindernothilfe e.V. Duisburg for emergency aid measures and also for long-term reconstruction.

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 ThyssenKrupp’s major locations. For example we support the Folkwang Museum in Essen and the Lehmbruck Museum in Duisburg. We also give our backing to the Ruhr Piano Festival and the Duisburg Philharmonic Orchestra.

In sport we promote selected competitions and sports clubs close to our locations. We have for many years supported the International Rowing Regatta and the annual Rhine-Ruhr Marathon in Duisburg.

Networks and knowledge sharing

ThyssenKrupp is committed to making an active contribution to the public opinion-forming process and taking a stand on social themes, in particular when they are linked to economic development. For example we are a founding member of the “Knowledge Factory”, which via its member companies is involved in education projects as well as initiatives for business startups and young entrepreneurs throughout Germany. 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, and coordinates the dialogue on innovation between the worlds of government, industry and science.

We support initiatives and projects aimed at strengthening regions in which the Group has traditional links or where we have business operations. For example, we have been supporting the Initiativkreis Ruhr since its inception – an alliance of leading companies from the region that drives important projects for the future and in so doing promotes the further development of the Ruhr as an industrial location.

Innovations

Innovations drive growth and competitiveness; they are thus a strategic tool for sustainable business success. Continuous improvements in products, processes and services are essential prerequisites for success in the market. For this reason, research and development is a high priority for ThyssenKrupp.

Innovation spending

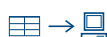
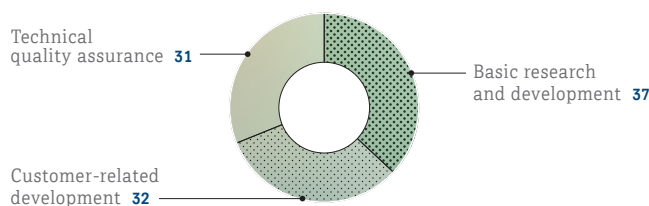
Innovation spending in the reporting year came to €677 million. We spent €249 million on basic research and development – including capitalized development costs – and €215 million on customer-related development work. Whereas basic research and development projects were delayed in part in connection with the initiated cost reduction measures, development activities for customer projects were already higher again than the prior-year level. Together, expenditures for basic research and development and for customer-related development work were only 3% down from the prior year. Spending on technical quality assurance was significantly lower, down by 17%. This was due in part to implemented restructuring measures and in part to the still reduced workload at times in 2009/2010.

INNOVATION SPENDING in million €

	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Basic research and development	241	257	316	284	249
Customer-related development *	230	294	224	193	215
Technical quality assurance	272	264	301	258	213
Total	743	815	841	735	677

* including outside R&D funds and public funding

INNOVATION SPENDING 2009/2010 in %



Download the tables at:
http://www.thyssenkrupp.com/financial-reports/09_10/en/

Many of our development projects and the innovations they create are directed at supporting sustainable practices towards the environment. We want to develop products and services for our customers that offer high energy and resource efficiency and for this we also focus on optimizing our own processes. Our development efforts cover the Group's entire technology portfolio – from innovative materials and their uses, to elevators and escalators, to equipment for the chemical, cement and mining industries, to components for the auto, machinery and construction industries, right through to naval shipbuilding. Our expertise in the development, processing and use of new steel and composite materials, for example, benefits all areas of mobility – from conventional automobiles to electric vehicles, from airplanes to ships.

Around the world, approximately 3,500 highly skilled and motivated engineers, technicians and scientists secure the Company's ability to innovate. The technological differentiation of our products, geared to the needs of our customers, forms the basis for sustainable business success. Our researchers and developers are supported by strong internal links between different parts of the Company and by close partnerships and collaborations with universities, research institutes and other companies.



Around 3,500 engineers, technicians and scientists work in research and development at ThyssenKrupp.

ThyssenKrupp House of Innovation

The framework and structure for innovations and technology in the Group is the ThyssenKrupp House of Innovation, whose five virtual building blocks stand for key areas of our development work:

- The first building block is aimed at defining and continually refining our technology strategy. For this we have identified key technology trends that guide our main development efforts and in turn are based on key global trends – from materials and energy to the environment, resources and mobility.
- The second building block involves connecting our experts and focusing their expertise. For this, the exchanges between our subsidiaries need to be further intensified. We have therefore launched the “Innovation and Technology Competency Network”, in which managers and experts from the areas of research and development, innovation and technology discuss cross-cutting topics.
- The third building block is about identifying better innovation management structures, processes and methods; here we support the Groupwide use of best practices.
- The fourth building block involves growing our partnerships with universities, research institutes and other companies.
- The fifth building block of the House of Innovation is about innovation culture and involves top management supporting innovations and providing creative space for our engineers and developers.

Innovations in all business areas

Automotive know-how focused in InCar initiative

To date, ThyssenKrupp has presented the results of the Groupwide research and development initiative InCar to 14 major auto manufacturers in Europe and Asia. InCar brings together all of the Group's automotive expertise. The project involved experts in materials development, design, production engineering, component production, and equipment, tooling and prototype manufacture from several business areas. With InCar, customers can choose various new solutions for parts and assemblies, focusing in each case either on cost reduction, functional improvement or emission reduction. In the project, particular emphasis was placed on environmental aspects; for more details turn to the section "Environmental and Climate Protection" on page 156.



Details: page 156

Research partnership with Technische Universität Dresden

To accelerate the development of technologies for the future, ThyssenKrupp Steel Europe and Technische Universität Dresden have entered into a cooperation agreement in the field of fiber composite materials. An initial project is developing the fundamentals of an ultralight electric vehicle. The aim of the project partners is to achieve acceptable ranges at attractive cost through systematic weight reduction. The work is initially focusing on developing a body structure to take into account the new drive and energy storage components. As materials, attention is centered on a mix of metals and carbon fiber reinforced plastics (CFRP). The second focus is the development of manufacturing technologies. For CFRP parts in particular, cost-efficient production techniques are to be developed that will make it possible to use the expensive material in high-volume manufacture.

The two-year research and development initiative is manufacturer-independent and is aimed at offering car producers practicable solutions, validated by prototypes, for volume manufacture.

New hot-rolled steels with nano precipitations

Also of great interest to the auto industry are our newly developed high-performance steels. Rising safety requirements on the one hand and growing demands for CO₂ minimization on the other are increasing demand for high-strength low-weight steels. At the same time, auto manufacturers require steels with good forming properties to minimize part design constraints.

Together with the Japanese steel producer JFE Corporation we have therefore developed hot-rolled steels in the 780 megapascal to 900 megapascal strength range that offer significantly better forming properties than previous high-strength steels and can also be readily processed. We achieve this through a special microstructure with nano precipitations. Materials like this are suitable above all for safety-relevant structural parts in the car body; initial customer trials have been successful. We have been working closely with JFE since 2002.

Research cooperation in electrochemistry

Electrochemistry is a fundamental discipline with great significance for numerous high-tech applications. For this reason we, together with the state of North Rhine-Westphalia, are supporting the Center for Electrochemical Sciences (CES) at Ruhr-Universität Bochum. The aim is for the Center to become the central internationally recognized research location for electrochemistry in North Rhine-Westphalia. Its research areas include surface treatment, microsystems, diagnostics and environmental monitoring. As a cross-cutting science, electrochemistry can also help in the development of fuel cells and improved batteries for the cars of the future.

Further development of hot stamping technology

Innovative manufacturing processes and new concepts for part design can help further exploit the potential of high-performance materials. These processes include our patented tailored tempering technology; this enhanced method of hot stamping has now achieved its industrial breakthrough, with a German auto manufacturer placing an order for B-pillars for more than 100,000 vehicles a year.

Hot stamping can reduce part weight by up to 30%. Parts manufactured in this way are experiencing a boom in the auto industry. The reason for this success is the high strength of the hot-stamped parts, which at 1,500 megapascals is far higher than that of the best cold forming steels. This permits significant weight reductions without compromising safety.

In tailored tempering, components can be produced with different local strength and elongation properties depending on load conditions. This is made possible by a newly developed flexibly heated stamping die in which pre-heated blanks cool at different rates during forming. The technology is worthwhile because it allows auto manufacturers to eliminate several processing steps and individual parts.

Hybrid chassis parts of steel and plastic

To meet customer requirements for further cost and weight savings in chassis parts, we have developed components of hybrid construction. Consisting of steel and glass fiber reinforced plastic, the parts combine the high strength of the glass fibers and the toughness of steel. Under the development project various chassis parts are being designed, prototyped and tested for functionality and load-bearing ability. The first tested parts offer the same fatigue strength but are around 20% to 30% lighter than conventional chassis parts.

Stainless steel design in architecture

More and more architects are using stainless steel panels to clad high-end buildings. As well as the longevity of the material, design and aesthetics play a key role in this. ThyssenKrupp is meeting the increased requirements of top architects with the new designer finish "Laser". It is the first stainless steel finish with an irregular, non-repetitive texture, which means the borders between individual panels are no longer visible and the surface is completely uniform from all angles and in all light conditions. This new designer finish is being used for the first time in the construction of a prestige project in New York.

Development activities in the strategically important energy technology segment

We have completed the laboratory development of the new material Pernifer 36 Mo, which is intended to be used as a core material in high-voltage overhead power lines. With conventional steel/aluminum cables, power transmission is restricted because the cables expand and sag due to the heat generated when high currents are transmitted. Despite its high mechanical strength the new material expands under heat only a quarter as much as previous steels, which means that tower spacing and the amount of electricity transmitted can be increased.



More and more architecturally sophisticated buildings are being clad with stainless steel.

Special tools for the renewable energy market

Solar thermal tower power plants require thousands of mirrors to focus solar energy. These so-called heliostats are generally anchored on concrete foundations. Now, construction costs can be significantly reduced using a special machine we have developed to install foundations for heliostats. The vibratory machine drives thin-walled pipes quickly into the ground, with the upper part of the pipes serving as a support for the heliostat complete with all attachments. Three prototypes have already been successfully tested by a customer in the Mojave Desert in California. Our civil engineering equipment is also in demand for geothermal drilling operations. Drilling progress is significantly increased by inducing vibrations in the rotary drill head. A prototype drilling tool of this type is currently being tested by a customer.

Highly flexible elevator technology

One of the most successful R&D projects of recent years was the TWIN – two elevator cabs traveling independently one above the other in the same shaft. This takes up much less space and provides a major gain in performance and convenience. Our elevator business is the exclusive supplier of the TWIN technology and once again increased its sales numbers in the reporting year. The success of TWIN is testimony to the growing importance of the high-rise segment: Particularly in very tall buildings, high-speed double-deck elevators and highly flexible TWIN systems complement each other ideally in transporting passengers within certain zones of a building. A good example of this is the 385 m tall CMA Tower in Riyadh, Saudi Arabia, where we are installing 17 TWINs with eleven double-deck elevators and twelve further systems – including particularly energy-efficient machine-room-less designs. Almost all the high-rise products in our range are being used in this project. Without the latest machinery, control and safety technologies for passenger transportation developed in recent years, such sophisticated building projects would be almost impossible to realize.

Resource conservation in cement production

To conserve natural resources our plant specialists have developed a strategy to recycle waste and re-use heat generated in cement production. The wide-ranging measures include dispensing with fossil fuels in cement plants where possible. In combination with intensive customer support, the strategy can reduce costs and emissions enormously. One example of the many individual measures is the improved main burner, which burns raw materials into clinker in the rotary kiln. Thanks to a design change, the primary air nozzles can be adjusted from the outside during burning and adapted to the substitute fuel used. Initial customer trials have already delivered very good results. The strategy won the special “Energy and Environment” award in the 2010 ThyssenKrupp Innovation Contest.

Compact crusher for underground use

Our mining equipment specialists are currently developing a new hard rock crusher for underground use in cooperation with one of the world's leading mining companies. Underground use is made possible by the innovative compact design. The unit can crush more than 1,000 tons an hour of copper, iron ore or natural rock for transportation to the surface. Following the successful conclusion of computer simulations and scale model tests, a prototype machine is now being designed and built.



Waste recycling in cement production – the project won an award in the 2010 ThyssenKrupp Innovation Contest.

Electrolytic cells with reduced energy consumption

Producing chlorine – an important intermediate product e.g. for plastics – by electrolysis is one of the most energy-intensive processes in the chemical industry. Our plant engineering specialists are now developing a novel electrolysis technology that uses less energy thanks to an optimized design. In addition, they have developed an electrolytic cell with a so-called oxygen consuming cathode. Thanks to the oxygen feed, no hydrogen is formed as a co-product; this lowers power consumption in membrane electrolysis by up to 30% and also reduces CO₂ emissions. A 20,000 tons per year commercial-scale demonstration plant based on this technology will go into operation in mid-2011.

Manufacturing and test equipment for fiber composites in aviation

The use of fiber composites is increasing steadily in new generations of aircraft. It is logical to make fiber composite parts in one piece rather than assembling them from several parts. To meet aviation industry quality control standards with such integral designs, our engineers have developed a new test concept for fiber composite integral structures. In a funded research project they developed a device to test a landing flap for defects using ultrasound. The device was verified by the customer and is now being marketed by us. In addition to parts testing we have also refined the manufacturing process for integral parts. For this we designed, built and tested a mold with a low coefficient of thermal expansion. In addition, we are developing the necessary assembly tools, which will avoid damage particularly to large parts.

Market launch of electric power assist steering systems

Our new electric power assist steering systems make a major contribution to both environmental protection and comfortable driving. After an over three-year development period, assembly of the first in-house generation of electric power assist steering gears began at Mülheim an der Ruhr in the reporting year. The use of electric instead of hydraulic assistance reduces energy consumption and CO₂ emissions. In addition the steering system offers road feedback, allowing the driver to feel the condition of the road on the steering wheel. Depending on power, function and installation requirements our customers can assemble the steering system from a module system.

Lithium-ion battery technology for underwater use

Fuel cell drives are now standard in almost all our new submarines and permit very long underwater times. In combination with lithium-ion batteries, short-term power take-off could be increased substantially, allowing higher travel speeds. Lithium-ion battery technology is therefore an ideal fuel cell complement. Our marine engineers are currently working on integrating this battery technology into our submarines. A prototype battery with a capacity of more than 1 megawatt hour has already been tested on the solar cell catamaran "Planetsolar". The twin-hull test boat, powered exclusively by solar energy, will begin a circumnavigation of the globe in 2011.

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Lithium-ion batteries in conjunction with fuel cells could make our submarines even faster.

Environmental and climate protection

Responsible environmental and climate protection is an important corporate objective. We use available resources responsibly and make efforts to protect the diversity of our natural environment. The processes we use in production and our broad range of environment- and climate-friendly products deliver important contributions to the future viability of the Group and to solving global challenges.

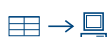
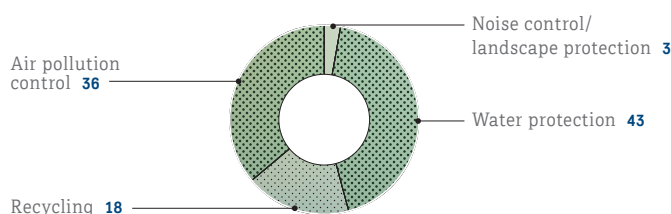
Environmental expenditures further increased

The importance we attach to environmental and climate protection was reflected in our activities and investments in this area in the past fiscal year. We spent €532 million on operating our pollution control facilities, a year-on-year increase of 17%. At the same time, investment in new environmental protection equipment rose by 221% to €238 million. This sharp increase was mainly due to pollution control investments at the new Steel Americas plants in Brazil and the USA, which meet high environmental protection standards in line with the requirements of best-available technology. However, the other business areas also engaged in environmental and climate protection activities and took numerous measures, in particular to make more efficient use of energy, avoid waste and improve recycling.

ONGOING EXPENDITURE ON ENVIRONMENTAL PROTECTION in million €

	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Air pollution control	141	183	182	162	191
Water protection	168	204	201	195	226
Noise control/landscape protection	16	24	16	13	19
Recycling	87	109	112	84	96
Total	412	520	511	454	532

ONGOING EXPENDITURE ON ENVIRONMENTAL PROTECTION 2009/2010 in %



Download the tables at:
http://www.thyssenkrupp.com/financial-reports/09_10/en/

Environmental and climate protection management system

The importance of environmental and climate protection at ThyssenKrupp is reflected in the appointment of a Group environment and climate officer as part of our reorganization in 2009. Given our worldwide activities, the objective was to set a framework for a Groupwide environmental and climate policy, network existing knowledge and coordinate transnational environmental and climate protection activities. In a first step, the key points of a Groupwide environmental and climate protection management system were set out in an international meeting of environmental protection representatives from all business areas. The system defines requirements for environmental and climate protection at the Group companies, improves internal reporting and promotes an exchange of knowledge and information between the Group's environmental protection experts. The system will be implemented in the new fiscal year.

Selection of successful environmental projects

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Reducing energy consumption was the aim of many environmental projects in the Group in 2009/2010.

Resource conservation and energy efficiency

Careful use of resources and consideration for the climate are central elements of our strategy and our day-to-day business. Numerous projects aimed at boosting energy efficiency at our Group companies have made additional cost savings and reduced emissions of greenhouse gases such as CO₂ associated with energy use. 2009/2010 also saw the launch of a nationwide "Save energy" campaign in Germany to encourage our employees to make sparing and environmentally friendly use of energy.

Through improvements in the operation of its production equipment, the Steel Europe business area succeeded in lowering electricity consumption at the Duisburg site. For this we optimized operation of the hydraulic pumps and the control technology for the pusher furnaces. Emissions-reducing furnace operation is saving energy in a hot-dip coating line.

Modified operating procedures on two annealing and pickling lines reduced energy consumption at ThyssenKrupp Mexinox in the Stainless Global business area. ThyssenKrupp Nirosta in Bochum introduced process improvements which increased the efficiency of natural gas usage by 14 kilowatt hours per metric ton of stainless steel.

Elevator Technology launched a global sustainable efficiency program which systematically analyzes the environmental impact of products over their entire lifecycle – from the extraction and transportation of raw materials, production, installation and service to recycling and disposal.

The energy saving program currently underway at ThyssenKrupp Crankshaft Company in the USA will cut electricity consumption by around 1.3 million kilowatt hours per year, which corresponds to more than 1,000 tons of CO₂. But numerous smaller, intelligent measures can also add up to notable energy savings. ThyssenKrupp Presta Camshafts delivered a good example of this at its German and Chinese sites. Special films attached to the production shop windows improve heat insulation, new energy-saving lamps optimize lighting, and the waste heat from the production equipment is used to heat the shops.

Traditionally, the heat given off by foundry operations is emitted directly into the atmosphere via an air/air heat exchanger and the energy it contains is lost. Our foundry ThyssenKrupp Waupaca in the USA has installed an improved air/liquid heat exchanger to utilize the waste heat to heat the buildings and provide hot water. In the winter months, this covers 70% of heating requirements for the buildings and reduces the amount of gas used to make hot water by as much as 95%. The government of the US state of Wisconsin bestowed an environmental award on the company for this measure.

Recycling

In the wake of continuous developments in recycling processes, the Steel Europe business area received product approval for iron(II) chloride solution. This solution, a byproduct of coil-coating operations, can now be used to produce iron oxide and reagents for biogas plants. Its suitability for other applications is currently being investigated.

ThyssenKrupp Electrical Steel in Gelsenkirchen will use rainwater from the roofs of its plant in its water recirculation system to reduce the amount it takes from the public water supply. Related to a roof surface of around 2,500 square meters, on average it is possible to recover roughly 2,000 cubic meters of water per year.


Steel Americas is using state-of-the-art environmental technologies at its steel mill in Brazil. Following start-up of the first production line, the equipment is using 97% recirculated water. Almost 27% of waste materials are recycled within the mill's own production processes, and only 6% need to be disposed of by conventional means. The other 67% of the waste materials are marketed either as byproducts or as recyclable materials. For example, blast furnace slag is used to produce high-grade cement.

The Elevator Technology business area also uses recyclable materials in its production. In the long-term, all waste materials will either be recycled or fully disposed of. In addition, lightweight materials and weight-saving designs substantially reduce the amount of materials used in elevators, escalators, moving walks and passenger boarding bridges and thus protect resources.

ThyssenKrupp Bilstein from the Components Technology business area carried out resource-conservation projects at its sites in Brazil and the USA last fiscal year. In Brazil, the "Conscious Consumption Project" was launched, focusing on water, energy, paper, organic wastes and recycling. In the USA the project "Going Green(er) at Bilstein" was recognized under the Rewards Program of the Cincinnati Regional Chamber in 2010 for the measures it implemented to save energy and avoid waste. In Germany, too, the continuous optimization of coolant cycles at the Hagen-Hohenlimburg site reduced the amount of cooling water required from 1 million cubic meters in 1999 to just under 0.2 million cubic meters at the end of 2009.

Air pollution control, water and soil protection

To further improve air quality, Steel Europe is retrofitting a sinter belt at its Duisburg steel mill with a fabric filter system, which is due for completion in 2011 and will filter around 450 tons of particulates out of the air each year. The new seepage water treatment plant at the Dinslaken-Wehofen landfill site also went into operation in the reporting year. Seepage water from the landfill contains harmful substances as a result of the waste materials deposited there. The water is collected by the landfill's sealing system and fed to the new plant, where a special oxidizing agent neutralizes the harmful substances.

 State-of-the-art environmental technologies are used in our steel mill in Brazil.

Steel Americas' new rolling mill in Alabama has been equipped with the very latest environmental technology. The hot and cold rolling stands have advanced wet electrostatic precipitators to filter out particulates. All boilers, reheating systems and annealing furnaces are also fitted with ultra-low-NO_x burners to minimize the generation of nitrogen oxides at source. The wet cleaning units installed in the acid regeneration plant reduce emissions of hydrogen chloride to significantly below the set limit. Droplet separators have been fitted in the exhaust stacks of the skin pass and tandem rolling mills. Waste water is treated in a new biofilter system.

ThyssenKrupp Acciai Speciali Terni put a new dust extraction system into operation on the electric arc furnace. The additional fabric filter has doubled the dust extraction volume, and as a result dust emissions have fallen significantly. Moreover, a wet treatment unit makes it possible to transfer the dust to the plant's own landfill site without difficulty. A new spray pickling system at ThyssenKrupp VDM's Altena plant exceeds the current environmental standards: Direct injection of hydrogen peroxide into the pickling tunnel reduces the formation of nitrogen oxides to the minimum level currently achievable. The system continuously measures the relevant gases hydrogen fluoride, oxygen and nitrogen oxides, while acid treatment is monitored by 80 sensors. Compared with the previous solution, the unit requires less pickling agent.

Environment- and climate-friendly products



Intelligent solutions support customers in effective environmental and climate protection.

With many of its materials, components and system solutions, ThyssenKrupp acts as an effective problem solver and partner to its customers in the area of environmental and climate protection. Energy-efficient elevators, EnviNO_x plants to reduce nitrogen oxide emissions, highly efficient electrical steel for electrical equipment – these are just a few of our many innovations. Our materials and technologies help turn ambitious visions into realistic climate goals.

One example is InCar, a modular system for automotive construction that received the 'Öko Globe' environmental award in September 2010. Using InCar it is possible to reduce lifecycle emissions by 5,500 kg CO₂ per vehicle. This figure includes emissions from the production phase and from driving. Looking at savings during driving alone, InCar reduces the burden on the environment by more than 17 g per kilometer. The lifecycle assessment for InCar has been certified by TÜV Nord.

ThyssenKrupp VDM from the Stainless Global business area, in conjunction with E.ON and Hitachi Power Europe, has developed a new material which following successful testing will now be an important element in the construction of a new generation of power plants. The new technology can increase the efficiency of coal-fired power plants and at the same time reduce their carbon dioxide emissions. The boost in efficiency comes from an increase in the temperature of the steam in the boiler and turbine from 600°C to around 700°C and at the same time a rise in pressure from 250 bar to 350 bar. The materials used in current power plants would be unable to withstand these conditions on a permanent basis, so our newly developed nickel-base special steels will play a key role in designing the power plant of the future.

As part of our GreenTec initiative, the PRENFLO™ process from Uhde opens up new opportunities for using biomass. For this reason it was selected as one of the technologies in the BioTfuel project, which is being carried out by Uhde and five French partners. PRENFLO™ is a gasification process for carbon-containing solids, allowing fuel to be produced from biomass. The research partners selected this process due to its flexibility, as it is suitable for a wide range of biomasses and other raw materials. In addition it offers high energy efficiency and produces very clean synthesis gas. The BioTfuel project has an overall budget of €113 million, including the construction and operation of two pilot plants in France to produce biodiesel and biokerosene, which are scheduled to start operation in 2012.

In the area of environmentally relevant products, Rothe Erde from the Components Technology business area remains one of the leading manufacturers of slewing bearings and seamless rolled rings as used for example in wind turbines, solar energy and hydroelectric plants. The components can withstand very high stresses and require little maintenance, making them particularly suitable for applications in the field of renewable energies.

High importance attached to climate protection

ThyssenKrupp attaches just as much importance to the careful use of energy and natural resources as to the production of eco-friendly materials and technology products. Sustainable climate protection must be pursued while maintaining the global competitiveness of the Company and safeguarding jobs over the long term.

Those of our activities which are covered by the European emissions trading regulations have to date accounted for around 90% of the Group's CO₂ emissions. In 2009 that was 15.3 million tons, with the greater part (15.0 million tons) attributable to our German sites – mainly our steel operations. The notable decrease compared with previous years was mainly due to the effects of the economic and financial crisis. A detailed trading strategy safeguards the Company against market risks in trade with emission allowances. This also includes the funding of Clean Development Mechanism and Joint Implementation projects, under which CO₂ reductions in countries not obligated to reduce emissions under the Kyoto Protocol can be offset against emissions in other regions.

In steel production ThyssenKrupp is already using the most advanced technologies and has achieved considerable success in reducing its CO₂ emissions. Our use of reducing agents in our blast furnaces has for many years been close to the chemical-technical optimum. With an adjusted figure of 1.8 tons CO₂ per ton of crude steel, Steel Europe is well below the global average.

ThyssenKrupp is involved in research initiatives to develop forward-looking production processes for the decades ahead. In addition to in-house initiatives, these include our leading role in the "Ultra Low CO₂ Steelmaking" project, in which 48 partners from 15 European countries are involved. The consortium brings together almost all the major European steel producers, their suppliers as well as numerous universities and research institutes. Scientists and engineers from the Group also participate actively in national and international bodies which address technical, economic and social issues of climate protection. For ThyssenKrupp this also includes involvement in the Carbon Disclosure Project (CDP), a global initiative to create transparency in climate protection. This year, ThyssenKrupp was listed by CDP for the first time in the Carbon Disclosure Leadership Index for Germany.



The use of reducing agents in our blast furnaces is close to the chemical-technical optimum.

Employees

Ideas and initiatives of our employees and managers shape the success of the Group. To ensure we continue to have the best brains for this in the future, we intensively train young people, advertise for young talent at universities and develop the skills of people working for us. Those with the will to work to reach their goals find challenging activities and good career opportunities at ThyssenKrupp.

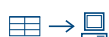
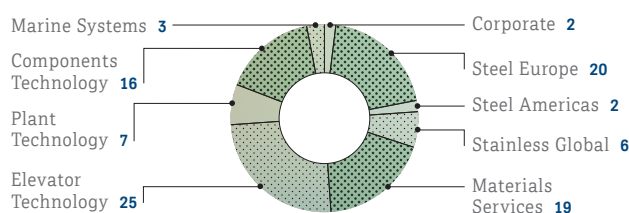
Workforce development

On September 30, 2010 ThyssenKrupp employed 177,346 people worldwide, a decrease of 10,149 or 5.4% from the end of the previous fiscal year. This is mainly attributable to disposals. In Germany the number of employees fell by 12.5% to 71,072. The workforce outside Germany remained virtually unchanged at 106,274.

EMPLOYEES BY BUSINESS AREA

	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2010
Steel Europe	37,506	37,749	38,692	36,416	34,711
Steel Americas	70	397	1,158	1,659	3,319
Stainless Global	12,197	12,182	12,212	11,755	11,235
Materials Services	41,269	44,251	47,703	44,316	33,856
Elevator Technology	36,247	39,501	42,992	42,698	44,024
Plant Technology	12,186	13,102	13,433	13,043	12,972
Components Technology	33,417	32,805	32,312	27,973	29,144
Marine Systems	8,895	8,778	8,288	7,770	5,488
Corporate	5,799	2,585	2,584	1,865	2,597
Group	187,586	191,350	199,374	187,495	177,346

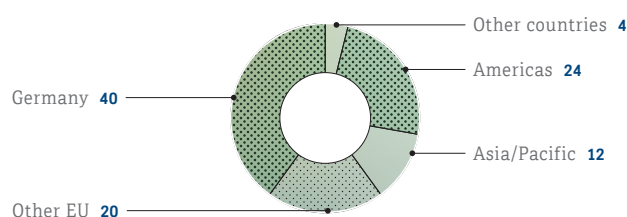
EMPLOYEES BY BUSINESS AREA on September 30, 2010 in %



Download the tables at:
http://www.thyssenkrupp.com/financial-reports/09_10/en/

EMPLOYEES BY REGION

	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2010
Germany	84,052	84,999	85,097	81,229	71,072
Other EU	39,688	41,522	42,503	38,252	35,491
Americas	46,240	44,228	47,561	42,897	42,417
Asia/Pacific	11,956	14,890	17,881	18,481	21,544
Other countries	5,650	5,711	6,332	6,636	6,822
World	187,586	191,350	199,374	187,495	177,346

EMPLOYEES BY REGION on September 30, 2010 in %

At €8.8 billion, personnel expense in 2009/2010 was 9% lower than the year before. The following graphic shows the development of personnel expense since 2005/2006.

PERSONNEL EXPENSE in million €

2005/2006	9,306
2006/2007	9,169
2007/2008	9,637
2008/2009	9,654
2009/2010	8,772

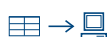
Significant reduction in short-time working

Short-time working at ThyssenKrupp fell considerably in the reporting year. In September 2010 only 2,411 employees were on short time, compared with 12,612 in October 2009. At its peak in April 2009, 38,020 employees were affected. In Germany in particular, short-time working was scaled back significantly in 2009/2010.

Many employees working short hours took part in skill-upgrading programs, some held in the Group companies' own training centers and others externally. E-learning programs were also very popular.

Apprenticeship training**Apprenticeship training rate increased to 6.2%**

ThyssenKrupp has trained in excess of its own needs for many decades. Our objective is not only to ensure we have the skilled employees we need for the future, but above all to fulfill our social responsibility by offering young people job prospects. Thanks to the commitment of over 170 full-time trainers and numerous training officers, almost 1,250 young people were able to start high-quality, practical apprenticeships in the year under review.



Download the tables at:

http://www.thyssenkrupp.com/financial-reports/09_10/en/



ThyssenKrupp offers apprenticeships in 70 technical and commercial occupations.

We further increased our apprenticeship training rate from 6.0% to 6.2% in 2009/2010. At September 30, 2010, 4,400 young people were undergoing training in our plants and offices in Germany alone.

As an international company with a good reputation and recognized capabilities, ThyssenKrupp is regarded as an attractive employer, which means that we can continue to recruit talented candidates to our apprenticeship schemes. For years we have been attracting a high number of applications for each apprenticeship place. Most of the 70 occupations in which ThyssenKrupp offers apprenticeships are industrial or technical. The most popular in 2009/2010 was once again the industrial mechanics apprenticeship, closely followed by mechatronics and electronics.

Training pact – a complete success

ThyssenKrupp has experienced positive results with the training pact between government and industry. Due for renewal this year, the pact ran from 2004 to 2010, and in this time we created altogether over 660 additional apprenticeship places and offered almost 500 initial training placements. We owe much of this success to our trainers, who have provided intensive specialist and educational support.

Partial retirement and company pension plans

Partial retirement remains a key personnel policy instrument

4,068 of the Group's employees were in partial retirement at September 30, 2010. Although partial retirement contracts beginning after January 01, 2010 are no longer supported by the Federal Employment Agency in Germany, partial retirement remains a key personnel policy instrument at ThyssenKrupp.

Modern company pension plans

Employees are increasingly aware of the importance of company pension benefits for their post-retirement income. This is partly the result of numerous legislative changes introduced in recent years, including the rise in the retirement age and reduced benefits under the statutory pension system. At ThyssenKrupp company pension plans are a key element of compensation policy. For this reason we reorganized the plans 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.

Universities and graduates

Our employees are the key to strong growth and the success of the ThyssenKrupp Group. We therefore invest in them before they even start out on their careers by offering numerous education and development programs. In many cases, participants in the programs are not yet employed in the Group. We have introduced a number of new measures to help students develop their careers and capabilities and increased the number of universities and colleges with which we maintain close relations. Alongside traditional seminars, we offer students workshops of direct practical use on subjects such as

efficient reading, quality-focused project management or persuasiveness and assertiveness. In addition, we have initiated an ambassador pool which offers students the opportunity to gain an insight into the working lives of ThyssenKrupp employees. At events such as “ThyssenKrupp meets University” and in our support groups, employees from various areas of the Group report on their career background and interesting projects, giving students the chance to meet representatives of a potential employer and benefit from their experience.

Careers portal a success

The ThyssenKrupp internet careers portal – a website for anyone looking for information about career opportunities in the Group – plays a key role in our search for young employees with technical and commercial talent. With attractive multimedia elements, the careers portal presents the Group's wide range of activities in a series of personal reports and videos. The success of this approach is reflected not only in the fact that our careers website is now in 3rd place (out of 104 international companies) in the rankings of the market research company Potentialpark, but also in the enthusiasm and motivation of young people interested in technology and technical careers.



Our partnerships with technical universities were continued successfully in 2009/2010.

Successful university partnerships

Many students first come into direct contact with ThyssenKrupp through our successful collaborations with technical universities in Germany, e.g. Aachen, Berlin, Bochum, Dortmund, Dresden, Freiberg and Hamburg-Harburg, and also in China and Japan. Innovative forms of education cooperation between universities and companies are developed and tested in private-public partnerships.

We cultivate close 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. Long-term contacts like this provide students with a sound basis for choosing their careers.

Health and safety

Fewer accidents

Our increased commitment to health and safety is paying dividends. In the past fiscal year the accident rate in the Group decreased again, with the number of accidents worldwide down by 12% from 2008/2009. Based on the standard international definition, the accident rate decreased from 11.4 to 10.2 accidents per 1 million hours worked. Overall, accidents have decreased by over 30% in the last five years.

For ThyssenKrupp, the health and safety of employees is a key corporate objective of equal standing with product quality and business success. A preventive health policy and improving safety at work and working conditions are therefore key management duties. In 2009/2010 our long-term “Zero accidents” initiative focused on activities to increase safety awareness, especially among our managers. Key countries were Italy, France, Germany and the United Kingdom. We are currently preparing similar programs for China and the USA.

However, the many successful health and safety activities have been overshadowed by a number of tragic accidents, as a result of which 14 employees lost their lives in the reporting year. This is a deplorable increase compared with eight such accidents in the previous year. The Executive Board and Supervisory Board of ThyssenKrupp AG and all employees mourn their loss. Special sympathies go to the victims' families.

Management development

We have further strengthened and vigorously expanded the proven management development systems introduced at ThyssenKrupp in 2006/2007. Defining elements are the now established ThyssenKrupp PerspActive process – the globally standardized management development process used throughout the Group – and the new and more clearly defined responsibilities of centralized and decentralized management development. In line with the new Group structure, Corporate Center Executives Management now performs increased steering and support activities for all areas of the Group. Its responsibilities have also been expanded to include operating support for the management level below the business area management boards.

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The PerspActive management development process is now well established Groupwide.

ThyssenKrupp PerspActive further developed

In the reporting year the Group Executive Board held a conference over several days to deal in detail with the strength of incumbents and talent in our top management teams and discuss key succession questions, also taking into account job rotation across business areas. The Executive Board conference was based on the assessments of managers carried out by their supervisors in connection with the annual PerspActive process and the resultant discussions within the business areas. Since the beginning of the reporting year these discussions have been supported by Corporate Center Executives Management. Throughout the Group over 2,500 managers were assessed by their supervisors and the results addressed in some 50 management development discussions. Prior to this, we adapted the systems and processes of ThyssenKrupp PerspActive in line with the new Group structure and revised the existing grading system for top positions in the Group in cooperation with the business areas.

New talent brokerage

Highly qualified and committed executives are an essential resource and their performance is key to the business success of ThyssenKrupp. With the newly created Talent Brokerage system, the Group has installed a service that complements the systematic annual PerspActive process: Both supervisors and HR departments looking for suitable candidates and managers considering a move within the Group can confidentially contact the central Talent Brokerage officers. As well as increasing the transparency of vacancies and candidates in the Group, the service provides employees looking for a career move with competent advice on the opportunities available.

In addition, the Talent Brokerage service supports recruitment to the top 2,000 management positions in the Group. To identify junior executives with strong leadership skills, we draw on the assessments of supervisors and make use of Groupwide development centers, where candidates complete numerous exercises to demonstrate their management competencies.

Academy established as high-performance learning platform

Since 2006 the ThyssenKrupp Academy has been conducting programs for the Group's top executives. In a very short time it became an important center of teaching, learning and internal networking. As part of a strategic Group initiative, the Academy aims to strengthen the management competences of the approx. 2,000 top executives in the Group and to prepare potential executives to take on challenging duties.

In the tailored programs, participants acquire state-of-the-art knowledge and learn to question accepted patterns of behavior, solutions, established structures and viewpoints. The core remit of the Academy covers the areas general management, leadership and communication training. Today the focus is on the innovative strengths, motivational leadership skills and business-minded accountability of



More than 1,000 executives took part in ThyssenKrupp Academy programs in 2009/2010.

each executive. But the effective communication of the necessary change processes is also important because only by being alert to market changes and taking innovative action can we increase the satisfaction of our customers and ultimately strengthen our business performance.

The ThyssenKrupp Academy responded quickly to the economic and financial crisis by reducing costs and adapting its programs. Altogether 1,051 executives took part in programs in the reporting year, taking the total number of participants since 2006 to 4,138, with some executives having completed several programs at the Academy. Since the Academy was founded, it has registered 13,528 participant days, 3,312 of which were in 2009/2010.

Diversity as a goal of personnel policy

ThyssenKrupp aims to gradually increase the percentage of female and international executives at all management levels. We promote a corporate culture that facilitates and values diversity. As part of this, barriers have to be identified and permanently removed to ensure all potential management staff have equal opportunities based solely on their performance and potential. When filling management positions we therefore expressly consider international and/or female candidates in the application process. Further measures are also in place.

Increased internationality

To enhance transparency in respect of promising international candidates and vacant management positions in the Group, we will continue to expand our newly created Talent Brokerage platform and organize development centers in an international context. Our Groupwide trainee programs are run at locations throughout the world and have long played a key role in building our international network.

We continue to support the integration of employees with an international background. For example, at ThyssenKrupp Steel Europe some 70 union workplace representatives have trained as cultural liaison officers at the Duisburg location alone. In 120 training hours they learned to deal with day-to-day conflicts caused by cultural differences and to promote a constructive internal dialogue. This key initiative to improve our corporate culture was awarded the Duisburg Prize for Tolerance and Civil Courage.

Support for women

Alongside our general goal of offering more women opportunities in all areas and at all levels of the Group, as a technology-based company ThyssenKrupp is also particularly interested in recruiting female engineers. Unfortunately, the number of women studying technical/engineering subjects is still very low compared with their male counterparts. They account for a share of around 20%. One of the Group's initiatives aimed at changing this is our support for the Femtec network at the Technical University of Berlin. This university careers center for women is successfully working to raise enthusiasm among young women for studying engineering and science subjects, introduce ambitious female engineering students to potential employers at an early stage, and ultimately help women achieve career success.

In addition, we aim to help employees balance family and work commitments; as well as offering part-time working models, we are building a new children's daycare center at our new campus in Essen. Following the principles of the Reggio Emilia approach to pre-school education, our new childcare center will offer full-day places for around 100 children aged up to six close to their parents.

Risk report

In the past fiscal year we continuously optimized our risk management system. New Group standards helped increase transparency, further enhancing our ability to identify and evaluate risks. From the present perspective all risks are contained and manageable. The future existence of the Company is secured.

Risk management system efficiently organized

Risk policy as part of corporate strategy

The risk policy at ThyssenKrupp is based on our corporate strategy. It is directed at safeguarding the existence of the Company and sustainably increasing its value. To achieve success in business, opportunities must be recognized and associated risks identified and evaluated. We make optimum use of opportunities and consciously take and actively manage business risks insofar as they are expected to deliver an appropriate increase in value.

Risks that lie outside our core processes and capabilities are transferred where required to other risk carriers or reduced by appropriate risk containment measures. Beyond this we avoid risks wherever possible. Overall the Group can cover in full any risks taken.

ThyssenKrupp has documented the framework conditions for orderly and forward-looking risk management in its revised Group Policy Statement on Risk Management. All employees are required to be aware and accountable when dealing with risks and opportunities in their sphere of competence. Responsibility for identification and management of risks along the value chain lies with the operating managers in the decentralized organizational units.

The risk policy principles include a code of conduct applicable throughout the Group. For example, conduct towards suppliers, customers and other business partners must be fair and responsible. The Group's compliance standards must be observed and speculative transactions are inadmissible. We carry out regular control measures to check whether these principles are being observed. In addition, numerous compliance and risk management training programs are organized and repeated to communicate the importance of these principles to all employees.



The Group risk management policy was revised in the reporting year.

i
The risk management system was adapted to the new organizational structure.

Risk management system further optimized in the Group

In the past fiscal year we extensively optimized our risk management processes. As well as the risk policy principles, the updated Group Policy Statement on Risk Management contains the key standards for the processes and various reporting elements of the risk management system. It sets out binding requirements for the early identification, reporting, evaluation, control and monitoring of risks. The Group reporting system focuses on the material risks explicitly identified in the risk inventory process. These risks are collated by the Group risk management unit, which was assigned to Corporate Center Controlling effective October 01, 2009, evaluated by a newly established Risk Committee and then communicated in a systematic and transparent report to the Group Executive Board and the Supervisory Board Audit Committee.

RISK MANAGEMENT AT THYSSENKRUPP

Group control	Compliance/ risk coordination	Processes	Business management
<div>Executive Board</div> <ul style="list-style-type: none">• Establishment of risk policy principles and policy statements• Focus on material risks	<div>Risk Committee</div> <ul style="list-style-type: none">• Risk monitoring• Risk control• Implementation/monitoring of internal control system	<div>Corporate Center Controlling</div> <ul style="list-style-type: none">• Definition of Group standards• Risk reporting• Integrated with controlling/ risk management in business areas	<div>Business Areas</div> <ul style="list-style-type: none">• Identification, reporting and forecasting of opportunities and risks, in particular changes in material risks

In a well-established process supported by a Groupwide web-based reporting tool, the Group companies report on the status of their risk situation 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 management measures are reported and monitored as part of an action control system. The early warning indicators used to assess risks are regularly updated and discussed with the responsible officers.

Risk management is an important core business function at ThyssenKrupp. It is integrally linked to the planning and reporting processes used in controlling and is therefore a significant component of our value-based management system. The risk inventory process is supplemented by a monthly analysis of operating opportunities and risks and a material risk update, which is also discussed promptly in the regular Group Executive Board meetings.

The risk management system introduced by the Executive Board of ThyssenKrupp AG for the entire Group has proven itself to be efficient. Alongside the standard processes, the system ensures that ad hoc risks and losses incurred are communicated directly outside the normal reporting channels.

In the past fiscal year internal audits were again conducted worldwide to check compliance with the rules of the risk management system at the Group companies. The findings from these internal audits are used to further improve the early identification and management of risks. In addition, we continuously optimize the tools and methods for registering and managing risks so as to reduce the number of manual activities in the risk management process and enhance the quality of the information generated.

1

The internal control and risk management system also covers the Group accounting process.

Key features of the internal control and risk management system with regard to the Group accounting process

We define the internal control system as the entire body of coordinated principles, processes and measures applied in the Company to ensure business and controlling objectives are achieved. These include in particular the security and efficiency of business management, the reliability of financial reporting, and compliance with laws and policies. These fundamental aspects of the internal control system apply in particular to the accounting process at ThyssenKrupp. The aim of the internal control system for the accounting process is to implement controls to adequately ensure that despite any risks the consolidated financial statements comply with requirements. Various integrated and independent supervision measures are in place to help achieve this aim.

The process of preparing the consolidated financial statements is based on a standard accounting policy which is regularly updated and made available to all relevant employees via an internal internet platform. A uniform consolidation tool based on standard software is used, which minimizes the risk of false statements in the Group's financial accounting and external reporting.

The financial reporting process at ThyssenKrupp consists of explicitly defined sub-processes with clear-cut responsibilities in line with the principle of segregating functions and the dual-control principle. This reduces the risk of fraudulent conduct.

Responsibility for the preparation of the consolidated financial statements lies with Corporate Center Accounting and Financial Reporting. Binding standards with regard to content and scheduling minimize the latitude of the decentralized units in connection with the recognition, measurement and statement of assets and liabilities and therefore reduce the risk of inconsistent accounting practices in the Group.

In some cases our Group companies use the Group's shared service centers to prepare their local financial statements. For the consolidated financial statements the data obtained are entered into the Groupwide consolidation tool. Employees involved in the accounting process undergo regular training and are supported by central contact officers.

We use custom authorization concepts and access controls to protect the financial systems used against misuse. Centralized control and monitoring of the relevant IT systems as well as regular system backups reduce the risk of data loss and system failure. Automatic controls during the consolidation process are monitored and supplemented by manual checks by experienced employees.

The effectiveness of the internal control and risk management system in the accounting processes is regularly checked by our internal auditors.

The processes, systems and controls we have installed provide sufficient guarantee that the Group accounting process is carried out in compliance with the International Financial Reporting Standards (IFRS), HGB (German GAAP) and other standards and laws of relevance to accounting and that it is reliable. Absolute certainty that no errors are made in the Group accounting process cannot be guaranteed even by our internal control system.



Details: pages 178–180

Utilizing opportunities and simultaneously managing risks

In compliance with the requirements of the risk policy principles, the risks we take are balanced by appropriate opportunities, which we systematically identify, evaluate, manage and control. More details can be found in our opportunities report on pages 178–180. 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 2009/2010, 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, in some cases significant deductibles exist in particular for some production units in the Steel Europe and Stainless Global business areas, 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 limit the risk of insurer insolvency, 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



To minimize financial risks we carry out ongoing monitoring and intensive controls.

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 Company as a whole. 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 enter into 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 in connection with supplies and services are constantly monitored by the Group companies; 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 swaps, 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 our 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: To cover our capital requirements, we procured funds 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.

Commodity price risk: Depending on the market situation, purchasing prices for raw materials and energy can fluctuate significantly. To counter the price rises on the procurement markets for iron ore and coking coal in connection with the switching of raw material supply contracts from annual to quarterly contracts, we have among other things adapted our sales agreements accordingly. We also 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 22.



Details: pages 233–241

Order risks

The handling of major orders entails risks. Technical problems and quality problems with sub-suppliers can result in cost overruns and/or schedule delays. To contain these risks we continuously improve our management instruments and deploy experienced project managers. We minimize the risk of default by selecting customers carefully, keeping in contact with them and collecting progress payments.

Sales risks

For ThyssenKrupp as a globally active Group, the international cyclical situation is a key factor influencing our opportunity and risk position. We counter market risks on an ongoing basis 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. If necessary we respond swiftly by adjusting our production and capacities.

Our international presence in different sectors makes us largely independent of regional crises. The widely differentiated product and customer structure of our business areas limits our sales risks in individual markets. To counter the risk of bad debt caused by the reduced credit rating of key account customers, we have an effective receivables management system. The sales risks are described in detail in the section headed “Specific risks for our operations”.

Risks associated with business relationships with customers in countries with trade restrictions

Due to our global organization, ThyssenKrupp has business relationships in countries subject to trade restrictions. In the past fiscal year the Federal Republic of Germany, the EU and the USA, acting on the basis of UN Resolution 1929, expanded existing trade restrictions on the Islamic Republic of Iran to include the petroleum sector, and added further individuals and a number of banks to the sanctions lists to prohibit business with them. Violations of the tightened trade restrictions are subject to severe penalties and could damage ThyssenKrupp's reputation. We have always complied scrupulously with export control regulations and in particular trade restrictions. In addition, the Executive Board of ThyssenKrupp AG ordered a review of the business activities with Iranian customers in existence before the tighter trade restrictions came into effect to establish whether they comply with the new laws and decided in September 2010 that ThyssenKrupp will not enter into any new transactions with Iranian customers. This measure significantly reduces the risk of a potential violation of the trade restrictions in place.

Procurement risks

In the reporting year our operations faced in particular rising procurement prices on the raw material markets. To meet these challenges quickly, we intensified our negotiations with customers so as to pass on the higher prices as far as possible in our product prices.

Energy costs (electricity, natural gas) have also increased in recent years – in some cases considerably. A structured procurement policy on the electricity market and long-term natural gas contracts reduce the risks on the energy markets. In the past fiscal year we also succeeded in negotiating favorable purchasing conditions for subsequent years.

In addition, our purchasing departments are constantly searching for alternative low-cost suppliers worldwide to contain the risks of delivery failure. 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 111-115.



Details: pages 111–115

Risks associated with acquisitions, disposals and restructurings

Restructurings as well as the disposal or acquisition of real estate, companies or other business activities can give rise to risks which we continuously monitor and if necessary make adequate provision in the balance sheet.

Legal risks associated with third-party claims

Claims can result in legal risks. In the associated legal proceedings ThyssenKrupp is represented by its own experienced corporate counsel, if necessary with the additional support of external attorneys. We minimize claims for damages under product liability law through the high quality of our products.

When contractual partners assert claims against ThyssenKrupp under plant construction, supply and service contracts, we examine the individual claims carefully and make provision where payment obligations are considered likely.

Our strict compliance program reduces the risk of antitrust violations and corruption at all levels of the Group. In the Compliance Commitment the Executive Board of ThyssenKrupp AG unequivocally states that antitrust violations and corruption are not tolerated in the Group. We monitor and regularly update our supplementary policies and publications as well as our internal compliance organization. We last reviewed our compliance organization in connection with the reorganization of the Group effective October 01, 2009 and adapted it by expanding the existing ThyssenKrupp Compliance Office to include the compliance functions of the former segment holding companies.

In addition, the legal counsel service was separated from compliance in terms of organization and staff, and within compliance the advisory function was segregated from general principles and compliance investigations. According to an appraisal commissioned by the Executive Board of ThyssenKrupp AG carried out by the law firm Hengeler Mueller in June 2010, our new compliance organization meets the statutory requirements and accurately reflects our new Group structure. Furthermore, it comprises numerous elements to prevent systematic misconduct in the areas of corruption and competition law, recognize corresponding warning signs in good time and initiate the necessary countermeasures.

In extensive training programs and an interactive compliance e-learning program, we inform our employees about compliance requirements, infringement risks and potential sanctions. In 2009/2010 more than 2,400 employees worldwide took part in classroom training sessions. Around a further 350 employees were trained in specialized areas. To supplement the compliance training program, we have introduced a Groupwide interactive e-learning program comprising courses on competition law and combating corruption, which is available in eleven languages. The second cycle of the e-learning program which started in August 2008 is aimed at refreshing the knowledge of employees who have taken part previously and for the first time training employees outside Europe. Since the launch of the second cycle, 21,000 employees worldwide have completed online training courses on competition law and around 25,000 on combating corruption.

A report on pending litigation and claims for damages can be found in Note 21.

Regulatory risks

Changes to the legal framework at national or European level can result in risks to our business, increase costs and restrict our sales opportunities. Changes to competition rules in individual sections of the markets can also bring disadvantages for us. By maintaining close contact with the relevant institutions we ensure that we have the up-to-date information we need. We also endeavor to prevent changes to the legal framework from distorting competition.

For the consumption of electricity from take-off points outside the Renewable Energy Sources Act hardship clause, the surcharges will continue to increase steeply in the next few years. The planned new rules on electricity tax will also result in significant costs for us in Germany.

Based on the draft legislation known to us, we anticipate high costs for emission allowances in the third trading period of the EU Emissions Trading Scheme from 2013 to 2020. We are continuing to monitor the political debate on this closely. As an energy-intensive industrial and services group we see risks to our earnings situation if we are unable in the competitive international market to pass on to our customers all or any of the additional costs from increased auctioning.

Furthermore, 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 respond to new challenges in the USA on the basis of our know-how and experience.

Environmental risks

Due to our production processes, we are exposed to process-related risks of air and water pollution. Intensive pollution control measures and continuous investment in environmentally friendly facilities in our production operations help minimize environmental impact and conserve resources. The large number of Group companies with certified environmental management systems at ThyssenKrupp reduces the risk of environmental damage. More details on environmental protection are provided in the section "Environmental and climate protection" on pages 152–156.

 Details: pages 231–232

 Details: pages 152–156

Some of our real estate no longer used for operations is subject to risks from past pollution and mining subsidence. In this connection we carry out preventive measures and scheduled remediation work, for which we again recognized adequate provisions in the reporting year.

Risks associated with information security

We continually review our information technologies to ensure the secure handling of IT-supported business processes. If necessary, the systems are updated and protected even more effectively. The IT-based integration of business processes is subject to the condition that the risks involved for our Group companies and for our business partners are minimized. Internal policies are therefore in place under which all Group companies are obligated to maintain the highest possible information security. In the reporting year we again carried out extensive measures to further develop our information security management system. In addition, business processes and data centers at selected Group companies attained security certification which documents the standard achieved above all for our customers. In the new ThyssenKrupp Quarter in Essen we raised the standard of security significantly: By incorporating state-of-the-art technologies from the planning stage we were able to achieve an appropriate level of protection.

As in previous years, in the reporting year we continued the various precautionary measures established to make our IT centers and computer networks even more secure and protect them more effectively from attacks and other external interference. In particular, the IT Compliance team continued to organize training courses and information events for employees and managers to further increase information security awareness.

Together with the Group's data protection officers, our 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 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 15.



Details: pages 221–226

Personnel risks

Committed and competent staff and managers are of central importance to the success of ThyssenKrupp. There is a risk that key personnel cannot be found to fill vacancies or that they cannot be retained. We have a number of measures in place to counter these risks and position ourselves as an attractive employer by promoting the long-term retention of employees in the Group and offering executives an ongoing management development program, career prospects and attractive incentives. We are further intensifying the targeted mentoring of our employees to promote identification with the Company at all levels.



Details: pages 157–162

Our proven training system is being continued. We inform interested young people about career opportunities at ThyssenKrupp from an early age so that we can secure the young talent we need for our workforces. We also 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 157–162.

General economic risks

The global economic upswing will continue in 2011, but the discontinuation of numerous stimulus programs and the need to consolidate public-sector budgets could weaken economic growth.



Details: pages 175–178

More information on potential risks from the cyclical situation in Germany, Europe and other trading regions and sectors of importance to ThyssenKrupp is provided on pages 175–178.

Specific risks for our operations

Steel Europe: Market and procurement risks for carbon steel flat products

The Steel Europe business area sees fundamental risks on the sales and procurement markets as well as risks from exchange rate fluctuations and emissions trading. If the economic situation deteriorates, the already existing risk of customer insolvencies will increase. Growth in demand and capacity utilization will increase the risk of production losses. The capacity expansions to process additional slabs from the Steel Americas business area’s Brazilian plant may lead to market risks on the sales and procurement markets.

To contain the risks from cyclical demand fluctuations, Steel Europe optimizes its costs in all areas, adjusts production promptly and concentrates on high-end market segments subject to the lowest possible demand cyclicity. To mitigate the increasing risk of customer insolvencies, we monitor the situation intensely, use all available commercial credit insurance facilities, and adjust our payment conditions. Quality and supply risks are minimized through the ongoing optimization of our value chains.

The business area continues to minimize the risks caused by the high competitive intensity on the market for carbon flat steel by systematically expanding its technology capabilities to differentiate itself from competitors. The risk of rising raw material and energy prices is mitigated by using alternative procurement sources and structured energy procurement strategies and by passing on price increases to our customers.

A business and technical risk controlling system for property insurance is an integral component of Steel Europe’s risk management process. Additional investment and maintenance budgets are available to further optimize fire prevention. The risks of other business interruptions are reduced by ongoing preventive maintenance, modernization and investment. In the event of business interruptions, business continuity plans are in place which specify measures for remedying damages.

Steel Europe has minimized the volume and price risks for emission allowances in the second trading period from 2008 to 2012 through a Groupwide emissions trading strategy. A reliable assessment of the volume and price risks for the trading period 2013 to 2020 will only be possible after the requirements are adopted by the European Commission in the 1st quarter 2011. However, significantly fewer certificates are expected to be allocated free of charge, which will create shortages and increase prices throughout the EU.



Intensive controls and tighter risk management reduce our risks in major projects.

Steel Americas: Efficient claims management

The new integrated iron and steel mill of ThyssenKrupp CSA Siderúrgica do Atlântico in Rio de Janeiro and the processing plant under construction in Calvert, Alabama/USA remain at risk of further implementation problems such as delays or unforeseen cost increases for completing the projects and commissioning the plant units. Thanks to intensive controls and tighter risk management, we are able to identify and evaluate all risks immediately and initiate countermeasures. Our efficient claims management system ensures that all claims and obligations of our contractual partners are properly handled and managed. 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.

The operating risks which may occur in connection with the startup of the plant units are minimized by tailored and coordinated ramp-up periods, the careful selection and training of new employees, and the targeted use of know-how from the production operations of the Steel Europe business area. 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. The procurement risk for iron ore is reduced through long-term contracts and our close relationship with our partner Vale.

Extensive measures to counter market risks at Stainless Global

In addition to the usual cyclical risks, our stainless operations – which are combined in the Stainless Global business area – face risks associated with existing and growing overcapacities at stainless producers in Asia.

To counter these risks we are making every effort to extend our value chain towards the higher-margin end-customer business. In addition, we are intensifying our customer relationships, expanding our custom services and further improving 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.

The extensive program of measures initiated in the stainless plants to avert risks from future economic crises has already been largely implemented. It includes production cutbacks, administrative cost savings and further cost-reduction and efficiency-enhancement measures in all areas.

The construction of the stainless steel plant in Alabama/USA is proceeding in line with the revised schedule. Intensive project controls and detailed risk evaluations ensure that all risks are identified and communicated.

The availability and price risks in connection with raw materials, in particular nickel, chromium and alloyed scrap, are minimized through contracts and hedging mechanisms.

Global presence reduces cyclical risks at Materials Services

The Materials Services business area counters the risks associated with providing materials services for customers throughout the world with a wide range of measures. Inventories are optimized by systematic improvements to net working capital management. Consistent cost-reduction measures help increase efficiency and cost-effectiveness. These measures are supported by continuously improved logistics and efficient management tools.

Cyclical risks are countered by our worldwide presence, broad customer base and high degree of diversification. The resultant wide spread of risks also applies to bad debt risks, which are additionally limited by the use of hedging instruments.

Stable risk situation at Elevator Technology

The risk structure of the Elevator Technology business area is mainly determined by two factors: the different business activities and the different regions in which the business area as an international enterprise operates.

While the service business is relatively impervious to the economic cycle, the new installations business, which is closely linked to the construction sector, is more exposed to cyclical risks. In the processing of major orders we use targeted project management measures. Rising material prices are offset for the most part by efficiency improvements in production and optimized purchasing.

In regional terms, the broad international distribution of our business activities alone helps balance many of the risks because the markets in which Elevator Technology operates are in different cyclical phases. The exchange-rate risks are contained as customers generally pay promptly after receiving goods or services. Any remaining exchange-rate risks are systematically hedged.

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The broad international distribution of our elevator business balances risks from regional economic cycles.

Project deferrals a risk for Plant Technology

With investment activity subdued, prices and conditions are expected to be subject to fiercer competition on the global markets for Plant Technology – due especially to Asian but also to European suppliers. Added to this is the loss of the Iranian market. In addition, financing problems for customers could lead to project deferrals or cancellations. Attention also has to be paid to risks from the political situation, for example in the Middle East. We counter these risks in the handling of large long-term contracts and technically complex orders through increased business development activities, close project controls and professional contract management. We are developing our locations in line with market requirements and intensifying innovations in technologies of relevance to us.

Market risks in Components Technology business

The Components Technology business area is exposed to diverse general risks on account of its worldwide activities in various sectors.

There remains a risk of a renewed global or regional slump in demand. To avoid being dependent on individual markets, the business area is expanding its customer base and strengthening its international presence, particularly in Asia.

Despite the strong long-term growth prospects of the wind energy sector, there are risks of order deferrals or cancellations as a result of investment restraint. At the same time prices are subject to increasing competition on account of the existing capacities. To counter the growing price pressure, also evident in the automotive components business, the business area has introduced extensive cost-reduction and productivity-enhancement programs.

The risks on the sales markets are accompanied by a significant risk on the procurement markets due to steeply rising material prices which cannot be passed on fully or without some delay to customers. We are countering this risk by framing customer contracts accordingly.

Further risks in the business area relate to the effects of changes in exchange rates on sales and earnings. In addition, in connection with ongoing technological innovations and improvements, risks with an unforeseen impact on earnings cannot be ruled out. Added to this are potential risks from unexpected yield and quality problems and the associated warranty obligations. To avoid or limit such risks as far as possible, extensive production and quality assurance systems are in place.



The ongoing restructuring of Marine Systems reduced the business area's risk potential.

Reduced risks at Marine Systems

Thanks to the extensive measures to restructure the Marine Systems business area, the remaining risk portfolio has been significantly reduced.

The risks identified in connection with the disposal of the majority stake in Hellenic Shipyards arising from the EU state aid case and the cancellation of the submarine contracts with the Greek government in the 2008/2009 fiscal year can be regarded as resolved following HSY's departure from the consolidated group.

Further material risks included the handling of the orders for the three yachts being completed in parallel, the "Eclipse," the "Nahlin" and the "Orca". The "Nahlin" was handed over in summer 2010, the "Orca" has also been delivered, while the "Eclipse" has been made ready for delivery.

Finally there were material risks in connection with the workload situation of the yacht building capacities at Blohm + Voss Shipyards in Hamburg, which will be resolved when the agreements with Abu Dhabi MAR enter into effect. However, to a limited extent a capacity utilization risk continues to exist in the remaining marine systems business, especially if expected orders are significantly delayed. To mitigate this risk we employ a capacity management system involving skilled subcontractors and, where economically appropriate, cross-location coordination.

No threat to existence of Group

The overall risk situation at ThyssenKrupp continues to be manageable. No risks exist which threaten the existence of the Group. Our continuous risk management activities and the efficient and tailored management of all risk categories in our business operations help contain the risks in the Group.

Subsequent events, opportunities and outlook

The economic upturn is forecast to continue in 2011, albeit at a slower pace.

ThyssenKrupp expects a further increase in sales by approximately 10% to 15% in fiscal 2010/2011. Adjusted EBIT is expected to grow faster than sales to reach around €2 billion.

Subsequent events

There were no reportable events.

Economic outlook

[1]

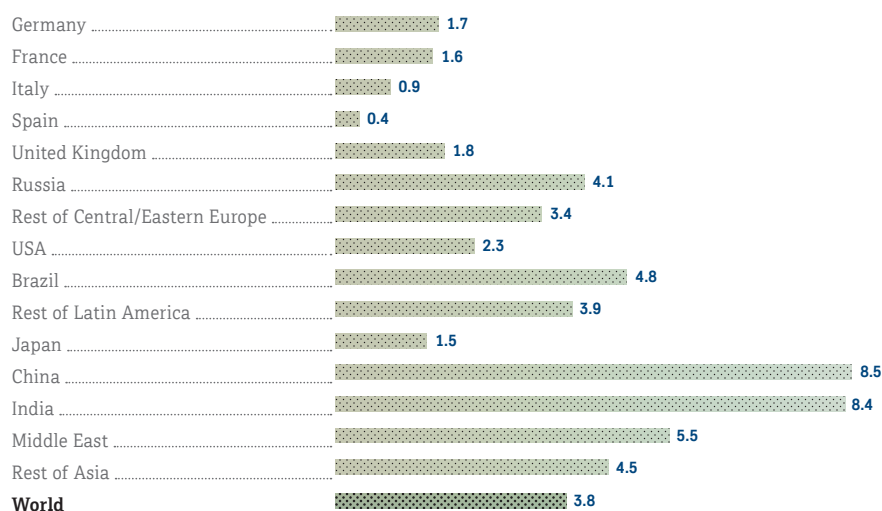
The global economy is expected to grow by 3.8% in 2011.

Global economic upturn to continue at a slower pace in 2011

The global economic upturn will continue in 2011. However, due to the ending of numerous stimulus programs and the need to consolidate government budgets, global economic growth in 2011 will be weaker than a year earlier at 3.8%. Risks to economic growth lie in a possible sharper slowdown of the US economy, exchange rate developments, the debt crisis in many countries, the continuing high need for writedowns in the banking sector and the price situation for raw materials.

In the USA economic growth will slow again in 2011. In particular, subdued consumer spending prospects as a result of the still-fragile labor and housing markets suggest only moderate growth. In Japan, too, the growth prospects for 2011 have clouded due to the strong yen and the weakening of important export countries.

In the euro zone, the pace of growth will remain virtually unchanged overall in 2011. However, the recovery of the German economy will lose impetus, due in particular to slowing exports and the efforts to consolidate public-sector budgets. Given the positive developments on the labor market, consumer spending will make a greater contribution to growth.

GROSS DOMESTIC PRODUCT 2011* real change compared to previous year in %


* Forecast

The economic outlook for the major emerging countries remains relatively favorable. Brazil is profiting from solid domestic demand and high raw material prices, though growth in 2011 will be slightly lower, due in particular to the weakening of key trading partners. Russia is also benefiting from increasing raw materials exports, but the pace of growth will be hampered by structural deficits in the country. China's high growth rates will slip slightly as a result of the tighter monetary and fiscal policies, while the fast pace of growth in India will continue almost unabated.

Future developments on the raw materials markets are a source of major uncertainties. Since the three big iron ore producers succeeded in switching their contracts with steel companies from annual to quarterly deals in the 1st half of 2010, the ore price has been based each quarter on the volatile spot market. This could result in significant price swings, detached from the general economic and sector trends.

Prospects on important sales markets

Against the background of the expected economic developments, the situation on our key sales markets will generally improve slightly, albeit at a slower pace. We anticipate the following developments:

- The global steel market will continue on an upward trend in 2011. In Europe and the NAFTA region, steel market demand will continue to rise, though at a more moderate rate. While demand growth in these markets in 2010 was mainly due to the inventory cycle, in 2011 real consumption is expected to play a bigger part; however, steel market volumes will still fall well short of the levels reached in the pre-crisis years of 2007 and 2008. Steel consumption will also continue to expand in the emerging economies. China will remain the key driver of the global steel market, even though the very high double-digit growth rates of 2009 and 2010 are unlikely to continue. With capacities in China still increasing, the country's production output will continue to expand, so the situation on the raw material markets is not expected to ease significantly for the time being. Steel input costs are therefore likely to remain high. Global finished steel demand will increase by around 5% in 2011 to 1.34 billion tons; that would correspond to a crude steel output of 1.45 billion tons. Steel demand in Germany is forecast to grow by 5%.



We expect a further slight improvement on our key sales markets in 2011.

- Demand for stainless steel flat products will continue to recover. Following a 16% post-crisis rise in global demand in 2010, growth is expected to normalize at around 8% in 2011. Growth of 10% and 14%, respectively, is anticipated for the Western European and North American markets. China will see demand grow by 7%, while an increase of 6% is forecast for the rest of Asia. Demand for high-performance nickel alloy and titanium materials is also expected to rise.

FORECASTS FOR IMPORTANT SALES MARKETS

	2010	2011
Demand for finished steel, million tons		
World	1,272	1,340
Germany	35	37
USA	79	86
China	579	599
Demand for stainless flat steel, '000 tons		
World	15,902	17,110
Germany	932	1,025
USA	948	1,066
China	5,932	6,342
Vehicle production, million cars and light trucks		
World	67.8	72.6
Western Europe	14.2	14.9
Germany	5.7	5.8
USA	7.4	8.4
Japan	9.1	9.5
China	15.1	15.6
Brazil	3.3	3.6
Machinery production, real, in % versus prior year		
Germany	6.0	10.0
USA	9.0	8.0
Japan	16.0	10.0
China	19.5	14.0
Construction output, real, in % versus prior year		
Germany	(0.5)	(1.0)
USA	(13.1)	8.4
China	11.9	8.6

- The international auto market will continue to recover. Worldwide, production in 2011 is forecast to increase by 7% to 72.6 million cars and light trucks. In China, the previous very high pace of growth will slow distinctly; output is expected to expand by only 3% in 2011. Growth in the USA and Japan will remain stronger at 13% and 4% respectively, making up in part for the previous dips. In Western Europe vehicle output is expected to expand by 5%. German manufacturers will improve only slightly on their strong prior-year performance, while the previously weak French, Spanish and UK markets are expected to show significant growth.

3

The international machinery sector is expected to grow faster in 2011 than in 2010.

- The international machinery sector will grow slightly faster in 2011 than in 2010 as demand for capital goods improves. Output in China is forecast to rise by 14%. The USA and Japan will achieve growth of 8% and 10% respectively. With orders improving and backlogs stronger, the German mechanical engineering sector is expected to expand its output by 10%.

- Construction activity will continue to show regional differences in 2011. Germany and most other Western European countries will do little more than stagnate; only Central and Eastern Europe are expected to achieve moderate growth in construction output. In the USA, the construction sector will recover after the sharp slumps of the prior years. In China and India, construction activity will remain strong.

Opportunity report

High product quality, superior innovations and constant improvements to the productivity of our plants provide good growth opportunities for ThyssenKrupp in the international markets. Our products meet high performance standards and enable our business areas to position themselves strategically as premium suppliers. The continuing recovery of the world economy opens up further opportunities to all our business areas, though the possibility of an economic setback represents a risk to these opportunities. Details of our assessment of future economic developments are provided on pages 175–178.

The risks for the Group in its business operations are presented in the risk report on pages 163–174.

Opportunity management system enhanced

In the past fiscal year, we integrated our opportunity management system more strongly into our standard reporting system and enhanced it in this way. Each business area submits a monthly report on earnings-relevant opportunities. These management estimates are structured and analyzed in monthly meetings. As part of the planning process we also refined our SWOT analyses and identified strategic opportunities for our individual business models. SWOT analysis allows specific strengths, weaknesses, opportunities and threats to be examined.

At ThyssenKrupp, opportunity management is a team function. Project officers with responsibility for markets, company managements, business area management boards and the Executive Board of ThyssenKrupp AG together identify promising market shifts and technology trends and develop them for the Group.

Strategic opportunities for the Group

We want to systematically expand our businesses internationally to strengthen our presence on the growth markets. Expanding into Asia in particular – and especially China and India – can open up new business opportunities. Our new plants in the Steel Americas business area will enable us to develop the American steel market more intensively. In the coming years the new stainless steel mill will provide similar opportunities.

For more details of our corporate strategy, turn to pages 91-99.

New Group structure opens up organizational opportunities

The new Group structure implemented at the start of the reporting year has opened up new business opportunities. The two divisions Materials and Technologies, each bracketing together four business areas with related business activities, allow us to utilize a wide range of synergies, from joint marketing efforts to optimized logistics. For this reason we will continue to optimize our organizational structure to further improve structures and processes.



Details: pages 175–178



Details: pages 163–174



Details: pages 91–99

Opportunities in the business areas

Our business areas have a wide range of operating opportunities on their markets.

Steel Europe: The trends towards urbanization and increasing mobility and the expansion and modernization of the energy infrastructure offer prospects for the use of high-quality steel products from the Steel Europe business area, such as electrical steel grades. The automotive and machinery sectors – where many of our customers are to be found – are once again starting to buy more steel on the international markets. Demand is picking up primarily in the emerging economies, mainly China; we believe the growth trend there will remain intact for many years to come.

1

Steel Americas intends to increase its share of the NAFTA flat steel market to over 5%.

Steel Americas: With its new steelmaking and processing plants in Brazil and the USA, the business area intends to achieve attractive margins and increase its share of the NAFTA flat steel market to over 5% in the medium term. Additional opportunities are offered by cooperation with Steel Europe. They range from raw materials purchasing and joint optimization of global slab scheduling and logistics through to the exchange of technologies and joint marketing efforts for global key accounts.

Stainless Global: The international expansion of our stainless business and new applications for stainless steel are the main drivers of opportunities for our Stainless Global business area. The same applies to our high-performance nickel and titanium alloys, which engineers are increasingly using for parts and components that need to display extreme corrosion resistance and strength.

Materials Services: As producers and fabricators focus more on their core activities, services from Materials Services will continue to gain in importance. Our advantages lie in our strong customer focus, specific knowledge of markets and sectors, global connections and project management expertise.

Elevator Technology: For Elevator Technology, new elevators such as the TWIN system and modern design solutions offer opportunities in the attractive high-rise segment, where high-speed, high-performance transportation solutions are required. Our maintenance business is also growing: More and more customers are learning to appreciate our expert on-time services.

Plant Technology: The emerging economies in particular offer good market opportunities for the cost-efficient, eco-friendly plants and equipment of our Plant Technology business area. One example is heat recovery and waste recycling in cement production, which allows major reductions in costs and emissions. There are also good opportunities for chemical plants.

Components Technology: The auto components business of our Components Technology business area can profit from drivers' growing environmental awareness: Our components for low-emission engines and weight-optimized parts permit reductions in CO₂ emissions.

Marine Systems: In the naval area, our opportunities lie in increasing exports. The collaboration with our new strategic partner Abu Dhabi MAR is of particular significance here, as numerous procurement contracts are due to be awarded in the Middle East/North Africa region.

Performance-related opportunities for increased profitability

In addition to the increasing use of intelligent procurement systems such as a tendering platform and the catalogue ordering system, new production processes are opening up additional potential for rationalization and quality improvement. In the steel area in particular, new production processes have been introduced for innovative steel grades, such as our patented tailored tempering process. In elevator construction, we will make greater use of standardized components in different elevator models in the future. In the area of marketing we intend to further intensify our customer relationships; to this end we are constantly optimizing our worldwide network of branches.

Value-enhancement potential through Group initiatives

Our successful corporate initiative ThyssenKrupp best will continue to improve efficiency and lower costs in the Group in the future. Together with business-specific programs this will contribute to the sustainable success of the Group.

Expected earnings situation



Our outlook for 2010/2011 is cautiously optimistic.

With a view to the 2010/2011 fiscal year we remain cautiously optimistic about developments in our core markets and key customer sectors.

We continue to focus on optimizing the structure of the Company, including further targeted disposals of activities from the Group portfolio. We are also concentrating on the efficient ramp-up of our new steelmaking and processing plants and the associated entry to the US market.

Sales and earnings: In fiscal 2010/2011 we expect a further increase in the Group's sales by 10% to 15% (2009/2010: €42.6 billion). Earnings are expected to grow faster than sales. This will follow from further operating improvements and the recovery of our sales markets, which will more than offset the negative earnings impact from the Steel Americas business area.

Adjusted earnings before interest and taxes (EBIT adjusted for nonrecurring items) are forecast to be around €2 billion (2009/2010: €1.2 billion). The comparative prior-year figure – and the outlook for fiscal 2010/2011 – is based on the adjusted definition of EBIT as described on page 96 of this annual report.



Details: page 96

Our expectations for the individual business areas are as follows:

- Steel Europe – Continuing good capacity utilization; improvement in shipments and average selling prices
- Steel Americas – Negative EBIT in the mid three-digit-million euro range, which will be mainly due to higher depreciation as well as start-up losses for the new plants and will improve as the ramp-up progresses
- Stainless Global – Improvement in volumes and base prices
- Materials Services – Improvement in volumes and selling prices
- Elevator Technology – Continuing high earnings contribution thanks to high orders in hand and steady maintenance business

- Plant Technology – Stable sales and earnings from high project order backlog; increased order intake
- Components Technology – Increased sales and earnings from components for the automotive, construction and machinery sectors
- Marine Systems – Positive earnings contribution from remaining business with submarines and naval surface vessels

In fiscal 2011/2012 we will continue our efforts to improve the structure of the Group. This will include sustainable cost-cutting measures and further targeted adjustments to our portfolio. Higher shipments and increasing economies of scale in the Steel Americas business area will have an additional positive impact on earnings. At the same time we will strive to reduce our net financial debt.

Dividend: In line with our policy of dividend continuity we will continue to pay an appropriate dividend.

Employees: Based on our current plans we will have around 176,200 employees at September 30, 2011, a reduction of 0.7%. However, in the following fiscal year the headcount may increase by 1.5%. Developments in the workforce will be dictated by possible portfolio changes and by the ramp-up of the new plants in Brazil and the USA. New jobs will mainly be created outside Germany, as more and more production sites and service bases are set up close to customers as part of our international expansion.

Our training offering for young people will remain at a high level. We will continue to train beyond our own requirements in the coming years so as to give career opportunities to as many young people as possible. Overall personnel costs in the Group will remain below €10 billion in 2010/2011, and we also expect that to be the case in the subsequent fiscal year.

Innovations: In the new fiscal year we are planning to increase spending on innovations by 3% to 4% compared with the prior year. This will be strongly driven by customer-related development projects and numerous internally initiated research activities. The targeted expansion of our development activities in the coming years will allow us to continue our customer-oriented innovation efforts and so create the basis for future success.

For the challenging tasks ahead in the new fiscal year we continue to put our faith in our highly qualified employees, who are driving innovations in particular in the ThyssenKrupp key trends of materials, energy, environment & resources and mobility. These activities will be supported by the ThyssenKrupp House of Innovation.

Procurement: Materials expense will again develop largely in line with sales in 2010/2011. It is expected to amount to around 65% of sales. Thanks to our longstanding supplier 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 following year. Our Groupwide purchasing initiative will continue. In addition we intend to further expand our system of purchasing reporting and controlling so as to make purchasing aspects and processes more transparent and easier to manage.



The Group's personnel expense will again be under €10 billion in 2010/2011.

Energy: Energy supplies to our worldwide plants are secured. We do not anticipate any supply bottlenecks. However, as the economy picks up we must expect higher prices for all energy sources. We have made provision for this: The electricity and gas volumes we have already procured will secure our requirements in Germany to a very high degree in the fiscal years to 2012/2013. For the years thereafter we have in part already purchased electricity at favorable prices.

On the basis of draft legislation, the third period of EU emissions trading from 2013 to 2020 is expected to give rise to high costs for emission allowances.

Environmental protection: In the new fiscal year we will develop our internal environmental and climate protection organization further. A stable network of experts around the world and rapid access to the required information at all times are essential in securing the high standards of environmental protection in the Group's international plants and branches. In particular we intend to gather and analyze data and findings on greenhouse gas emissions.

Based on our current planning we will spend more than €600 million on ongoing environmental protection in 2010/2011. These costs are expected to be higher in the following fiscal year. The greater part of this will relate to air pollution control and water protection measures. Investments in environmental protection systems will continue to focus on the plants and projects in Brazil and the USA. To avoid greenhouse gas emissions and conserve natural resources, all business areas will increase their energy saving and recycling activities.

Expected financial and liquidity situation



The Group's financing and liquidity will remain secure in 2010/2011.

Despite the after-effects of the financial crisis and the associated continuing difficult conditions, the Group's financing and liquidity will remain on a solid basis in fiscal 2010/2011, taking into account that net financial debt may vary significantly in the course of the year. Due to the progress of major projects such as the new steel mill in Brazil, the new production and sales location in the USA and the capacity optimization at the Duisburg site, capital spending in 2010/2011 will be lower than in the years before. As completion of the major projects progresses, this trend will continue in 2011/2012.

Consolidated financial statements

P. 183–280

03

The following consolidated financial statements of ThyssenKrupp AG for fiscal year 2009/2010 provide a comprehensive overview of the Group’s financial and earnings position. In them you will find a host of details about our performance in the reporting year. The consolidated financial statements and the management report on the Group were audited by KPMG AG Wirtschaftsprüfungsgesellschaft and received an unqualified audit opinion.

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ThyssenKrupp csa Siderúrgica do Atlântico, Santa Cruz, Brazil

A new steel mill has been built in Sepetiba Bay in Rio de Janeiro state in Brazil. Its statistics are impressive. The mill will produce five million tons of steel a year and employ 3,500 people. It also points the way forward in terms of environmental protection. For ThyssenKrupp the new steel mill is a once-in-a-century project. For the region around the mill too, its opening marks the start of a successful future, not just for the people who work there.

*Literacy programs,
training schemes and
apprenticeship programs*



*Creation of a technical academy
in Itaguai municipality*



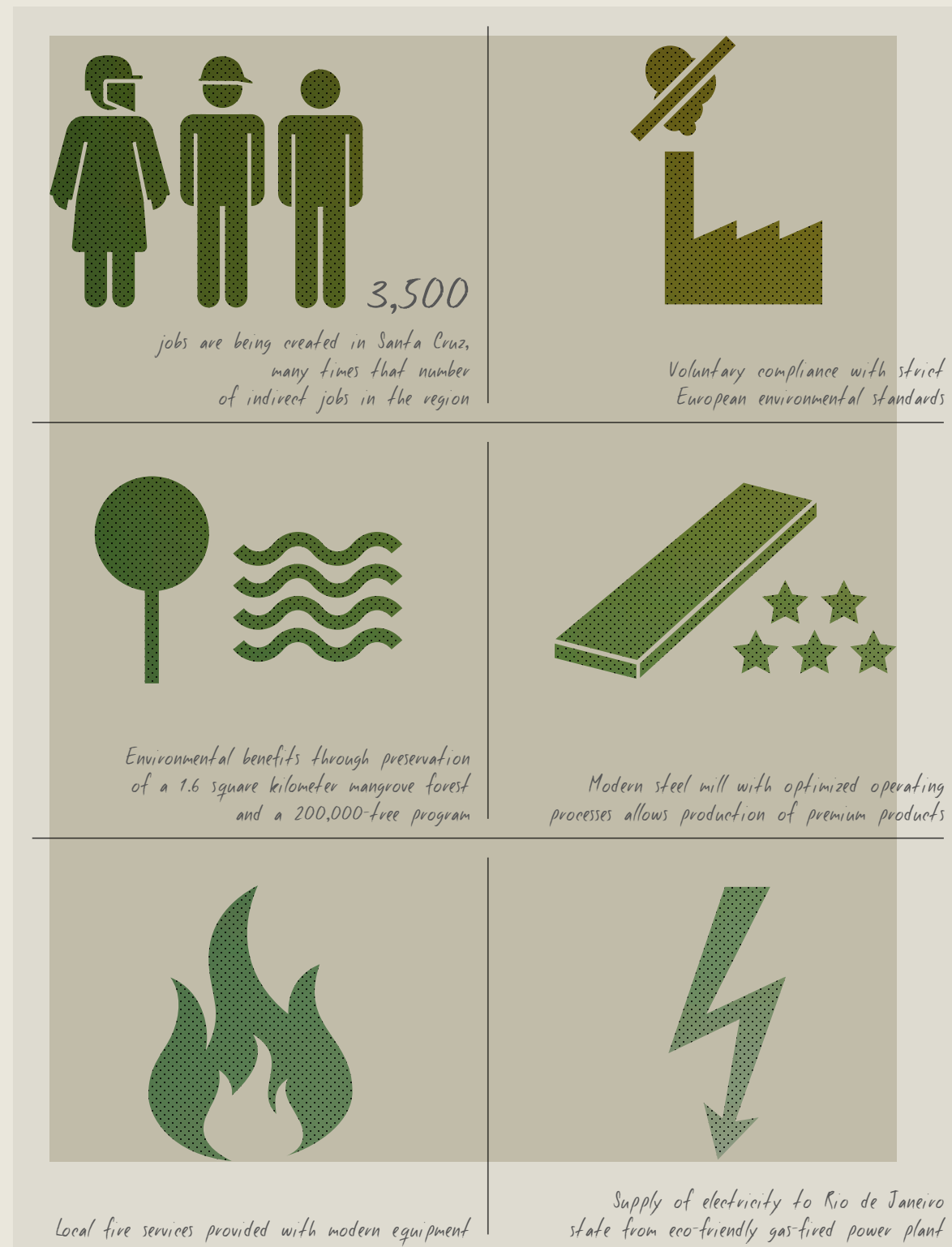
*Cooperation and knowledge
exchange with universities
to connect teaching and industry*



*Building of a quay,
cold store and fish farm
to support local fishermen*



*Strengthening of economic power
and prosperity in the region*



**Creating
momentum**



ThyssenKrupp AG

Consolidated statement of financial position

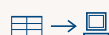
ASSETS million €

	Note	Sept. 30, 2009	Sept. 30, 2010
Intangible assets	04	4,642	4,651
Property, plant and equipment	05, 29	13,793	16,322
Investment property	06	341	337
Investments accounted for using the equity method	07	480	522
Other financial assets	11	94	127
Other non-financial assets	12	455	200
Deferred tax assets	31	638	590
Total non-current assets		20,443	22,749
Inventories	09	6,735	8,262
Trade accounts receivable	10	5,120	5,882
Other financial assets	11	1,253	685
Other non-financial assets	12	1,724	1,646
Current income tax assets		252	315
Cash and cash equivalents		5,349	3,380
Assets held for sale	03	491	793
Total current assets		20,924	20,963
Total assets		41,367	43,712

EQUITY AND LIABILITIES million €

	Note	Sept. 30, 2009	Sept. 30, 2010
Capital stock		1,317	1,317
Additional paid in capital		4,684	4,684
Retained earnings*		3,643	3,703
Cumulative other comprehensive income*		(296)	192
thereof relating to disposal groups (Sept. 30, 2009: (12); Sept. 30, 2010: 0)			
Treasury stock		(1,421)	(1,396)
Equity attributable to ThyssenKrupp AG's stockholders		7,927	8,500
Non-controlling interest		1,769	1,888
Total equity	13	9,696	10,388
Accrued pension and similar obligations	15	7,525	8,086
Other provisions	16	792	829
Deferred tax liabilities	31	307	139
Financial debt	17	7,160	6,157
Other financial liabilities	19	4	0
Other non-financial liabilities	20	46	23
Total non-current liabilities		15,834	15,234
Other provisions	16	2,040	1,778
Current income tax liabilities		794	532
Financial debt	17	305	1,278
Trade accounts payable	18	4,169	5,411
Other financial liabilities	19	1,585	1,641
Other non-financial liabilities	20	6,656	6,906
Liabilities associated with assets held for sale	03	288	544
Total current liabilities		15,837	18,090
Total liabilities		31,671	33,324
Total equity and liabilities		41,367	43,712

* Prior year figure adjusted.
See accompanying notes to the consolidated financial statements.



Download the tables at:
http://www.thyssenkrupp.com/financial-reports/09_10/en/

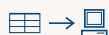
ThyssenKrupp AG

Consolidated statement of income

million €, earnings per share in €

	Note	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Net sales	24, 26	40,563	42,621
Cost of sales	04, 05	(36,905)	(36,259)
Gross margin		3,658	6,362
Selling expenses		(2,892)	(2,741)
General and administrative expenses		(2,471)	(2,277)
Other operating income	27	382	416
Other operating expenses	04, 28	(518)	(709)
Gain/(loss) on the disposal of subsidiaries, net		(5)	223
Income/(loss) from operations		(1,846)	1,274
Income from companies accounted for using the equity method		(29)	56
Interest income		263	344
Interest expense		(964)	(996)
Other financial income/(expense), net		212	457
Financial income/(expense), net	30	(518)	(139)
Income/(loss) before income taxes		(2,364)	1,135
Income tax (expense)/income	31	491	(208)
Net income/(loss)		(1,873)	927
Thereof:			
ThyssenKrupp AG's stockholders		(1,857)	824
Non-controlling interest		(16)	103
Net income/(loss)		(1,873)	927
Basic and diluted earnings per share based on	32		
Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)		(4.01)	1.77

See accompanying notes to the consolidated financial statements.



Download the tables at:

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ThyssenKrupp AG

Consolidated statement of comprehensive income

million €

	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Net income/(loss)	(1,873)	927
Foreign currency translation adjustment		
Change in unrealized gains/(losses), net	(44)	469
Net realized (gains)/losses	0	14
Net unrealized gains/(losses)	(44)	483
Unrealized gains/(losses) from available-for-sale financial assets		
Change in unrealized gains/(losses), net	7	0
Net realized (gains)/losses	0	0
Tax effect	0	1
Net unrealized gains/(losses)	7	1
Actuarial gains/(losses) from pensions and similar obligations		
Change in actuarial gains/(losses), net	(1,069)	(866)
Tax effect	353	219
Net actuarial gains/(losses) from pensions and similar obligations	(716)	(647)
Gains/(losses) resulting from asset ceiling		
Change in gains/(losses), net	3	(60)
Tax effect	0	15
Net gains/(losses) resulting from asset ceiling	3	(45)
Unrealized (losses)/gains on derivative financial instruments		
Change in unrealized gains/(losses), net	231	100
Net realized (gains)/losses	(9)	(35)
Tax effect	(69)	(20)
Net unrealized gains/(losses)	153	45
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(6)	6
Other comprehensive income	(603)	(157)
Total comprehensive income	(2,476)	770
Attributable to:		
ThyssenKrupp AG's stockholders	(2,449)	615
Non-controlling interest	(27)	155
Cumulative actuarial gains/(losses) from pensions and similar obligations as of year-end	(530)	(1,501)

See accompanying notes to the consolidated financial statements.



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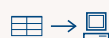
ThyssenKrupp AG

Consolidated statement of changes in equity

million € (except number of shares)

	Equity attributable to ThyssenKrupp AG's stockholders											
	Number of shares outstanding	Capital stock	Additional paid in capital	Retained earnings	Cumulative other comprehensive income				Treasury stock	Total	Non-controlling interest	Total equity
					Foreign currency translation adjustment	Available-for-sale financial assets	Derivative financial instruments	Share of investments accounted for using the equity method				
Balance as of Sept. 30, 2008	463,473,492	1,317	4,684	6,845	(283)	(2)	(130)	(3)	(1,421)	11,007	482	11,489
Net loss				(1,857)						(1,857)	(16)	(1,873)
Other comprehensive income				(714)	(46)	7	163	(2)		(592)	(11)	(603)
Total comprehensive income				(2,571)	(46)	7	163	(2)		(2,449)	(27)	(2,476)
Profit attributable to non-controlling interest										0	(47)	(47)
Dividend payment				(603)						(603)	0	(603)
Share-based compensation				2						2	0	2
Other changes				(30)						(30)	1,361	1,331
Balance as of Sept. 30, 2009	463,473,492	1,317	4,684	3,643	(329)	5	33	(5)	(1,421)	7,927	1,769	9,696
Net income				824						824	103	927
Other comprehensive income				(697)	456	0	17	15		(209)	52	(157)
Total comprehensive income				127	456	0	17	15		615	155	770
Profit attributable to non-controlling interest										0	(44)	(44)
Dividend payment				(139)						(139)	0	(139)
Treasury stock sold	920,845			(7)					28	21	0	21
Tax effects on income and expense directly recognized in equity				3					(3)	0	0	0
Share-based compensation				(7)						(7)	0	(7)
Other changes				83						83	8	91
Balance as of Sept. 30, 2010	464,394,337	1,317	4,684	3,703	127	5	50	10	(1,396)	8,500	1,888	10,388

See accompanying notes to the consolidated financial statements.



Download the tables at:

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ThyssenKrupp AG

Consolidated statement of cash flows

million €

	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Operating:		
Net income/(loss)	(1,873)	927
Adjustments to reconcile net income/(loss) to operating cash flows:		
Deferred income taxes, net	(719)	158
Depreciation, amortization and impairment of non-current assets	1,857	1,446
Reversals of impairment losses of non-current assets	(3)	(9)
(Income)/loss from companies accounted for using the equity method, net of dividends received	43	(53)
(Gain)/loss on disposal of non-current assets	(30)	(224)
Changes in assets and liabilities, net of effects of acquisitions and divestitures:		
- inventories	2,680	(1,445)
- trade accounts receivable	2,538	(696)
- accrued pension and similar obligations	(21)	(317)
- other provisions	578	(220)
- trade accounts payable	(1,504)	1,231
- other assets/liabilities not related to investing or financing activities	153	70
Operating cash flows	3,699	868
Investing:		
Purchase of investments accounted for using the equity method and non-current financial assets	(43)	(52)
Expenditures for acquisitions of consolidated companies*	(24)	(53)
Cash and cash equivalents acquired from acquisitions of consolidated companies	2	3
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(3,821)	(3,299)
Capital expenditures for intangible assets (inclusive of advance payments)	(191)	(109)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	59	3
Proceeds from disposals of previously consolidated companies	6	479
Cash and cash equivalents of disposed consolidated companies	(5)	(5)
Proceeds from disposals of property, plant and equipment and investment property	121	71
Proceeds from disposals of intangible assets	18	4
Cash flows from investing activities	(3,878)	(2,958)
Financing:		
Proceeds from issuance of bonds	2,986	0
Repayment of bonds	(500)	0
Proceeds from liabilities to financial institutions	3,245	788
Repayments of liabilities to financial institutions	(2,529)	(951)
Proceeds from notes payable and other loans	39	13
Decrease in bills of exchange	(16)	(3)
Decrease of liabilities due to sales of receivables not derecognized from the balance sheet	(3)	0
Decrease/(increase) in current securities	(48)	190
Proceeds from non-controlling interest to equity	465	500
Proceeds from treasury shares sold	0	8
Payment of ThyssenKrupp AG dividend	(603)	(139)
Profit attributable to non-controlling interest	(47)	(44)
Expenditures for acquisitions of shares of already consolidated companies	(159)	(13)
Other financing activities	(6)	(94)
Cash flows from financing activities	2,824	255
Net increase/(decrease) in cash and cash equivalents	2,645	(1,835)
Effect of exchange rate changes on cash and cash equivalents	5	133
Cash and cash equivalents at beginning of year	2,725	5,375
Cash and cash equivalents at end of year	5,375	3,673
[thereof cash and cash equivalents within the disposal groups]	[26]	[293]
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows:		
Interest received	149	225
Interest paid	(342)	(539)
Dividends received	18	14
Income taxes received/(paid)	164	(282)

* Prior year figure adjusted due to the adoption of the revised IAS 7
See Note 34 to the consolidated financial statements.

ThyssenKrupp AG

Notes to 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, 2010, were authorized for issuance in accordance with a resolution of the Executive Board on November 08, 2010.

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 206 (2008/2009: 226) domestic and 513 (2008/2009: 518) foreign-controlled entities that are consolidated. During the fiscal year 2009/2010, 27 entities were consolidated for the first time. During the same period, the scope of consolidation was reduced by 57 entities of which 39 resulted from the internal merging of Group entities.

25 (2008/2009: 33) 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 0.02%, their income/(loss) before tax amounts to 0.01% and their total equity amounts to 0.02% 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 12 (2008/2009: 16) Associated Companies and 19 (2008/2009: 20) Joint Ventures that are accounted for using the equity method of accounting. Another 22 (2008/2009: 24) 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 before tax of the immaterial Associated Companies amounts to 0.75% and their total equity to 0.74% of the Group's respective balances.

A complete listing of the Group's subsidiaries and equity interests is presented in Note 37.

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	
	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
US Dollar	1.47	1.37	1.35	1.36
Canadian Dollar	1.57	1.41	1.59	1.41
Pound Sterling	0.91	0.86	0.87	0.87
Brazilian Real	2.61	2.32	2.88	2.40

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 calculated by dividing net income/(loss) attributable to ThyssenKrupp AG's shareholders by the weighted average number of shares outstanding. Shares sold 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 06.

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 04.

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 22.

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 other comprehensive income

The equity line item "Cumulative other comprehensive income" 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 other comprehensive income 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 comprehensive income.

As far as the fair value of plan assets related to pensions or similar obligations exceeds the corresponding obligation, the recognition of an asset in respect to such surplus is limited. As far as in connection with plan assets minimum funding requirements related to past service exist, an additional liability may need to be recognized in case the economic benefit of a surplus – already taking into account the contributions to be made in respect of the minimum funding requirements – is limited. The limit is determined by unrecognized past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan (asset ceiling).

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. Furthermore for the 2009/2010 fiscal year, a portion of the variable compensation is granted as share appreciation rights to the Executive Board members of ThyssenKrupp AG. For both types of compensation, 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 14.

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 25.

Recently adopted accounting standards

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

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

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

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

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

In March 2009 the IASB issued “Embedded Derivatives” which amends IFRIC 9 “Reassessment of Embedded Derivatives” and IAS 39 “Financial Instruments”. The amendments clarify the accounting treatment of embedded derivatives for entities that make use of the reclassification of financial instruments. The application of the amendments is compulsory for fiscal years beginning on or after June 30, 2009 and has to be applied retrospectively. Currently, Management does not expect the adoption of the amendments to have a material impact on the Group’s consolidated financial statements.

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

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

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

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

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

Recently issued accounting standards

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

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

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

In November 2009 the IASB issued an amendment to IFRIC 14, which is itself an interpretation of IAS 19 “Employee Benefits”, titled “Prepayments of a Minimum Funding Requirement”. The amendment applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The application of the amended interpretation is compulsory for fiscal years beginning on or after January 01, 2011, while earlier application is permitted for 2009 year-end financial statements. Currently, Management does not expect the adoption of the interpretation – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

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

In May 2010 the IASB issued the third omnibus standard “Improvements to IFRSs” as part of its annual improvement process project. This standard slightly adjusts six standards and one interpretation. Unless otherwise specified, the amendments are effective for fiscal years beginning on or after January 01, 2011, while earlier application is permitted. Currently, Management does not expect the adoption of the amended standards and interpretation – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

In October 2010 the IASB issued amendments to IFRS 7 “Financial Instruments: Disclosures”. The amendments will allow users of financial statements to improve the understanding of transfer transactions of financial assets. The application of the amendments is compulsory for fiscal years beginning on or after July 01, 2011, while earlier application is permitted. In the year of adoption comparative disclosure is not required. Currently, Management does not expect the adoption of the amendments – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

In October 2010 the IASB issued requirements on the accounting for financial liabilities which amend IFRS 9 “Financial Instruments” and complete the classification and measurement phase of the IASB’s project to replace IAS 39 “Financial Instruments: Recognition and Measurement”. With the new requirements, an entity choosing to measure liability at fair value will recognize the portion of the change in its fair value due to changes in the entity’s own credit risk in other comprehensive income within equity and not in profit and loss. The amendment to IFRS 9 is compulsory for fiscal years beginning on or after January 01, 2013. Earlier application is only permitted if the requirements in IFRS 9 that relate to financial assets are applied at the same time. Currently, Management does not expect the adoption of the amendment – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

02 Acquisitions and disposals

Year ended September 30, 2010

In the year ended September 30, 2010 the Group acquired companies that are, on an individual basis, immaterial. Based on the values as of the acquisition date, these acquisitions affected in total the Group’s consolidated financial statements as presented below:

million €

	Year ended Sept. 30, 2010	
	Carrying amounts as of acquisition date	Fair values as of acquisition date
	date	Adjustments
Goodwill	0	10
Other intangible assets	2	3
Property, plant and equipment	19	(3)
Deferred tax assets	0	1
Inventories	6	0
Trade accounts receivable	10	0
Cash and cash equivalents	3	0
Total assets acquired	40	11
Deferred tax liabilities	0	1
Other current provisions	1	0
Current financial debt	19	0
Trade accounts payable	6	0
Other current non-financial liabilities	3	0
Total liabilities assumed	29	1
Net assets acquired	11	10
Non-controlling interest		1
Purchase prices		20
thereof: paid in cash and cash equivalents		13
thereof: paid in equity instruments		7

In addition, in the year ended September 30, 2010 the Group sold ThyssenKrupp Industrieservice and ThyssenKrupp Safway of the Materials Services business area as part of the portfolio optimization. Both businesses were classified as disposal groups as of September 30, 2009 because the disposals had been initiated; consummation took place end of November 2009 and mid of December 2009, respectively. These two disposals, the disposal of HSY as well as the disposals of companies that were, on an individual basis, immaterial, affected in total the Group's consolidated financial statements as presented below based on the values as of the disposal date:

million €	Year ended Sept. 30, 2010
Goodwill	97
Other intangible assets	5
Property, plant and equipment	173
Investments accounted for using the equity method	1
Other non-current financial assets	3
Deferred tax assets	2
Inventories	32
Trade accounts receivable	179
Other current financial assets	10
Other current non-financial assets	20
Current income tax assets	6
Cash and cash equivalents	6
Total assets disposed of	534
Accrued pension and similar obligations	54
Other non-current provisions	23
Deferred tax liabilities	27
Non-current financial debt	2
Other current provisions	45
Current income tax liabilities	15
Current financial debt	45
Trade accounts payable	35
Other current financial liabilities	142
Other current non-financial liabilities	71
Total liabilities disposed of	459
Net assets disposed of	75
Cumulative other comprehensive income	13
Non-controlling interest	1
Gain/(loss) resulting from the disposals	223
Selling prices	310
thereof: received in cash and cash equivalents	310

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
Total assets acquired	39	29	68
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
Total liabilities assumed	39	2	41
Net assets acquired	0	27	27
Non-controlling interest			0
Purchase price (incl. incidental acquisition cost)			27
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
Total assets disposed of	28
Accrued pension and similar obligations	1
Other current provisions	6
Trade accounts payable	7
Other current non-financial liabilities	2
Total liabilities disposed of	16
Net assets disposed of	12
Non-controlling interest	3
Gain/(loss) resulting from the disposals	(5)
Selling prices	4
thereof: received in cash and cash equivalents	4

03 Disposal groups and single assets held for sale

As part of the portfolio optimization program, in fiscal year 2009/2010 as well as 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 of the respective fiscal year, the assets and liabilities of the disposal group have been disclosed separately in the consolidated balance sheet as of September 30 of this fiscal year as "assets held for sale" and "liabilities associated with assets held for sale".

Year ended September 30, 2010

In April 2010 the disposal of parts of the Marine Systems business area has been initiated as part of the portfolio optimization program. The transaction comprises on the one hand of the disposals of the Blohm + Voss Naval GmbH in the context of the formation of a 50:50 joint venture for the design and program management of naval vessels and on the other hand of the 100% disposal of Blohm + Voss Shipyards GmbH, operating in shipbuilding in particular of premium-segment yachts, and of an 80% stake in each of Blohm + Voss Repair GmbH and Blohm + Voss Industries GmbH, both engaged in ship repairing and the manufacturing of components. Additionally, the construction capacities for civil ship construction of former HDW Gaarden will be disposed of. In the context of the initiated disposal an impairment loss of €6 million on property, plant and equipment resulting from the write-down of the assets to fair value less costs to sell were recorded in cost of sales. With regard to the amounts that will be finally deconsolidated after the consummation of the transaction, the amounts presented in the following table as of September 30, 2010, are only preliminary.

million €	Sept. 30, 2010
Goodwill	120
Other intangible assets	11
Property, plant and equipment	51
Other non-current financial assets	7
Deferred tax assets	10
Inventories	48
Trade accounts receivable	58
Other current financial assets	24
Other current non-financial assets	69
Cash and cash equivalents	288
Assets held for sale	686
Accrued pension and similar obligations	125
Other non-current provisions	7
Deferred tax liabilities	29
Other non-current financial liabilities	4
Other current provisions	51
Current income tax liabilities	4
Current financial debt	12
Trade accounts payable	55
Other current financial liabilities	2
Other current non-financial liabilities	216
Liabilities associated with assets held for sale	505

End of September 2010, the Group initiated in Spain the disposal of the ThyssenKrupp Xervon S. A. in the Materials Services business area. The company provides industrial services with insulation and scaffolding. In the context of the initiated disposal an impairment loss of €2 million on goodwill was recognized in other operating expenses and an impairment loss of €1 million on property, plant and equipment was recognized in cost of sales, both resulting from the write-down of the assets to fair value less costs to sell. The assets and liabilities of the disposal as of September 30, 2010 are presented in the following table:

million €	Sept. 30, 2010
Property, plant and equipment	1
Deferred tax assets	1
Trade accounts receivable	8
Cash and cash equivalents	1
Assets held for sale	11
Deferred tax liabilities	1
Other current provisions	1
Current financial debt	6
Trade accounts payable	1
Other current non-financial liabilities	1
Liabilities associated with assets held for sale	10

The transaction has been consummated.

End of September 2010, the Group initiated the disposal of the Iranian company ThyssenKrupp Assanbar PJSC in the Elevator Technology business area. The company produces elevators as well as installs and maintains elevators and escalators. In the context of the initiated disposal an impairment loss of €3 million on goodwill was recognized in other operating expenses and impairment losses of €1 million on other intangible assets and of €1 million on property, plant and equipment were recognized in cost of sales, each resulting from the write-down of the assets to fair value less costs to sell. The assets and liabilities of the disposal as of September 30, 2010 are presented in the following table:

million €	Sept. 30, 2010
Deferred tax assets	1
Inventories	11
Trade accounts receivable	9
Other current non-financial assets	4
Cash and cash equivalents	4
Assets held for sale	29
Non-current financial debt	7
Other current provisions	1
Current income tax liabilities	1
Current financial debt	1
Trade accounts payable	4
Other current non-financial liabilities	15
Liabilities associated with assets held for sale	29

In addition to the assets attributable to the disposal group the line item “assets held for sale” includes property, plant and equipment of €67 million held for sale in the Steel Americas business area.

Year ended September 30, 2009

At the beginning of October 2009, the disposal of the ThyssenKrupp Industrieservice business was initiated in the former 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 tax assets	2
Inventories	7
Trade accounts receivable	55
Other current financial assets	1
Other current non-financial assets	2
Cash and cash equivalents	20
Assets held for sale	136
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
Liabilities associated with assets held for sale	90

The disposal was consummated end of November 2009.

Also in the former Services segment, the disposal of the American scaffolding services company ThyssenKrupp 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 non-current financial assets	2
Deferred tax assets	1
Inventories	14
Trade accounts receivable	97
Other current financial assets	4
Other current non-financial assets	3
Cash and cash equivalents	6
Assets held for sale	355
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
Liabilities associated with assets held for sale	198

The disposal was consummated mid of December 2009.

Notes to the consolidated statement of financial position

04 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	Additional information: Presentation of disposal groups
Gross amounts					
Balance as of Sept. 30, 2008	1,283	381	4,702	6,366	0
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)	
Reclassification due to the presentation as assets held for sale	(11)	0	(134)	(145)	145
Balance as of Sept. 30, 2009	1,349	488	4,593	6,430	145
Currency differences	34	30	162	226	8
Acquisitions/divestitures of businesses	(5)	(6)	49	38	(154)
Additions	32	60	3	95	1
Transfers	25	6	0	31	0
Disposals	(24)	(15)	0	(39)	0
Reclassification due to the presentation as assets held for sale	(30)	(1)	(125)	(156)	156
Balance as of Sept. 30, 2010	1,381	562	4,682	6,625	156
Accumulated amortization and impairment losses					
Balance as of Sept. 30, 2008	664	175	844	1,683	0
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)	
Reclassification due to the presentation as assets held for sale	(8)	0	(34)	(42)	42
Balance as of Sept. 30, 2009	743	254	791	1,788	42
Currency differences	19	10	28	57	2
Acquisitions/divestitures of businesses	(9)	(6)	55	40	(44)
Amortization expense	97	37	0	134	0
Impairment losses	3	5	5	13	0
Reversals of impairment losses	0	0	-	0	0
Transfers	0	0	0	0	0
Disposals	(22)	(11)	0	(33)	0
Reclassification due to the presentation as assets held for sale	(19)	(1)	(5)	(25)	25
Balance as of Sept. 30, 2010	812	288	874	1,974	25
Net amounts					
as of Sept. 30, 2008	619	206	3,858	4,683	0
as of Sept. 30, 2009	606	234	3,802	4,642	103
as of Sept. 30, 2010	569	274	3,808	4,651	131

Impairment of goodwill

Goodwill impairment losses are included in other operating expenses.

Neither in 2008/2009 nor in 2009/2010 the annual impairment test 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 2008/2009 the Steel Europe business area fully impaired in the ThyssenKrupp Steel Europe operating 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 Global business area in the ThyssenKrupp Nirosta operating 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 Components Technology business area in the Presta Steering and Bilstein group operating units capitalized development cost of €12 million were fully impaired because the recognition criteria of IAS 38 were no longer met.

In 2009/2010 the Components Technology business area impaired in the Presta Steering and Camshafts operating units capitalized development costs of €5 million 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 business areas. 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.

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 4.25% and a market risk premium of 5% and a debt capital of 2.4 percentage-points. 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 business area:

in %	After tax discount rate ranges	
	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Steel Europe	8.1 – 8.6	9.4
Steel Americas	8.4	8.8
Stainless Global	7.7 – 9.2	8.6 – 10.0
Materials Services	7.7 – 8.8	8.1 – 9.2
Elevator Technology	8.2 – 8.3	8.7
Plant Technology	7.1 – 10.8	8.8 – 10.6
Components Technology	6.8 – 9.6	6.6 – 8.7
Marine Systems	7.1	7.1
Corporate	7.8	7.5

The values in use for the CGUs 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.

32 CGUs were identified in the ThyssenKrupp Group, of which 24 report goodwill. Total goodwill as of October 01, 2009 amounts to €3,802 million. 64% of this goodwill relates to the CGUs Steel Europe, Special Services, Industrial Services, Americas and Marine Systems, as shown in the following table:

SIGNIFICANT GOODWILL

CGU (Business Area)	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
Steel Europe (Steel Europe)	313	8%	- Selling prices - Procurement prices - Business cycles	Internal estimates of sales and purchasing departments concerned and consideration of economic assumptions set by ThyssenKrupp AG (Markets & Politics) and external market studies
Special Services Industrial Services (Materials Services)	348	9%	- Selling prices - Procurement prices - Business cycles	Permanent market observation as well as consideration of outlook of business cycles and economic assumptions set by ThyssenKrupp AG (Markets & Politics), in particular development of cost, exchange rates and interest rates
Americas (Elevator Technology)	748	20%	- Procurement prices - Business cycles	Consideration of economic assumptions set by ThyssenKrupp AG (Markets & Politics) and external market studies
Marine Systems (Marine Systems)	1,041	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

For none of the CGUs a goodwill impairment resulted from the annual impairment test because the recoverable amount of all CGUs was higher than the respective carrying amount. The recoverable amount

of the CGUs ThyssenKrupp Nirosta and ThyssenKrupp Mexinox exceeded the carrying amount of the CGU by less than 10%.

CRITICAL GOODWILL

CGU (Business Area)	Carrying amount of CGU (million €)	Recoverable amount of CGU (million €)	Description of key assumptions of budgeting	Procedure used to determine key assumptions
ThyssenKrupp Nirosta (Stainless Global)	678	740	- Selling prices - Procurement prices - Market growth rates - Business cycles	Consideration of expected economic development taking into account the expected outlook of business cycles set by ThyssenKrupp AG and institutions such as Metalprices, Metal Bulletin, CRU, Trade Association Steel and additional studies
ThyssenKrupp Mexinox (Stainless Global)	182	194	- Selling prices - Procurement prices - Market growth rates - Business cycles	Consideration of expected economic development taking into account the expected outlook of business cycles set by ThyssenKrupp AG and institutions such as Metalprices, Metal Bulletin, CRU, Trade Association Steel and additional studies

A 10% increase in the discount rate would result in a goodwill impairment of €11 million in the CGU ThyssenKrupp Nirosta and of €7 million in the CGU ThyssenKrupp Mexinox, respectively. However, the Management of ThyssenKrupp believes in the case of both CGUs

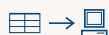
that no reasonably possible change in any of the key assumptions used in calculating the recoverable amount would cause the carrying amount of the respective CGU to exceed the respective recoverable amount.

The change in the carrying amount of goodwill (excluding goodwill of investments accounted for using the equity method) is as follows:

million €

	Steel Europe	Steel Americas	Stainless Global	Materials Services	Elevator Technology	Plant Technology	Components Technology	Marine Systems	Corporate	Total*
Balance as of Sept. 30, 2008	314	0	333	437	1,197	296	219	1,047	15	3,858
Currency differences	0	0	(2)	(6)	(20)	1	3	1	0	(23)
Acquisitions/(divestitures)	(1)	0	0	51	19	0	2	2	0	73
Additions	0	0	0	1	1	0	0	0	0	2
Disposals	0	0	0	0	(1)	0	0	(7)	0	(8)
Reclassification due to the presentation as assets held for sale	0	0	0	(100)	0	0	0	0	0	(100)
Balance as of Sept. 30, 2009	313	0	331	383	1,196	297	224	1,043	15	3,802
Currency differences	1	0	6	21	82	8	14	1	0	133
Acquisitions/(divestitures)	0	0	0	(15)	5	5	0	0	0	(5)
Additions	0	0	0	0	1	2	0	0	0	3
Reclassification due to the presentation as assets held for sale	0	0	0	0	0	0	0	(120)	0	(120)
Impairment	0	0	0	(2)	(3)	0	0	0	0	(5)
Balance as of Sept. 30, 2010	314	0	337	387	1,281	312	238	924	15	3,808

* excluding goodwill of investments accounted for using the equity method



Download the tables at:

http://www.thyssenkrupp.com/financial-reports/09_10/en/

05 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	Additional information: Presentation of disposal groups
Gross amounts								
Balance as of Sept. 30, 2008	5,288	15,576	2,438	240	16	3,229	26,787	0
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)	
Reclassification due to the presentation as assets held for sale	(9)	(12)	(299)	(1)	(3)	0	(324)	324
Balance as of Sept. 30, 2009	5,451	16,366	2,259	227	13	6,057	30,373	324
Currency differences	78	227	55	3	0	114	477	22
Acquisitions/divestitures of businesses	(211)	(57)	(34)	0	0	(6)	(308)	(348)
Additions	483	1,290	190	12	0	1,424	3,399	5
Transfers	363	3,804	9	4	0	(3,901)	(279)	0
Disposals	(94)	(354)	(174)	(11)	0	(9)	(642)	(3)
Reclassification due to the presentation as assets held for sale	(133)	(202)	(42)	0	0	(73)	(450)	377
Balance as of Sept. 30, 2010	5,937	21,074	2,263	235	13	3,606	33,128	377
Accumulated depreciation and impairment losses								
Balance as of Sept. 30, 2008	2,666	11,073	1,646	131	4	1	15,521	0
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)	
Reclassification due to the presentation as assets held for sale	(4)	(9)	(135)	(1)	(2)	0	(151)	151
Balance as of Sept. 30, 2009	2,908	11,893	1,634	136	2	7	16,580	151
Currency differences	24	147	30	1	0	0	202	9
Acquisitions/divestitures of businesses	(221)	(65)	(25)	0	0	(5)	(316)	(158)
Depreciation expense	141	871	194	19	1	0	1,226	0
Impairment losses	8	34	4	0	0	6	52	0
Reversals of impairment losses	(6)	0	0	(3)	0	0	(9)	0
Transfers	(9)	17	(23)	1	0	0	(14)	0
Disposals	(73)	(343)	(158)	(10)	0	0	(584)	(2)
Reclassification due to the presentation as assets held for sale	(108)	(182)	(35)	0	0	(6)	(331)	325
Balance as of Sept. 30, 2010	2,664	12,372	1,621	144	3	2	16,806	325
Net amounts								
as of Sept. 30, 2008	2,622	4,503	792	109	12	3,228	11,266	0
as of Sept. 30, 2009	2,543	4,473	625	91	11	6,050	13,793	173
as of Sept. 30, 2010	3,273	8,702	642	91	10	3,604	16,322	52

Impairment losses of property, plant and equipment are included in cost of sales.

In 2008/2009 impairment losses are mainly incurred in the context of the restructurings. The Steel Europe business area recorded impairments of €13 million in the Processing operating unit. €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 Global business area impairment losses of €91 million were recognized, mainly in the ThyssenKrupp Nirosta und Shanghai Krupp Stainless operating 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 Components Technology business area 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. This resulted in impairment losses of €136 million; thereof €8 million refers to land and buildings, €126 million to technical machinery and equipment and €2 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 in a range between 10.1% and 17.4% was used to calculate the values in use. Given the weak order situation in the Marine Systems business area, it was necessary to reduce overcapacities, resulting in significant impairment losses of €148 million; thereof €114 million refers to land and buildings, €30 million to technical machinery and equipment and €4 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 10.1% was used to calculate the values in use.

In 2009/2010 given the demand situation in the Components Technology business area, in the Forging group and Bilstein group operating units impairment losses of €32 million were recorded. €2 million of the total impairment relates to land and buildings, €29 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 11.6% and 13.1%, respectively, 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, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Land, leasehold rights and buildings including buildings on third-party land	94	99	44	46	50	53
Technical machinery and equipment	85	89	59	66	26	23
Other equipment, factory and office equipment	48	47	33	32	15	15
Assets under finance lease	227	235	136	144	91	91

Property, plant and equipment have been pledged as security for financial payables of €100 million (2009: €129 million).

06 Investment property

Changes in the Group's investment property were as follows:

million €

	2009	2010
Gross amounts		
Balance as of Sept. 30, 2008 and Sept. 30, 2009, respectively	506	493
Currency differences	0	0
Acquisitions/divestitures of businesses	0	0
Additions	1	1
Transfers	10	28
Disposals	(24)	(11)
Balance as of Sept. 30, 2009 and 2010, respectively	493	511
Accumulated depreciation and impairment losses		
Balance as of Sept. 30, 2008 and Sept. 30, 2009, respectively	149	152
Currency differences	0	0
Acquisitions/divestitures of businesses	0	0
Depreciation expense	2	1
Impairment losses	2	10
Reversals of impairment losses	0	0
Transfers	5	14
Disposals	(6)	(3)
Balance as of Sept. 30, 2009 and 2010, respectively	152	174
Net amounts		
as of Sept. 30, 2008	357	
Balance as of Sept. 30, 2009 and 2010, respectively	341	337

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, 2010, the total fair value of the Group's investment property is €423 million (2009: €436 million) of which €25 million (2009: €13 million) are based on valuations of external appraisers.

Additions which are disclosed in the gross amounts include subsequent expenditure of €0.1 million (2009: €0 million).

The lease of investment property resulted in rental income of €18 million (2008/2009: €20 million) and direct operating expense of €9 million (2008/2009: €10 million). Direct operating expense of €14 million (2008/2009: €6 million) resulted from investment property that does not generate rental income.

07 Investments accounted for using the equity method

Investments in associates

As of September 30, 2010, the carrying amount of investments in associates accounted for using the equity method is €58 million (2009: €59 million). The income of investments in associates accounted for using the equity method is €(3) million (2008/2009: €(15) 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, 2009	Sept. 30, 2010
Total assets	717	759
Total liabilities	521	572
	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Net sales	629	578
Net loss	(34)	(12)

In 2009/2010, the unrecognized share of losses of an associate accounted for using the equity method amounts to €222 thousand (2008/2009: €2 thousand). The cumulative unrecognized losses amount to €224 thousand (2008/2009: €27 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, 2009	Sept. 30, 2010
Current assets	641	698
Non-current assets	418	430
Current liabilities	404	399
Non-current liabilities	327	339
	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Net sales	1,730	1,431
Net income	20	40

The associates and joint ventures are included in the list of the Group's subsidiaries and equity interests investments which is presented in Note 37.

08 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, 2009	Sept. 30, 2010
Not later than one year	24	24
Between one and five years	37	31
Later than five years	30	24
Total	91	79

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 2009/2010 (2008/2009: 0).

09 Inventories

million €		
	Sept. 30, 2009	Sept. 30, 2010
Raw materials	1,362	2,057
Supplies	466	500
Work in process	1,953	2,349
Finished products, merchandise	2,954	3,356
Total	6,735	8,262

Inventories of €1,244 million (2009: €2,099 million) are carried at net realizable value. Inventories of €14 million (2009: €5 million) have a remaining term of more than 1 year. Inventories of €36,259 million (2009: €36,905 million) are recognized as an expense during the period. Included in cost of sales are write-downs of inventories of €109 million (2009: €317 million).

10 Trade accounts receivable

million €		
	Sept. 30, 2009	Sept. 30, 2010
Receivables from sales of goods and services	4,441	5,267
Amounts due from customers for construction work	679	615
Total	5,120	5,882

Receivables from the sales of goods and services in the amount of €732 million (2009: €722 million) have a remaining term of more than 1 year. As of September 30, 2010 cumulative impairment losses of €491 million (2009: €510 million) are recognized for doubtful accounts.

As of the reporting date trade accounts receivable were as follows:

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, 2009	5,120	4,269	323	107	77	88	79	45	132
Sept. 30, 2010	5,882	4,975	364	110	65	105	55	47	161

Amounts due from customers for construction work are calculated as follows:

million €

	Sept. 30, 2009	Sept. 30, 2010
Contract costs incurred and recognized contract profits (less recognized losses)	3,318	2,374
Less advance payments received	(2,639)	(1,759)
Total	679	615

Advanced payments received are collateralized by assets of €177 million (2009: €99 million). Sales from construction contracts of €6,101 million were recognized in the period (2008/2009: €7,276 million).

The Group primarily sells credit insured trade accounts receivable under existing programs on a revolving basis as well as under one-time transactions.

The amount of receivables sold and derecognized from the balance sheet as of September 30, 2010, was €341 million (2009: €836 million), resulting in net proceeds in the amount of €339 million (2008/2009: €816 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 €16 million (2009: €73 million) as of September 30, 2010. Continuing involvement primarily resulting from the dilution reserve was 0 (2009: €19 million) as of September 30, 2010.

11 Other financial assets

million €

	Sept. 30, 2009		Sept. 30, 2010	
	current	non-current	current	non-current
Loans and receivables	724	30	350	56
Available-for-sale financial assets	170	64	9	71
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	245	—	172	—
Derivatives that qualify for hedge accounting	114	—	154	—
Total	1,253	94	685	127

Other financial assets in the amount of €157 million (2009: €122 million) have a remaining term of more than 1 year. As of September 30, 2010 cumulative impairments amount to €41 million (2009: €60 million) regarding current other financial assets and €44 million (2009: €51 million) regarding non-current other financial assets.

As of the reporting date other financial assets were as follows:

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, 2009	1,347	1,270	2	1	0	1	1	1	71
Sept. 30, 2010	812	757	5	2	0	1	1	2	44

12 Other non-financial assets

million €

	Sept. 30, 2009		Sept. 30, 2010	
	current	non-current	current	non-current
Advance payments on intangible assets	—	24	—	20
Advance payments on property, plant and equipment	—	431	—	180
Advance payments to suppliers of inventories	771	—	556	—
Other advance payments and prepayments	200	—	204	—
Reimbursement rights	76	—	94	—
Others	677	—	792	—
Total	1,724	455	1,646	200

Other non-financial assets in the amount of €35 million (2009: €43 million) have a remaining term of more than 1 year. As of September 30, 2010 cumulative impairments amount to €23 million (2009: €19 million) regarding current other non-financial assets and €3 million (2009: 0) regarding non-current other non-financial assets.

13 Total equity

€2 million, €2 million and €7 million of the balance of cumulative other comprehensive income result from associates as of Sept. 30, 2008, Sept. 30, 2009 and Sept. 30, 2010, respectively. €5 million (2008/2009: 0) of the changes of cumulative other comprehensive income result from associates.

The following table shows the changes of the foreign currency translation adjustment which is part of cumulative other comprehensive income:

million €

	Foreign currency translation adjustment
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)
Change in unrealized gains/(losses), net	457
Net realized (gains)/losses	14
Balance as of Sept. 30, 2010	138

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 464,394,337 outstanding as of September 30, 2010 and 463,473,492 outstanding as of September 30, 2009, 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, actuarial gains and losses as well as in the previous year 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.

In the context of the settlement of the Group's Share Purchase Program of fiscal year 2007/2008, as of December 02, 2009, 350,924 treasury shares were sold to the beneficiaries of the first tranche and as of March 04, 2010, 40,793 treasury shares were sold to the beneficiaries of the second tranche at a price of €24.62 per share. Another 529,128 treasury shares were sold at a price of €22.09 per share in the context of the German employee share purchase program. All prices stated before represent the basis for the discounted selling price.

After the two acquisitions in 2007/2008, the treasury share acquisition in 2005/2006 and the three sales of treasury shares in the context of the employee share programs in 2009/2010, ThyssenKrupp AG holds 50,094,707 treasury shares in total as of September 30, 2010, representing approximately 9.7% of the capital stock.

Management of capital

As of September 30, 2010, the equity ratio reached 23.8% (2009: 23.4%). 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	BB+	B	Stable
Moody's	Baa3	Prime-3	Negative
Fitch	BBB-	F3	Stable

In the preceding fiscal year the rating of ThyssenKrupp had been lowered to BB+ by the rating agency Standard & Poor's, meaning ThyssenKrupp has no longer an investment grade status with Standard & Poor's. At Moody's and Fitch our rating remains investment grade. To regain the investment grade status is a major target of ThyssenKrupp. 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 21, 2010, ThyssenKrupp is authorized through January 20, 2015, to purchase treasury stock for certain defined purposes up to a total of 10% of the capital stock at the time of the resolution. Treasury stock can also be purchased by using equity derivatives (put or call options or a combination of both).

Dividend proposal

The Executive Board and Supervisory Board have agreed to propose to the Annual General Meeting a dividend in the amount of €0.45 per share entitled to dividend to be distributed from unappropriated net income of the stand-alone entity ThyssenKrupp AG for fiscal 2009/2010 as determined in conformity with the principles of the German Commercial Code (HGB). This would result in a dividend payout of €209 million in total.

14 Share-based compensation

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 former segment lead companies as well as several other selected executive employees. Today besides the Executive Board members of ThyssenKrupp AG and of the business areas, management board members and selected executives of large Group companies are plan

participants. As of September 30, 2010, 213,266 stock rights were issued in the 6th installment, 532,575 stock rights in the 7th installment and 373,363 stock rights in the 8th 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, 2009 and as of September 30, 2010, respectively:

Year ended Sept. 30, 2009

	5th installment	6th installment	7th installment
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011
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%
Fair value as of Sept. 30, 2009			
- without caps	€23.50	€23.16	€22.85
- with caps	€23.50	€23.16	€22.85

Year ended Sept. 30, 2010

	6th installment	7th installment	8th installment
	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2012
Maturity	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2012
Averaging period	Oct. 01 to Dec. 31, 2010	Oct. 01 to Dec. 31, 2011	Oct. 01 to Dec. 31, 2012
ThyssenKrupp stock price as of balance sheet date	€23.92	€23.92	€23.92
Assumed dividend payment(s) per stock until maturity	—	€0.45 on Jan. 24, 2011	€0.45 on Jan. 24, 2011 €0.50 on Jan. 23, 2012
Average dividend yield	—	1.71%	1.91%
Average interest rate (averaging period)	0.76%	1.32%	1.52%
Fair value as of Sept. 30, 2010			
- without caps	€23.89	€23.42	€22.92
- with caps	€23.89	€23.42	€22.92

In the 2nd quarter of 2009/2010, the 5th installment of the mid-term incentive plan expired without any payment due to a downtrend of ThyssenKrupp EVA. 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 total, the Group recorded an expense of €4.4 million from the mid-term incentive plan in 2009/2010 (2008/2009: income of €19.4 million). The liability arising from the mid-term incentive plan amounts to €4.4 million as of September 30, 2010 (2009: 0).

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 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 until the fiscal year 2009/2010. After the first tranche of the Group's Share Purchase Program of fiscal year 2007/2008 had been settled with the purchase of 350,924 ThyssenKrupp shares at a discount by the beneficiaries in December 2009, the second tranche of the Group's Share Purchase Program was settled with the purchase of 40,793 ThyssenKrupp shares at a discount in March 2010. The Group recorded compensation expense from the Program of €0.9 million in 2009/2010 having already recognized expenses of €3.0 million in 2008/2009 and of €9.4 million in 2007/2008, respectively. As of September 30, 2010, no obligation results from the Program. As of September 30, 2009 the obligation amounted to €12.4 million; thereof €6.7 million were recognized in equity.

In September 2010 the structure of the variable compensation for members of the Executive Board of ThyssenKrupp AG was modified. 25% of the performance bonus granted for each fiscal year will now be converted into ThyssenKrupp AG stock appreciation rights to be paid out after a three-year lock-up period. The number of stock appreciation rights is calculated by dividing 25% of the performance bonus by the average ThyssenKrupp share price in the 4th quarter of the fiscal year for which the performance bonus is granted. After expiration of three fiscal years, the payout amount is calculated by multiplying the number of stock appreciation rights by the average ThyssenKrupp share price in the 4th quarter of the 3rd fiscal year. In addition, for each stock appreciation right the dividend

amount which would have been paid for these three fiscal years is also paid out. Insofar as the Executive Board members of ThyssenKrupp AG are granted an additional bonus alongside the performance bonus, as in 2009/2010, 55% of this additional bonus will also be converted into stock appreciation rights and treated in accordance with the performance bonus model. The Group recorded expenses of €3 million (2008/2009: 0) associated with this compensation component; the resultant obligation as of September 30, 2010 amounts to €3 million (2009: 0).

Employee share purchase program

In the 3rd quarter of 2009/2010, the Group primarily offered eligible members of its domestic 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 €6.1 million. In 2008/2009 these programs had not been offered.

15 Accrued pension and similar obligations

million €	Sept. 30, 2009	Sept. 30, 2010
Accrued pension liability	6,068	6,669
Accrued postretirement obligations other than pensions	1,076	1,257
Other accrued pension-related obligations	393	285
Reclassification due to the presentation as liabilities associated with assets held for sale	(12)	(125)
Total	7,525	8,086

Accrued pension and similar obligations in the amount of €7,455 million (2009: €6,916 million) have a remaining term of more than 1 year.

Accrued pension liability

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.

Changes in defined benefit obligations and plan assets

The reconciliation of the changes in the defined benefit obligations and the fair value of plan assets are as follows:

million €

	Sept. 30, 2009		Sept. 30, 2010	
	Germany	Outside Germany	Germany	Outside Germany
Change in defined benefit obligations (DBO):				
DBO at beginning of fiscal year	5,013	1,925	5,712	2,042
Service cost	60	25	69	31
Interest cost	324	120	287	111
Participant contributions	0	9	0	9
Past service cost	22	0	2	13
Actuarial (gains)/losses	706	232	672	164
Acquisitions/(divestitures)	0	0	(16)	(34)
Curtailments and settlements	0	(43)	0	(1)
Termination benefits	8	8	0	0
Currency differences	0	(90)	0	158
Benefit payments	(421)	(157)	(418)	(151)
Others	0	13	0	14
DBO at end of fiscal year	5,712	2,042	6,308	2,356
Change in plan assets:				
Fair value of plan assets at beginning of fiscal year	180	1,544	179	1,513
Expected return on plan assets	11	102	13	106
Actuarial gains/(losses)	(2)	(21)	(6)	66
Acquisitions/(divestitures)	0	0	(4)	0
Employer contributions	0	115	31	140
Participant contributions	0	9	0	9
Settlements	0	(34)	0	0
Currency differences	0	(73)	0	123
Benefit payments	(10)	(142)	0	(130)
Others	0	13	0	13
Fair value of plan assets at end of fiscal year	179	1,513	213	1,840

As of the balance sheet date, defined benefit obligations related to plans that are wholly unfunded amount to €6,023 million (2009: €5,523 million) and defined benefit obligations that relate to plans that are wholly or partly funded amount to €2,641 million (2009: €2,231 million).

Actual return which amounts to €179 million (2009: €90 million) is calculated as the total of expected return on plan assets and actuarial gains and losses, respectively.

Funded status and net amount recognized

The following represents the funded status of these plans resulting from the difference of defined benefit obligations and fair value of plan assets including a reconciliation to the net amount recognized:

million €

	Sept. 30, 2009		Sept. 30, 2010	
	Germany	Outside Germany	Germany	Outside Germany
Funded status at end of fiscal year	(5,533)	(529)	(6,095)	(516)
Not recognized as an asset due to asset ceiling	0	0	0	5
Unrecognized past service cost	0	(1)	0	(62)
Net amount recognized	(5,533)	(530)	(6,095)	(573)
Amounts recognized in the consolidated balance sheets consist of:				
Other non-financial assets	0	5	0	1
Accrued pension liability	(5,533)	(535)	(6,095)	(574)
Net amount recognized	(5,533)	(530)	(6,095)	(573)

Net periodic pension cost

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

million €

	Year ended Sept. 30, 2009		Year ended Sept. 30, 2010	
	Germany	Outside Germany	Germany	Outside Germany
Service cost	60	25	69	31
Interest cost	324	120	287	111
Expected return on plan assets	(11)	(102)	(13)	(106)
Past service cost	22	0	2	7
Settlement and curtailment loss/(gain)	0	(7)	0	(1)
Termination benefit expense	8	8	0	0
Net periodic pension cost	403	44	345	42

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, 2009		Sept. 30, 2010	
	Germany	Outside Germany	Germany	Outside Germany
Weighted-average assumptions:				
Discount rate	5.25	5.24	4.10	4.47
Expected return on plan assets	6.00	7.00	6.00	6.73
Rate of compensation increase	2.50	1.91	2.50	1.86

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, 2009	Sept. 30, 2010	Sept. 30, 2011
Equity securities	39%	35%	30-45%
Debt securities	54%	56%	45-60%
Real estate/other	7%	9%	0-10%
Total	100%	100%	

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 2010/2011 is €80 million related to its funded plans, all of which is expected to be as cash contributions.

Pension benefit payments

In fiscal year 2009/2010, pension benefit payments to the Group's German and Non-German plans were €418 million (2008/2009: €421 million) and €151 million (2008/2009: €157 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)		
2010/2011	434	137
2011/2012	432	139
2012/2013	430	133
2013/2014	426	134
2014/2015	424	138
2015/2016-2019/2020	2,039	701
Total	4,185	1,382

Multi-year overview

Amounts recognized for the current and the previous periods for defined benefit pension plans are as follows:

	million €				
	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2010
Present value of defined benefit obligation	8,655	7,931	6,938	7,754	8,664
Fair value of plan assets	2,067	2,077	1,724	1,692	2,053
Surplus/(deficit) in the plans	(6,588)	(5,854)	(5,214)	(6,062)	(6,611)
Experience adjustments on plan liabilities	(52)	(89)	(47)	25	65
Experience adjustments on plan assets	13	44	(345)	(23)	60

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 €119 million (2008/2009: €140 million). Thereof, €78 million (2008/2009: €84 million) were related to multi-employer plans. In addition, contributions paid to public/state pension insurance institutions amounted to €603 million (2008/2009: €617 million).

Accrued 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.

Changes in accumulated postretirement benefit obligations and reimbursement rights

The changes in accumulated postretirement benefit obligations and reimbursement rights are as follows:

million €	Sept. 30, 2009 USA/Canada	Sept. 30, 2010 USA/Canada
Change in accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation at beginning of fiscal year	1,013	1,040
Service cost	8	6
Interest cost	66	58
Past service cost	(53)	(52)
Actuarial (gains)/losses	109	102
Curtailments and settlements	(24)	0
Currency differences	(33)	81
Benefit payments	(46)	(47)
Accumulated postretirement benefit obligation at end of fiscal year	1,040	1,188
Change in reimbursement rights relating to postretirement benefits:		
Fair value of reimbursement rights at beginning of fiscal year	83	76
Expected return on reimbursement rights	(4)	5
Actuarial gains/(losses)	1	12
Employer contributions	3	0
Currency differences	(1)	6
Benefit payments	(6)	(5)
Others	0	0
Fair value of reimbursement rights at end of fiscal year	76	94

Funded status and net amount recognized

The following represents the funded status of these plans including the reconciliation to the net amount recognized:

million €	Sept. 30, 2009 USA/Canada	Sept. 30, 2010 USA/Canada
Funded status at end of fiscal year	(1,040)	(1,188)
Unrecognized past service cost	(36)	(69)
Net amount recognized for postretirement obligations other than pensions	(1,076)	(1,257)

Net periodic postretirement benefit cost

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

million €		
	Year ended Sept. 30, 2009 USA/Canada	Year ended Sept. 30, 2010 USA/Canada
Service cost	8	6
Interest cost	66	58
Expected return on reimbursement rights	4	(5)
Past service cost	(31)	(21)
Settlement and curtailment loss/(gain)	(24)	0
Net periodic postretirement benefit cost	23	38

Assumptions

The determination of the accumulated postretirement benefit obligations is based on the following weighted average assumptions:

in %	Sept. 30, 2009 USA/Canada	Sept. 30, 2010 USA/Canada
Weighted-average assumptions:		
Discount rate	5.50	4.77
Health care cost trend rate for the following year	9.80	9.78
Ultimate health care cost trend rate (expected in 2032)	5.00	5.00

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	7	(6)
Effect on postretirement benefit obligation	167	(137)

Multi-year overview

Amounts recognized for the current and the previous period for postretirement obligations other than pensions are as follows:

million €	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2010
Present value of defined benefit obligation	1,122	893	1,013	1,040	1,188
Fair value of reimbursement rights	90	67	83	76	94
Surplus/(deficit)	(1,122)	(893)	(1,013)	(1,040)	(1,188)
Experience adjustments on plan liabilities	(33)	13	(41)	(1)	11
Experience adjustments on reimbursement rights	31	0	0	1	1

Other accrued pension related obligations

In particular 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 €209 million (2009: €283 million) were recognized in accordance with IAS 19 "Employee Benefits".

16 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	Additional information: Presentation of disposal groups
Balance as of Sept. 30, 2009	433	310	521	715	235	34	182	402	2,832	64
Currency differences	23	9	14	3	0	0	7	8	64	5
Acquisitions/ (divestitures)	(48)	(13)	42	(23)	1	1	(7)	64	17	(47)
Additions	178	146	262	93	2	1	69	191	942	13
Accretion	0	0	0	10	(1)	2	2	2	15	0
Amounts utilized	(60)	(122)	(247)	(244)	(9)	(3)	(28)	(101)	(814)	(35)
Reversals	(61)	(62)	(28)	(124)	(15)	(3)	(23)	(73)	(389)	0
Reclassification due to the presentation as liabilities associated with assets held for sale	(13)	0	(7)	(5)	(1)	0	(33)	(1)	(60)	60
Balance as of Sept. 30, 2010	452	268	557	425	212	32	169	492	2,607	60

As of September 30, 2010, €1,778 million (2009: €2,040 million) of the total of other provisions are current, while €829 million (2009: €792 million) are non-current. Provisions of €613 million (2009: €711 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. With the exception of Steel Americas restructurings are being carried out in all business areas. The balance as of September 30, 2010, consists of €144 million within the Steel Europe business area, €121 million within the Components Technology business area and €58 million within the Stainless Global business area. The reversals of restructuring provisions in the fiscal year in the amount of €124 million result from adjustments to the planned restructuring measures due to the finalization of details of the measures during their implementation and to alternative courses of action arising in the fiscal year.

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.

17 Financial debt

CARRYING AMOUNTS in million €

	Sept. 30, 2009	Sept. 30, 2010
Bonds	4,483	3,736
Notes payable	479	479
Liabilities to financial institutions	2,003	1,846
Finance lease liabilities	70	64
Other loans	125	32
Non-current financial debt	7,160	6,157
Bonds	0	749
Liabilities to financial institutions	242	376
Acceptance payables	19	18
Finance lease liabilities	34	23
Other loans	10	112
Current financial debt	305	1,278
Financial debt	7,465	7,435

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 €100 million (2009: €129 million) is collateralized by real estate.

As of September 30, 2010, the financial debt reflects a total discount in the amount of €24 million (2009: €30 million), which is offset by a total premium in the amount of €8 million (2009: €12 million). Amortization of discounts and premiums of financial debt is included in "financial income/(expense), net".

In the context of the presentation of disposal groups financial debt of €26 million (2009: €139 million) were reclassified to the balance sheet line item "liabilities associated with assets held for sale".

BONDS, NOTES PAYABLE

	Carrying amount in million € Sept. 30, 2009	Carrying amount in million € Sept. 30, 2010	Notional amount in million € Sept. 30, 2010	Interest rate in %	Fair value in million € Sept. 30, 2010	Maturity Date
ThyssenKrupp Finance Nederland B.V. bond (€1,000 million) 2009/2013	1,009	1,006	1,000	6.750	1,081	02/25/2013
ThyssenKrupp Finance Nederland B.V. bond (€1,000 million) 2009/2016	988	990	1,000	8.500	1,173	02/25/2016
ThyssenKrupp AG bond (€750 million) 2004/2011	749	749	750	5.000	762	03/29/2011
ThyssenKrupp AG bond (€1,000 million) 2009/2014	988	991	1,000	8.000	1,136	06/18/2014
ThyssenKrupp AG bond (€750 million) 2005/2015	749	749	750	4.375	782	03/18/2015
ThyssenKrupp AG note loan (€100 million) 2008/2013	100	100	100	5.150	107	04/15/2013
ThyssenKrupp AG note loan (€150 million) 2008/2013	149	149	150	5.300	160	04/25/2013
ThyssenKrupp AG note loan (€150 million) 2008/2014	150	150	150	5.375	160	05/21/2014
ThyssenKrupp AG note loan (€80 million) 2008/2016	80	80	80	5.710	84	09/15/2016
Total	4,962	4,964	4,980		5,445	

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, 2010, 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, 2009	Carrying amount in million € Sept. 30, 2010	Amount thereof in Euro	Weighted average interest rate % Sept. 30, 2010	Amount thereof in USD	Weighted average interest rate % Sept. 30, 2010	Amount thereof in other currencies	Fair value in million € Sept. 30, 2010
Bilateral credits (at variable interest rates)	510	—	—	—	—	—	—	—
Other credits at variable interest rates	960	1,236	80	2.40	295	2.28	861	1,236
Credits at fixed interest rates	910	1,130	874	5.52	11	7.09	245	1,163
Total	2,380	2,366	954	5.25	306	2.45	1,106	2,399

As of September 30, 2010, 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 €2.2 billion. Of these facilities, 54% have a remaining term of more than 5 years and 46% a remaining term of up to 5 years. As of September 30, 2010, no cash loans were outstanding. In total the Group has available unused, committed credit lines amounting to €4.7 billion. The ten biggest banks together hold a share of 53%.

The Group's Commercial Paper Program also provides up to €1.5 billion in additional financing. As of September 30, 2010, the program was also 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, 2009			Sept. 30, 2010		
	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	40	6	34	29	6	23
Between one and five years	64	11	53	58	13	45
Later than five years	22	5	17	24	5	19
Total	126	22	104	111	24	87

Maturity of financial debt is as follows:

million €

	Total financial debt	thereof: Liabilities to financial institutions
(for fiscal year)		
2010/2011	1,278	376
2011/2012	278	238
2012/2013	1,825	561
2013/2014	1,683	526
2014/2015	937	177
Thereafter	1,434	344
Total	7,435	2,222

18 Trade accounts payable

Trade accounts payable in the amount of €45 million (2009: €41 million) have a remaining term of more than 1 year.

19 Other financial liabilities

million €

	Sept. 30, 2009		Sept. 30, 2010	
	current	non-current	current	non-current
Financial liabilities measured at amortized cost	1,389	4	1,437	0
Derivatives that do not qualify for hedge accounting	138	—	137	—
Derivatives that qualify for hedge accounting	58	—	67	—
Total	1,585	4	1,641	0

Other financial liabilities amounting to €2 million (2009: €8 million) have a remaining term of more than 1 year.

20 Other non-financial liabilities

million €

	Sept. 30, 2009		Sept. 30, 2010	
	current	non-current	current	non-current
Amounts due to customers for construction work	2,883	—	3,112	—
Advance payments	956	—	1,049	—
Selling and buying market related liabilities	725	—	798	—
Liabilities due to put options	22	—	13	—
Liabilities to the employees	717	—	793	—
Liabilities for social security	99	—	93	—
Deferred income	117	—	49	—
Tax liabilities (without income taxes)	347	—	329	—
Other	790	46	670	23
Total	6,656	46	6,906	23

Other non-financial liabilities amounting to €347 million (2009: €506 million) have a remaining term of more than 1 year.

Amounts due to customers for construction work are calculated as follows:

million €

	Sept. 30, 2009	Sept. 30, 2010
Contract costs incurred and recognized contract profits (less recognized losses)	5,881	7,086
Less advance payments received	(8,764)	(10,198)
Total	(2,883)	(3,112)

21 Contingencies and commitments

Contingencies

ThyssenKrupp AG 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, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Advance payment bonds	231	201	1	1
Performance bonds	80	82	0	1
Third party credit guarantee	39	40	0	0
Residual value guarantees	45	45	1	1
Other guarantees	48	45	2	0
Total	443	413	4	3

Guarantees include no (2009: €0 million) contingent liabilities of associates and €235 million (2009: €248 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 subsidiaries upon request of the principal debtor obligated by the underlying contractual relationship and are subject to recourse provisions in case of default. If such a principal debtor is a company owned fully or partially by a foreign third party, 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, and differ only insignificantly from the value ratio determined by the expert appointed by the Düsseldorf Regional 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 contractual partners, customers, consortium partners and subcontractors under performance contracts. Some of these claims have proven unfounded, have been ended by settlement or expired under the statute of limitations. A number of these proceedings 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 €322 million (2008/2009: €274 million) resulting from rental contracts, long-term leases and leasing contracts classified as operating leases was incurred in fiscal 2009/2010. It comprises as follows:

million €	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Minimum rental payments	276	320
Contingent rental payments	0	2
Less income from sublease agreements	(2)	0
Total	274	322

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, 2009	Sept. 30, 2010
Not later than one year	236	228
Between one and five years	552	523
Later than five years	382	315
Total	1,170	1,066

The future minimum rental income from non-cancelable sublease contracts amounting to €2 million (2008/2009: €5 million) is not included in the total of future minimum rental payments.

The commitment to enter into investment projects amounts to €1,276 million (2009: €3,028 million) as of September 30, 2010 and relates mainly to the Steel Europe, Steel Americas and Stainless Global business areas.

Payment commitments and obligations to make further contributions to corporations and cooperative associations exist in the total amount of €3 million (2009: €3 million). In addition, other financial commitments exist in the amount of €3,931 million (2009: €2,957 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 Europe and Steel Americas business areas as well as purchasing commitments resulting from the Group's electricity and gas supply contracts. In addition, in the Steel Europe and Steel Americas business areas 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 €22,099 million in total.

Under property and business interruption insurance policies, significant deductibles exist for some production units of the Steel Europe and Stainless Global business areas. One or more damages at these units could noticeably impact the Group's net assets, financial position and results of operations.

22 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, 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	Fair value recognized in equity	Amortized cost	
Trade accounts receivable, net (excluding finance lease)	5,112	5,112				5,112
Loans and receivables		5,112				5,112
Finance lease receivables	8				8	8
Other financial assets	1,347	805	245	297		1,347
Loans and receivables		754				754
Available-for-sale financial assets		51		183		234
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	5,349	5,349				5,349
Loans and receivables		5,349				5,349
Total of financial assets	11,816					
thereof by measurement categories of IAS 39:						
Loans and receivables	11,215	11,215				11,215
Available-for-sale financial assets	234	51		183		234
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	245		245			245
Financial debt (excluding finance lease)	7,361	7,361				7,695
Financial liabilities measured at amortized cost		7,361				7,695
Finance lease liabilities	104				104	104
Trade accounts payable	4,169	4,169				4,169
Financial liabilities measured at amortized cost		4,169				4,169
Other financial liabilities	1,589	1,393	138	58		1,589
Financial liabilities measured at amortized cost		1,393				1,393
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)			138			138
Derivatives that qualify for hedge accounting			0	58		58
Total of financial liabilities	13,223					
thereof by measurement categories of IAS 39:						
Financial liabilities measured at amortized cost	12,923	12,923				13,257
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)	138		138			138

million €

	Carrying amount on balance sheet Sept. 30, 2010	Measurement in accordance with IAS 39			Measurement in accordance with IAS 17	
		(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity	Amortized cost	Fair value Sept. 30, 2010
Trade accounts receivable, net (excluding finance lease)	5,877	5,877				5,877
Loans and receivables		5,877				5,877
Finance lease receivables	5				5	5
Other financial assets	812	467	176	169		812
Loans and receivables		406				406
Available-for-sale financial assets		61		19		80
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)			172			172
Derivatives that qualify for hedge accounting			4	150		154
Cash and cash equivalents	3,380	3,380				3,380
Loans and receivables		3,380				3,380
Total of financial assets	10,074					
thereof by measurement categories of IAS 39:						
Loans and receivables	9,663	9,663				9,663
Available-for-sale financial assets	80	61		19		80
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	172		172			172
Financial debt (excluding finance lease)	7,348	7,348				7,862
Financial liabilities measured at amortized cost		7,348				7,862
Finance lease liabilities	87				87	87
Trade accounts payable	5,411	5,411				5,411
Financial liabilities measured at amortized cost		5,411				5,411
Other financial liabilities	1,641	1,437	138	66		1,641
Financial liabilities measured at amortized cost		1,437				1,437
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)			137			137
Derivatives that qualify for hedge accounting			1	66		67
Total of financial liabilities	14,487					
thereof by measurement categories of IAS 39:						
Financial liabilities measured at amortized cost	14,196	14,196				14,710
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)	137		137			137

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.

Financial assets and liabilities measured at fair value could be categorized in the following three level fair value hierarchy:

million €

	Balance as of Sept. 30, 2009	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	245	0	245	0
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Available-for-sale financial assets	183	181	2	0
Derivatives that qualify for hedge accounting	114	0	114	0
Total	542	181	361	0
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	138	0	138	0
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Derivatives that qualify for hedge accounting	58	0	58	0
Total	196	0	196	0

million €

	Balance as of Sept. 30, 2010	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	172	0	172	0
Derivatives that qualify for hedge accounting	4	0	4	0
Fair value recognized in equity				
Available-for-sale financial assets	19	16	3	0
Derivatives that qualify for hedge accounting	150	0	150	0
Total	345	16	329	0
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	137	0	137	0
Derivatives that qualify for hedge accounting	1	0	1	0
Fair value recognized in equity				
Derivatives that qualify for hedge accounting	66	0	66	0
Total	204	0	204	0

The fair value hierarchy reflects the significance of the inputs used to determine fair values. Financial instruments with fair value measurement based on quoted prices in active markets are disclosed in Level 1. In Level 2 determination of fair values is based on observable inputs, e.g. foreign exchange rates. Level 3 comprises financial instruments for which the fair value measurement is based on unobservable inputs.

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, 2009	Year ended Sept. 30, 2010	
Loans and receivables	(145)	577	
Available-for-sale financial assets	112	98	
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	151	(58)	
Financial liabilities measured at amortized cost	(120)	(527)	

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, income resulting from capitalized borrowing cost as well as gains and losses on foreign currency liabilities.

Included in net gains and losses are exchange differences of €155 million (2008/2009: €12 million).

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, 2009	Carrying amount Sept. 30, 2009	Notional amount Sept. 30, 2010	Carrying amount Sept. 30, 2010
Assets				
Foreign currency derivatives that do not qualify for hedge accounting	4,024	163	3,240	115
Foreign currency derivatives qualifying as cash flow hedges	292	32	1,286	93
Embedded derivatives	377	19	128	6
Interest rate derivatives that do not qualify for hedge accounting*	36	8	20	1
Interest rate derivatives qualifying as cash flow hedges*	750	29	0	0
Interest rate derivatives qualifying as fair value hedges	0	0	987	3
Commodity derivatives that do not qualify for hedge accounting	669	55	393	50
Commodity derivatives qualifying as cash flow hedges	129	53	123	57
Commodity derivatives qualifying as fair value hedges	41	0	20	1
Total	6,318	359	6,197	326
Liabilities				
Foreign currency derivatives that do not qualify for hedge accounting	2,349	91	1,890	73
Foreign currency derivatives qualifying as cash flow hedges	1,562	56	1,038	30
Embedded derivatives	201	8	94	5
Interest rate derivatives qualifying as cash flow hedges*	1	0	752	34
Commodity derivatives that do not qualify for hedge accounting	310	39	408	59
Commodity derivatives qualifying as cash flow hedges	23	2	10	2
Commodity derivatives qualifying as fair value hedges	41	0	20	1
Total	4,487	196	4,212	204

* 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 other comprehensive income 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 September 30, 2010, hedging instruments with positive fair value totaled €150 million (2009: €114 million) and those with negative fair value totaled €66 million (2009: €58 million). For the 2009/2010 fiscal year, €97 million (2008/2009: €33 million) (before tax) in unrealized gains or losses have been recognized directly in equity in the cumulative other comprehensive income position. Cash flows from future transactions are currently hedged for a maximum of 60 months.

During the current fiscal year, €(6) million (2009: €9 million) of cumulative other comprehensive income were reclassified to sales in profit or loss as a result of the underlying transactions being realized during the year. In addition, €102 million (2009: €40 million) of cumulative other comprehensive income were reclassified to decrease 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 €49 million in 2009/2010; an expense of €53 million of that reclassified amount is expected to impact earnings in the subsequent fiscal year. Furthermore, €121 million (2009: €147 million) of cumulative other comprehensive income were reclassified and increased cost of property, plant and equipment. Thereof expenses of €4 million impacted earnings in 2009/2010. In addition, €6 million of that reclassified amount is expected to impact earnings in 2010/2011, €6 million in 2011/2012 and €105 million in subsequent fiscal years.

As of September 30, 2010, net income from the ineffective portions of derivatives classified as cash flow hedges totaled €11 million (2008/2009: €41 million).

The cancellation of cash flow hedges during the current fiscal year resulted in earnings of €(4) million (2008/2009: €84 million) due to reclassification from cumulative other comprehensive income. 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. In the previous year the relatively high positive earnings impact 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 in cumulative other comprehensive income as of the reporting date is expected to impact earnings by income of €91 million. During the 2010/2011 fiscal year, earnings are expected to be impacted by income of €8 million, during the 2011/2012 fiscal year by expenses of €7 million and during the following fiscal years by expenses of €9 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 as well as to hedge interest rate risks. These commodity and interest rate derivatives are measured at fair value. The carrying amounts of the corresponding underlying transactions are adjusted for the change of the fair values of the hedged risks. As of September 30, 2010, hedging instruments with positive fair value totaled €4 million (2009: 0) and those with negative fair value totaled €1 million (2009: 0). Fluctuations in fair value are recognized immediately in profit or loss under sales, cost of sales or financial income/(expense), net, depending on the type of underlying transaction. During the fiscal year, income/(expense), net from the measurement of fair value hedging instruments totalled 0 (2008/2009: €(1) million), while income/(expense), net from the corresponding underlying transactions during the same period amounted to 0 (2008/2009: €1 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 Group guideline on risk management 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 derivate 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. In the context of the financial crisis, default risks have taken 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 has achieved 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 partially still 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.

Cash pooling and external financing focus primarily on ThyssenKrupp AG and specific financing companies. Funds are provided internally to Group companies according to need.

The following table shows future undiscounted cash outflows from financial liabilities based on contractual agreements:

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	2,245	343	220	1,557	817
Finance lease liabilities	104	40	25	39	22
Other financial debt	633	56	138	478	99
Trade accounts payable	4,169	4,128	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	1,393	1,390	2	1	0

million €

	Carrying amount Sept. 30, 2010	Cash flows in 2010/2011	Cash flows in 2011/2012	Cash flows between 2012/2013 and 2014/2015	Cash flows after 2014/2015
Bonds	4,485	1,053	265	3,331	1,085
Liabilities to financial institutions	2,222	436	321	1,336	357
Finance lease liabilities	87	30	24	33	24
Other financial debt	641	166	29	461	95
Trade accounts payable	5,411	5,366	33	8	4
Derivative financial liabilities that do not qualify for hedge accounting	137	123	6	8	0
Derivative financial liabilities that qualify for hedge accounting	67	42	9	12	0
Other financial liabilities	1,437	1,389	2	0	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, interest rate swaps, 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 Corporate Center Internal Auditing.

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, 2010 was as follows:

If the Euro had been 10% stronger against the US dollar as of September 30, 2010, the hedge reserve in equity and fair value of hedging transactions would have been €118 million (2009: €42 million) lower and earnings resulting from the measurement as of the balance sheet date €125 million (2008/2009: €85 million) higher. If the Euro had been 10% weaker against the US dollar as of September 30, 2010, the hedge reserve in equity and fair value of hedging transactions would have been €145 million (2009: €51 million) higher and earnings resulting from the measurement as of the balance sheet date €151 million (2008/2009: €100 million) lower.

Interest rate risk

Due to the international focus of ThyssenKrupp's business activities, the Group procures liquidity to cover its financial needs 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. As a consequence in the previous fiscal year interest rate swaps had been concluded to partially reduce finance cost.

The major part of the interest derivatives is immediately and directly allocated to particular financings as cash flow or fair value hedges. These are derivatives that qualify for hedge accounting. A small 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.

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 cash flow hedges. Interest rate risks affecting earnings arise from the remaining interest rate derivatives not qualifying for hedge accounting. 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, 2010, a +100/(20) basis point parallel shift in yield curves is assumed for all currencies in interest analyses. In the previous year the parallel downward shift was reduced to (20) basis points to consider the reduced interest level as a result of the financial crisis and to avoid negative interest rates. Due to the still low interest level this approach is also maintained for the current analysis. 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, 2010 by	
	+ 100 basis points	(20) basis points
Cash flow risk	27	(5)
Opportunity effects	203	(42)
Interest rate risks resulting from interest rate derivatives affecting balance sheet	2	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, 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

If, as of September 30, 2010, 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 €2 million higher (2009: €1 million lower) and earnings resulting from the measurement as of the balance sheet date €27 million (2008/2009: €46 million) higher. If, as of September 30, 2010, 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 as in the previous year and earnings resulting from the measurement as of the balance sheet date €5 million (2008/2009: €9 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.

This causes commodity price risks which can affect income, equity and cash flow. Regarding the increase in prices on the procurement markets for iron ore and coking coal in the context with the adjustment of our long-term supply contracts to quarterly contracts, we react amongst others with a corresponding adjustment of the selling contracts. In addition, the Group also uses 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 78% (2008/2009: 71%). 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 €142 million (2008/2009: €117 million), and on equity €(50) million (2009: €(37) 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 142% (2008/2009: 214%) are assumed. The estimated hypothetical impact on profit or loss resulting from the measurement as of the balance sheet date is €(200) million (2008/2009: €(336) million), and on equity €113 million (2009: €149 million).

23 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 05, 2010, the interest in ThyssenKrupp AG amounts to 25.33% as of September 30, 2010. 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 €0.2 million in 2008/2009 and of €0.1 million in 2009/2010.

In 2008/2009 and 2009/2010, 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, 2010	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Non-consolidated subsidiaries	1	1	0	0	2	2	1	1
Associates	88	54	8	1	50	43	15	31
Joint ventures	180	241	1,049	1,300	53	62	295	178

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 2009/2010 the Group realized sales of €0.7 million (2008/2009: €0.3 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 (2008/2009: €0.1 million) from ESG Legierungen GmbH. The transactions were carried out at market conditions and resulted in trade accounts receivable of €90 thousand (2009: trade accounts payable of €48 thousand) as of September 30, 2010.

The Heitkamp & Thumann Group located in Düsseldorf and the Heitkamp Baugruppe located in Herne are classified as related parties due to the fact that a member of the Supervisory Board has significant influence on both Groups. In 2009/2010 the ThyssenKrupp Group realized sales of €18.6 million (November 16, 2008 to September 30, 2009: €14.4 million) with the Heitkamp & Thumann Group from the sale of steel and stainless material as well as from industrial servicing and with the Heitkamp Baugruppe sales of €0.3 million (2008/2009: 0). In the same period ThyssenKrupp purchased goods with a value of €7 thousand (November 16, 2008 to September 30, 2009: €0.5 million) from the Heitkamp & Thumann Group and goods with a value of €0.2 million (November 16, 2008 to September 30, 2009: €1.9 million) from the Heitkamp Baugruppe. The transactions were carried out at market conditions. As of September 30, 2010, the transactions with the Heitkamp & Thumann Group resulted in trade accounts receivable of €1.7 million

(2009: €1.2 million) and trade accounts payable of €22 thousand (2009: €3 thousand), the transactions with the Heitkamp Baugruppe resulted in trade accounts receivable of €7 thousand (2009: €2 thousand) and trade accounts payable of €7 thousand (2009: €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, 2009	Year ended Sept. 30, 2010
Short-term benefits (without share-based compensation)	5,423	8,249
Post-employment benefits	879	2,726
Share-based compensation	1,120	4,060

Service cost and past service cost resulting from the pension obligations of the current members of the Executive Board are disclosed as post-employment benefits. The disclosure of share-based compensation refers to the fair value at grant date.

In addition, in fiscal 2009/2010, the Executive Board members did not receive any payments from share-based compensation (2008/2009: €4,745 thousand).

As of September 30, 2009 and 2010, 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, 2009	Year ended Sept. 30, 2010
Short-term benefits	1,677	1,774
Long-term benefits	202	0

In addition, members of the Supervisory Board of ThyssenKrupp AG received compensation of €80 thousand in fiscal 2009/2010 (2008/2009: €124 thousand) for supervisory board mandates at Group subsidiaries.

As of September 30, 2009 and 2010, 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 67 to 74 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 €14.5 million (2008/2009: €24.4 million); this includes in the previous year benefits according to IAS 24.16 (d) in the amount of €9.9 million. Under IFRS an amount of €190.6 million (2009: €173.5 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, 2009 did not receive any proportional payment from the long-term compensation component in 2009/2010 (2008/2009: €4 thousand).

24 Segment reporting

Since the implementation of the new organizational structure as of October 01, 2009, the Group is organized in the following eight business areas that represent the Group’s activities within materials and technologies. The business areas are in line with the internal organizational and reporting structure and represent the segments in accordance with IFRS 8. Prior year figures have been adjusted accordingly.

Steel Europe

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

Steel Americas

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

Stainless Global

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

Materials Services

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

Elevator Technology

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

Plant Technology

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

Components Technology

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

Marine Systems

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

Corporate

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

Corporate loss before taxes consists of:

Consolidation

Consolidation essentially contains the elimination of intercompany profits in inventories.

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.

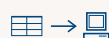
Inter-segment pricing is determined on an arm's length basis.

million €

	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Corporate administration	(155)	(221)
Pension expenses	(30)	(25)
R&D promotion	(12)	(17)
Interest cost of financial debt	(132)	(149)
Interest cost of pensions	(221)	(178)
Miscellaneous financial income/(expense)	47	7
Risk and insurance services	18	11
Special items	(6)	(3)
Other Corporate companies	(44)	(11)
Loss Corporate Headquarters	(535)	(586)
Income/(loss) Business Services	0	(6)
Income/(loss) IT Services	0	(2)
Income/(loss) Corporate Real Estate	1	(15)
Loss Corporate before income taxes	(534)	(609)

million €

	Steel Europe	Steel Americas	Stainless Global	Materials Services	Elevator Technology	Plant Technology	Components Technology	Marine Systems	Corporate	Consoli- dation	Group
For the fiscal year ended Sept. 30, 2009											
External sales	8,156	0	4,087	12,343	5,304	4,391	4,590	1,593	99	0	40,563
Internal sales within the Group	1,414	0	399	472	4	59	13	1	28	(2,390)	0
Total sales	9,570	0	4,486	12,815	5,308	4,450	4,603	1,594	127	(2,390)	40,563
Equity in the net income of investees accounted for using the equity method	(24)	0	0	(12)	1	2	(4)	9	0	(1)	(29)
Aggregate investment in investees accounted for using the equity method	244	0	14	66	1	5	12	133	6	0	481
Interest income	51	80	25	69	34	108	32	33	567	(736)	263
Interest expense	(114)	(219)	(87)	(153)	(34)	(35)	(94)	(45)	(919)	736	(964)
Income/(loss) before income taxes	(197)	(216)	(926)	(295)	570	236	(458)	(554)	(534)	10	(2,364)
Segment assets	12,277	7,461	5,163	7,282	5,003	4,973	5,089	4,305	20,632	(30,818)	41,367
Depreciation and amortization expense	597	4	157	167	66	36	280	45	28	0	1,380
Impairment losses of intangible assets, property, plant and equipment and investment property	22	0	107	4	3	7	152	148	3	0	446
Impairment losses of investments accounted for using the equity method and of financial assets	0	0	0	1	0	1	0	29	0	0	31
Reversals of impairment losses of intangible assets, property, plant and equipment and investment property	0	0	0	0	0	0	1	0	1	0	2
Segment liabilities	8,704	5,589	3,505	4,821	2,985	3,868	3,322	3,852	25,812	(30,787)	31,671
Significant non-cash items	(264)	6	(77)	(242)	(124)	(111)	(263)	(171)	(7)	(6)	(1,259)
Capital expenditures (intangible assets, property, plant, equipment and investment property)	418	2,135	343	227	116	51	538	28	126	30	4,012



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http://www.thyssenkrupp.com/financial-reports/09_10/en/

million €

	Steel Europe	Steel Americas	Stainless Global	Materials Services	Elevator Technology	Plant Technology	Components Technology	Marine Systems	Corporate	Consoli- dation	Group
For the fiscal year ended Sept. 30, 2010											
External sales	9,032	68	5,306	12,142	5,178	3,889	5,710	1,208	88	0	42,621
Internal sales within the Group	1,738	0	595	621	10	42	14	3	43	(3,066)	0
Total sales	10,770	68	5,901	12,763	5,188	3,931	5,724	1,211	131	(3,066)	42,621
Equity in the net income of investees accounted for using the equity method	30	0	0	3	1	2	0	20	0	0	56
Aggregate investment in investees accounted for using the equity method	267	0	15	68	1	5	13	146	8	(1)	522
Interest income	39	86	14	57	53	91	54	34	586	(670)	344
Interest expense	(109)	(261)	(84)	(107)	(29)	(32)	(86)	(45)	(913)	670	(996)
Income/(loss) before income taxes	639	(320)	(121)	411	602	308	220	38	(609)	(33)	1,135
Segment assets	9,433	9,020	5,393	7,660	5,435	5,372	5,596	4,132	16,852	(25,181)	43,712
Depreciation and amortization expense	579	37	160	142	72	35	277	24	35	0	1,361
Impairment losses of intangible assets, property, plant and equipment and investment property	4	6	0	3	6	2	37	7	10	0	75
Impairment losses of investments accounted for using the equity method and of financial assets	0	0	0	2	0	0	0	5	0	0	7
Reversals of impairment losses of intangible assets, property, plant and equipment and investment property	5	0	0	0	0	0	1	3	0	0	9
Segment liabilities	5,761	7,124	3,759	5,113	3,268	4,306	3,398	3,308	23,054	(25,767)	33,324
Significant non-cash items	(65)	(1)	(39)	(15)	(93)	(106)	(179)	(24)	(26)	(20)	(568)
Capital expenditures (intangible assets, property, plant, equipment and investment property)	286	2,054	344	125	70	32	272	8	206	11	3,408

The aggregate investment in investees accounted for using the equity method reconciles to the aggregate amount according to the statement of financial position as presented below:

million €

	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Aggregate investment in investees accounted for using the equity method according to segment reporting	481	522
less aggregate investment in investees accounted for using the equity method that are held for sale	(1)	0
Aggregate investment in investees accounted for using the equity method according to statement of financial position	480	522

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.



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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.

million €

	Germany	Other EU	Americas	Asia / Pacific	Other countries	Group
External sales (location of the customer)						
Year ended Sept. 30, 2009	13,031	12,142	7,858	4,341	3,191	40,563
Year ended Sept. 30, 2010	13,933	12,485	8,266	5,013	2,924	42,621
Non-current assets (intangible assets, property, plant and equipment, investment property and other non-financial assets) (location of the assets)						
Sept. 30, 2009	7,943	2,377	7,972	822	393	19,507
Sept. 30, 2010	7,658	2,279	10,381	923	452	21,693

25 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

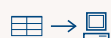
As a result of acquisitions the Group recognized goodwill in its balance sheet. In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair value. One of the most significant estimates relates to 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 04). 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 Elevator Technology, Plant Technology and Marine Systems business areas, 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 31 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 15 for further information regarding employee benefits).

Legal contingencies

ThyssenKrupp companies are parties to litigations related to a number of matters as described in Note 21. 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 unfavourable 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.

Notes to the consolidated statement of income

26 Net sales

Net sales include revenues resulting from the rendering of services of €9,462 million (2008/2009: €9,130 million) as well as sales from construction contracts of €6,101 million (2008/2009: €7,276 million).

27 Other operating income

million €

	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Gains on the disposal of intangible assets, property, plant and equipment and investment property	37	22
Currency exchange differences	1	120
Insurance compensation	22	23
Miscellaneous	322	251
Total	382	416

Miscellaneous other operating income includes a multitude of minor single items resulting from the 714 (2008/2009: 744) consolidated entities.

28 Other operating expenses

million €

	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Losses on the disposal of intangible assets, property, plant and equipment and investment property	28	20
Currency exchange differences	9	85
Additions to other provisions	99	41
Expenses in connection with non-customer related research and development activities	200	191
Other taxes	54	42
Miscellaneous	128	330
Total	518	709

In fiscal year 2009/2010 miscellaneous other operating expenses contain expenses of €185 million that could not be capitalized and resulted from technical facilities not yet put into operation in the context with the major projects in Brazil and in the USA. In addition miscellaneous other operating expenses include a multitude of minor single items resulting from the 714 (2008/2009: 744) consolidated entities.

29 Government grants

In the preceding fiscal year, government grants to compensate expenses of the Group were recognized in the amount of €15 million (2008/2009: €15 million). Further more, 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.

Payment of the above-mentioned government grants is subject to certain conditions which are currently assumed to be met.

30 Financial income/(expense), net

million €

	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Income from companies accounted for using the equity method	(29)	56
Interest income from financial receivables	150	225
Expected return on plan assets	113	119
Interest income	263	344
Interest expense from financial debt	(454)	(540)
Interest cost of pensions and health care obligations	(510)	(456)
Interest expense	(964)	(996)
Income from investments	8	7
Write-down of financial assets	(30)	(7)
Gain/(loss) from disposals of financial assets	0	(19)
Accretion of other provisions	(8)	(15)
Miscellaneous, net	242	491
Other financial income/(expense), net	212	457
Financial income/(expense), net	(518)	(139)

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 €29 million (2008/2009: €44 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 €33 million (2008/2009: €92 million).

Borrowing costs in the amount of €365 million (2008/2009: €235 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.

31 Income taxes

Income tax expense/(benefit) for the year ended September 30, 2010 and the previous year consists of the following:

million €	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Current income tax expense for the reporting period	244	206
Deferred income tax expense/(benefit) for the reporting period	(696)	113
Current income tax benefit for prior periods	(16)	(156)
Deferred income tax expense/(benefit) for prior periods	(23)	45
Total	(491)	208
This total breaks down to:		
Current income tax expense/(benefit) Germany	25	(41)
Current income tax expense foreign	203	91
Deferred income tax expense/(benefit) Germany	(495)	24
Deferred income tax expense/(benefit) foreign	(224)	134

The German corporate income tax law applicable for 2009/2010 sets a statutory income tax rate of 15% (2008/2009: 15%) plus a solidarity surcharge of 5.5%. On average, the Group's German companies are subject to a trade tax rate of 15.3% (2008/2009: 15.1%). Therefore, at year-end September 30, 2010, deferred taxes of German companies are calculated with a combined income tax rate (including solidarity surcharge) of 31.1% (2008/2009: 30.9%). The applicable tax rates for companies outside Germany range from 5.7% to 40.4% (2008/2009: 5.7% to 40.4%). In fiscal year 2009/2010, changes in foreign tax rates resulted in deferred tax expense in the amount of €7 million (2008/2009: €5 million deferred tax benefit).

The components of income taxes recognized in total equity are as follows:

million €	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010
Income tax expense/(benefit) as presented on the income statement	(491)	208
Income tax benefit on other comprehensive income	(284)	(215)
Other changes	0	(93)
Total	(775)	(100)

As of September 30, 2010, domestic corporate tax loss carryforwards amount to €794 million (2009: €1,026 million), domestic trade tax loss carryforwards amount to €237 million (2009: €608 million), and interest carryforwards amount to €151 million (2009: €297 million). In addition, foreign tax loss carryforwards amount to €1,704 million (2009: €1,119 million), in particular €404 million (2009: €239 million) in Italy, €385 million (2009: €280 million) in Canada, €192 million (2009: €51 million) in the USA, and €190 million (2009: €152 million) in the People's Republic of China, and foreign interest carryforwards amount to €13 million (2009: €13 million). In fiscal year 2009/2010, deferred tax benefit in the amount of €118 million (2008/2009: €244 million) 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, 2010, tax loss carryforwards for which no deferred tax asset is recognized amount to €984 million (2009: €956 million). According to tax legislation as of September 30, 2010, an amount of €306 million (2009: €391 million) of these tax losses may be carried forward indefinitely and in unlimited amounts whereas an amount of €678 million (2009: €565 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 €251 million as of September 30, 2010 (2009: €239 million). In addition, as of September 30, 2010, no deferred tax asset is recognized for deductible temporary differences in the amount of €419 million. As of September 30, 2009, no deferred tax asset was recognized for interest carryforwards in the amount of €310 million and deductible temporary differences in the amount of €624 million. In fiscal year 2009/2010, 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 €12 million (2008/2009: €6 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, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Intangible assets	195	421	346	384
Property, plant and equipment	120	83	815	1,085
Financial assets	153	124	7	12
Inventories	1,984	1,958	191	268
Other assets	377	309	367	255
Accrued pension and similar obligations	863	1,052	76	85
Other provisions	327	273	130	56
Other liabilities	275	271	2,181	2,214
Tax loss carryforwards	555	639	—	—
Interest carryforwards	84	45	—	—
Gross value	4,933	5,175	4,113	4,359
Valuation allowance	(489)	(365)	—	—
Offset	(3,806)	(4,220)	(3,806)	(4,220)
Balance sheet amount	638	590	307	139

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 €68 million relate to consolidation items as of September 30, 2010 (2009: €75 million).

For fiscal year 2009/2010, the income tax expense of €208 million presented in the financial statements is €145 million lower than the expected income tax expense of €353 million which would result if the German combined income tax rate of 31.1% were

applied to the Group's income before income taxes. For fiscal year 2008/2009, the reported income tax benefit of €491 million was €240 million lower than the expected income tax benefit of €731 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, 2009		Year ended Sept. 30, 2010	
		in %		in %
Expected income tax expense/(benefit)	(731)	30.9	353	31.1
Foreign tax rate differential	9	(0.4)	(2)	(0.2)
Changes in tax rates or laws	(5)	0.2	5	0.4
Tax consequences of disposal of businesses	(6)	0.3	(7)	(0.6)
Permanent items	72	(3.0)	58	5.1
Change in valuation allowance	191	(8.1)	(29)	(2.5)
Tax benefit not related to the reporting period	(39)	1.7	(111)	(9.8)
Income/(loss) from companies accounted for under the equity method	7	(0.3)	(14)	(1.2)
Other, net	11	(0.5)	(45)	(4.0)
Income tax expense/(benefit) as presented on the income statement	(491)	20.8	208	18.3

32 Earnings per share

Basic earnings per share is calculated as follows:

	Year ended Sept. 30, 2009		Year ended Sept. 30, 2010	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Numerator:				
Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)	(1,857)	(4.01)	824	1.77
Denominator:				
Weighted average shares	463,473,492		463,983,893	

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

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

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

There were no dilutive securities in the periods presented.

33 Additional disclosures on the consolidated statement of income

Personnel expenses included in the consolidated statement of income are comprised of:

million €			
	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010	
Wages and salaries**	6,854	6,812	
Social security taxes**	1,323	1,308	
Net periodic pension costs - defined benefit*	116	108	
Net periodic pension costs - defined contribution	140	119	
Net periodic postretirement benefit cost other than pensions*	(43)	(20)	
Other expenses for pensions and retirements	835	38	
Related fringe benefits	429	407	
Total	9,654	8,772	

* 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, 2009	Year ended Sept. 30, 2010
Steel Europe	37,244	34,923
Steel Americas	1,486	2,434
Stainless Global	12,018	11,341
Materials Services	45,791	34,370
Elevator Technology	43,186	43,062
Plant Technology	13,206	12,975
Components Technology	29,479	28,368
Marine Systems	8,175	6,910
Corporate	2,034	2,455
Total	192,619	176,838
This total breaks down to:		
Wage earners	116,384	101,357
Salaried employees	71,700	70,954
Trainees	4,535	4,527

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 2008/2009 and 2009/2010 the following fees (including expenses) were recognized as expenses:

	Year ended Sept. 30, 2009		Year ended Sept. 30, 2010	
	Total	thereof Germany	Total	thereof Germany
Audit fees	16	9	15	8
Audit-related fees	3	1	3	1
Tax fees	1	0	1	0
Fees for other services	4	3	0	0
Total	24	13	19	9



Download the tables at:

http://www.thyssenkrupp.com/financial-reports/09_10/en/

For the services performed by PricewaterhouseCoopers Wirtschaftsprüfungsgesellschaft and the companies of the worldwide PricewaterhouseCoopers association in fiscal years 2008/2009 and 2009/2010 the following fees (including expenses) were recognized as expenses:

million €

	Year ended Sept. 30, 2009		Year ended Sept. 30, 2010	
	Total	thereof Germany	Total	thereof Germany
Audit fees	10	4	8	3
Audit-related fees	4	1	3	1
Tax fees	2	1	2	0
Fees for other services	1	0	1	0
Total	17	6	14	4

The audit fees include mainly fees for the year-end audit of the 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 auditors' review of the interim consolidated financial statements and 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.

Notes to the consolidated statement of cash flows

34 Additional information on the consolidated statement of cash flows

The liquid funds considered in the consolidated statement of cash flows correspond to the "Cash and cash equivalents" line item in the balance sheet.

Non-cash investing activities

In fiscal 2009/2010, the acquisition and first-time consolidation of companies created an increase in non-current assets of €27 million (2008/2009: €51 million).

The non-cash addition of assets under capital leases in fiscal 2009/2010 amounted to €13 million (2008/2009: €11 million).

Non-cash financing activities

In fiscal 2009/2010, the acquisition and first-time consolidation of companies resulted in an increase in gross financial debt in the amount of €19 million (2008/2009: €24 million).

Other information

35 Declarations of conformity with the German Corporate Governance Code in accordance with Art. 161 of the German Stock Corporation Act (AktG)

On October 01, 2010, 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 the recommendations of the German Corporate Governance Code as amended on May 26, 2010 and also complied with the recommendations of the Code in the period from October 01, 2009 to the Supervisory Board meeting on September 03, 2010 (Code version of June 18, 2009) and from September 04 to September 30, 2010 (Code version of May 26, 2010). Only the recommendation in section 5.4.5 of the Code as amended on May 26, 2010 will not be fully observed in the period from its entry into effect on July 02, 2010 to the close of the General Stockholders' Meeting of ThyssenKrupp AG on January 21, 2011. From this date ThyssenKrupp AG will again comply with all recommendations of the Code. More information on the deviation is provided in the current declaration of conformity.

The declaration of conformity of our exchange-listed subsidiary Eisen- und Hüttenwerke AG was issued on October 01, 2010 and is now publicly available to the shareholders on the company's website.

36 Application of exemption clauses

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.

A

AGOZAL Oberflächenveredelung GmbH	Neuwied
Aloverzee Handelsgesellschaft mbH	Düsseldorf
AWG Industrieanlagen und Wassertechnik GmbH Berlin	Berlin

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

C

Christian Hein GmbH	Langenhagen
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D

Dr. Mertens Edelstahlhandel GmbH	Offenbach
DWR - Deutsche Gesellschaft für Weißblechrecycling mbH	Andernach

E

EBOR Edelstahl GmbH	Sachsenheim
EH Güterverkehr GmbH	Duisburg
Eisenbahn und Häfen GmbH	Duisburg
Eisenmetall Handelsgesellschaft mbH	Gelsenkirchen
ELEG Europäische Lift + Escalator GmbH	Düsseldorf
Emder Werft und Dockbetriebe GmbH	Emden
Erich Weit GmbH	Munich

F

Freiburger Stahlhandel GmbH	Freiburg i.Br.
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G

GMT Aufzug-Service GmbH	Ettlingen
GWH Aufzüge GmbH	Himmelstadt

H

Haisch Aufzüge GmbH	Gingen/Fils
Hanseatische Aufzugsbau GmbH	Rostock
Health Care Solutions GmbH	Düsseldorf
Herzog Coilex GmbH	Stuttgart
Hoesch Hohenlimburg GmbH	Hagen
Hövelmann & Co. Eisengroßhandlung GmbH	Gelsenkirchen
Howaldtswerke-Deutsche Werft GmbH	Kiel

I

IKL Ingenieurkontor Lübeck GmbH	Kiel
Immoever Gesellschaft für Grundstücksverwaltung mbH	Essen
Innovative Meerestechnik GmbH	Emden

J

Jacob Bek GmbH	Ulm
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K

KBS Kokereibetriebsgesellschaft Schwelgern GmbH	Duisburg
Kraemer & Freund Handel GmbH	Hagen

L

LiftEquip GmbH Elevator Components	Neuhausen a.d.F.
Liftservice und Montage GmbH	Saarbrücken

M

Max Cochius GmbH	Berlin
MgF Magnesium Flachprodukte GmbH	Freiburg
MONTAN GmbH Assekuranz-Makler	Düsseldorf

N

Nothelfer Planung GmbH	Wadern-Lockweiler
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O

Otto Wolff Handelsgesellschaft mbH	Düsseldorf
Otto Wolff U.S. Sales GmbH	Andernach

P

Polysius AG	Beckum
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R

Rasselstein GmbH	Andernach
Rasselstein Verwaltungs GmbH	Neuwied
Reisebüro Dr. Tigges GmbH	Essen
Rothe Erde GmbH	Dortmund

S

Siegfried Schüssler Feuerungsbau GmbH	Bispingen
smbChromstahl GmbH	Hannover-Langenhagen
Stahlhauser Liegenschaften Verwaltungsgesellschaft mbH	Essen
SVG Steinwerder Verwaltungsgesellschaft mbH	Hamburg

T

Tepper Aufzüge GmbH	Münster
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 GmbH	Stuttgart
ThyssenKrupp Aufzugswerke GmbH	Neuhausen a.d.F.

ThyssenKrupp Automotive Systems GmbH	Essen
ThyssenKrupp Bauservice GmbH	Hückelhoven
ThyssenKrupp Bausysteme GmbH	Kreuztal
ThyssenKrupp Bilstein Suspension GmbH	Ennepetal
ThyssenKrupp Bilstein Tuning GmbH	Ennepetal
ThyssenKrupp Business Services GmbH	Essen
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 (CENE) Infrastruktur GmbH	Essen
ThyssenKrupp Elevator (EBC) GmbH	Berlin
ThyssenKrupp Elevator (ES/PBB) GmbH	Essen
ThyssenKrupp Elevator AG	Düsseldorf
ThyssenKrupp Elevator die Fünfte GmbH	Essen
ThyssenKrupp Elevator Research GmbH	Düsseldorf
ThyssenKrupp Energievertriebs GmbH	Essen
ThyssenKrupp Erste Beteiligungsgesellschaft mbH	Düsseldorf
ThyssenKrupp ExperSite GmbH	Kassel
ThyssenKrupp Facilities Services GmbH	Düsseldorf
ThyssenKrupp Fahrtreppen GmbH	Hamburg
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 Immobilien Verwaltungs GmbH & Co. KG	
Krupp 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 Information Services GmbH	Düsseldorf
ThyssenKrupp IT Services GmbH	Essen
ThyssenKrupp Krause GmbH	Bremen
ThyssenKrupp KST GmbH	Hohenstein-Ernstthal
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 Materials International GmbH	Düsseldorf
ThyssenKrupp Metallurgie GmbH	Essen
ThyssenKrupp MetalServ GmbH	Düsseldorf
ThyssenKrupp MinEnergy GmbH	Essen
ThyssenKrupp Nirosta GmbH	Krefeld
ThyssenKrupp Nirosta Präzisionsband GmbH	Krefeld
ThyssenKrupp Plastics GmbH	Düsseldorf

ThyssenKrupp Plastics International GmbH	Düsseldorf
ThyssenKrupp Presta Chemnitz GmbH	Chemnitz
ThyssenKrupp Presta Ilsenburg GmbH	Ilsenburg
ThyssenKrupp Presta München/Esslingen GmbH	Munich
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 Sägenstahlcenter GmbH	Duisburg
ThyssenKrupp Schulte GmbH	Düsseldorf
ThyssenKrupp Stahl Immobilien GmbH	Duisburg
ThyssenKrupp Stahlkontor GmbH	Düsseldorf
ThyssenKrupp Stahl-Service-Center GmbH	Krefeld
ThyssenKrupp Stainless International GmbH	Krefeld
ThyssenKrupp Steel Europe AG	Duisburg
ThyssenKrupp Steel Zweite Beteiligungsgesellschaft mbH	Duisburg
ThyssenKrupp System Engineering GmbH	Essen
ThyssenKrupp Systems & Services GmbH	Düsseldorf
ThyssenKrupp Tailored Blanks GmbH	Duisburg
ThyssenKrupp Technologies Beteiligungen GmbH	Essen
ThyssenKrupp Transrapid GmbH	Kassel
ThyssenKrupp Treppenlifte GmbH	Neuss
ThyssenKrupp Umformtechnik GmbH	Ludwigsfelde
ThyssenKrupp VDM GmbH	Werdohl
ThyssenKrupp Xervon Energy GmbH	Duisburg
ThyssenKrupp Xervon GmbH	Düsseldorf
ThyssenKrupp Xervon Utilities GmbH	Düsseldorf

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

The following Dutch subsidiaries made use of the exemption clause included in Art. 2:403 of the Civil Code of the Netherlands.

T

ThyssenKrupp Slab International B.V.	Brielle
ThyssenKrupp Veerhaven B.V.	Rotterdam

U

Uhde Fertilizer Technology B.V.	Amsterdam
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37 List of the Group's subsidiaries and equity interests

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1,000 or Domestic Currency	Share holdings %	Held by No.
STEEL EUROPE					
ThyssenKrupp Steel Europe					
1	DE-VerwaltungsGmbH, Duisburg		25	100.00	4
2	KBS Kokereibetriebgesellschaft Schwelgern GmbH, Duisburg		25	100.00	4
3	Pruna Betreiber GmbH, Grünwald		150	0.00 ²⁾	4
4	ThyssenKrupp Steel Europe AG, Duisburg		438,771	99.53	648
5	ThyssenKrupp Galmed, S.A., Sagunto, Spain		48,150	100.00	665
					4 25.00%
Processing					
6	Becker & Co. GmbH, Neuwied		768	100.00	11
7	DWR - Deutsche Gesellschaft für Weißblechrecycling mbH, Andernach		25	100.00	10
8	Hoesch Hohenlimburg GmbH, Hagen		15,340	99.50	4
9	Otto Wolff U.S. Sales GmbH, Andernach		26	100.00	10
10	Rasselstein GmbH, Andernach		40,960	99.50	11
11	Rasselstein Verwaltungs GmbH, Neuwied		93,500	100.00	4
					62 59.23%
					40.77%
12	ThyssenKrupp Bausysteme GmbH, Kreuztal		7,670	100.00	4
13	ThyssenKrupp Electrical Steel GmbH, Gelsenkirchen		15,163	99.58	14
					4 87.62%
					7.67%
					648 4.29%
14	ThyssenKrupp Electrical Steel Verwaltungsgesellschaft mbH, Gelsenkirchen		30,000	100.00	4
					62 62.46%
					37.54%
15	ThyssenKrupp Sägenstahlcenter GmbH, Duisburg		1,023	100.00	4
16	ThyssenKrupp Tailored Blanks GmbH, Duisburg		4,116	100.00	4
17	ThyssenKrupp Umformtechnik GmbH, Ludwigsfelde		15,000	100.00	4
					651 94.99%
					5.01%
18	EURISOL S.A., Steenvoorde, France		151	74.94	21
					12 74.91%
					0.03%
19	Hoesch Bausysteme Gesellschaft m.b.H., Vienna, Austria		1,454	100.00	669
20	Isocab France S.A.S., Dunkerque, France		610	100.00	684
21	Isocab N.V., Harelbeke-Bavikhove, Belgium		10,750	100.00	73
					4 99.98%
					0.02%
22	Isocab Vietnam JV Company, Ho Chi Minh, Vietnam	USD	2,280	53.68	21
23	Krupp Camford Pressings Ltd., Llanelli, Great Britain	GBP	24,594	100.00	674
24	ThyssenKrupp Aceros y Servicios S.A., Santiago, Chile	CLP	4,988,440 ¹⁾	100.00	4
25	ThyssenKrupp Automotive Chassis Products UK PLC, Durham, Great Britain	GBP	10,208	100.00	674
26	ThyssenKrupp Body Stampings Ltd., Cannock, Great Britain	GBP	132	100.00	674
27	ThyssenKrupp Bouwsystemen B. V., Veenendaal, Netherlands		1,357	100.00	73
28	ThyssenKrupp Building Systems Ltd., Birmingham, Great Britain	GBP	5	100.00	690
29	ThyssenKrupp Byggesystem A/S, Støvring, Denmark	DKK	500	100.00	12
30	ThyssenKrupp Comercial Colombia S.A., Bogota, Columbia	COP	272,610 ¹⁾	100.00	24
31	ThyssenKrupp Electrical Steel India Private Ltd., Mumbai/Nashik, India	INR	3,149,349	100.00	13
					14 100.00% ³⁾
					0.00% ³⁾
32	ThyssenKrupp Electrical Steel Italia S.r.l., Milan, Italy		2,000	100.00	686
33	ThyssenKrupp Electrical Steel UGO S.A.S, Isbergues, France		5,235	100.00	13
34	ThyssenKrupp Épitöelemek Kft, Budapest, Hungary	HUF	2,520,000	100.00	19
35	ThyssenKrupp gradjevinski elementi d.o.o., Lepoglava, Croatia	HRK	20	100.00	19

¹⁾ fiscal year not 09/30 ²⁾ in accordance with IFRS regulations ³⁾ splinter investment as of fourth digit behind decimal point ⁴⁾ parent company

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
36	ThyssenKrupp Metal Forming (Wuhan) Ltd., Wuhan, PR China		20,000 ¹⁾	100.00	680
37	ThyssenKrupp Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi, GEBZE Kocaeli, Turkey	TRY	5 ¹⁾	100.00	52 99.50% 674 0.50%
38	ThyssenKrupp Prisma S.A.S., Messempré, France		5,400	100.00	684
39	ThyssenKrupp Sisteme pentru Constructii S.R.L., Bucharest, Romania	RON	55	100.00	19
40	ThyssenKrupp Sofedit España, S.A., Valladolid, Spain		361	100.00	42
41	ThyssenKrupp Sofedit Polska Sp.zo.o., Wroclaw, Poland	PLN	17,976	100.00	42
42	ThyssenKrupp Sofedit S.A.S., Versailles, France		8,761	100.00	684
43	ThyssenKrupp Sofedit Sud Ouest S.A.S., Arudy, France		8,537	100.00	684
44	ThyssenKrupp stavební systémy s.r.o., Nymburk, Czech Republic	CZK	1,000 ¹⁾	100.00	19 98.00% 12 2.00%
45	ThyssenKrupp Systembau Austria Gesellschaft m.b.H., Vienna, Austria		51	100.00	669
46	ThyssenKrupp Tailored Blanks Celik Sanayi VE Ticaret Ltd., Nilüfer/ Bursa, Turkey	TRY	2,803	100.00	16 96.47% 49 3.53%
47	ThyssenKrupp Tailored Blanks Czech Republik, s.r.o., Ostrava, Czech Republic	CZK	42,000	99.95	16
48	ThyssenKrupp Tailored Blanks S.A. de C.V., Puebla, Mexico	MXN	50	100.00	54 100.00% ³⁾ 55 0.00% ³⁾
49	ThyssenKrupp Tailored Blanks S.r.l., Turin, Italy		3,810	52.50	686
50	ThyssenKrupp Tailored Blanks Sverige AB, Olofström, Sweden		1,940	100.00	16
51	ThyssenKrupp Tailored Blanks (Wuhan) Ltd., Wuhan, PR China	USD	21,000 ¹⁾	100.00	680 68.43% 16 31.57%
52	ThyssenKrupp Tallent Ltd., County Durham, Great Britain	GBP	1,000	100.00	25
53	TKAS (Changchun) Tailored Blanks Ltd., Changchun, PR China	USD	10,000	55.00	680
54	TWB Company, LLC, Lansing/Michigan, USA	USD	1,500	55.00	205
55	TWB de Mexico, S.A. de C.V., Saltillo, Coahuila, Mexico	MXN	50	100.00	54 99.00% 58 1.00%
56	TWB Industries, S.A. de C.V., Saltillo, Coahuila, Mexico	MXN	50	100.00	54 99.00% 58 1.00%
57	TWB of Indiana, Inc., North Vernon/ Indiana, USA	USD	1	100.00	54
58	TWB of Ohio, Inc., Columbus/Ohio, USA	USD	0	100.00	54
Other Companies Steel Europe					
59	AGOZAL Oberflächenveredelung GmbH, Neuwied		1,540	100.00	4
60	DOC Dortmunder Oberflächencentrum GmbH, Dortmund		5,880	100.00	4
61	EH Güterverkehr GmbH, Duisburg		1,534	100.00	63
62	Eisen- und Hüttenwerke AG, Andernach		45,056	87.98	4
63	Eisenbahn und Hafen GmbH, Duisburg		2,046	100.00	4
64	MgF Magnesium Flachprodukte GmbH, Freiberg		500	100.00	4
65	ThyssenKrupp Lasertechnik GmbH, Ravensburg		25	100.00	4
66	ThyssenKrupp Printmedia GmbH, Duisburg		26	100.00	4
67	ThyssenKrupp Steel Zweite Beteiligungsgesellschaft mbH, Duisburg		25	100.00	4
68	B.V. Stuwadoors-Maatschappij Kruwal, Rotterdam, Netherlands		45	75.00	73 50.00% 4 25.00%
69	Ertsoverslagbedrijf Europoort C.V., Rotterdam, Netherlands		4,583	75.00	73 50.00% 4 25.00%
70	ThyssenKrupp Stål Danmark A/S, Copenhagen, Denmark	DKK	800	100.00	73
71	ThyssenKrupp Steel (Asia Pacific) Pte Ltd, Singapore, Singapore	SGD	500	100.00	73
72	ThyssenKrupp Steel Japan Ltd., Tokyo, Japan	JPY	10,000	100.00	73
73	ThyssenKrupp Veerhaven B.V., Rotterdam, Netherlands		5,000	100.00	688

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No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
STEEL AMERICAS					
CSA					
74	AirSteel Comercial Gases Industriais Ltda., Rio de Janeiro, Brazil	BRL	100	0.00 ²⁾	4
75	ThyssenKrupp CSA Siderúrgica do Atlântico Ltda., Rio de Janeiro, Brazil	BRL	14,118,678	73.13	80
76	White Martins Steel Gases Industriais Ltda., Rio de Janeiro, Brazil	BRL	100	0.00 ²⁾	4
ThyssenKrupp Steel USA					
77	ThyssenKrupp Steel Americas, LLC, Wilmington/Delaware, USA	USD	1	100.00	691
78	ThyssenKrupp Steel and Stainless USA, LLC, Wilmington/Delaware, USA	USD	1,000	100.00	77
79	ThyssenKrupp Steel USA, LLC, Wilmington/Delaware, USA	USD	1,000	100.00	78
Other Companies Steel Americas					
80	ThyssenKrupp Slab International B.V., Brielle, Netherlands		80	73.13	73
STAINLESS GLOBAL					
ThyssenKrupp Stainless Other Companies					
81	ThyssenKrupp Nirosta GmbH, Krefeld		110,000	99.61	648
ThyssenKrupp Nirosta					
82	EBOR Edelstahl GmbH, Sachsenheim		511	100.00	81
83	smbChromstahl GmbH, Hannover-Langenhagen		277	100.00	81
84	ThyssenKrupp Nirosta Präzisionsband GmbH, Krefeld		1,000	100.00	81
85	ThyssenKrupp Nirosta North America, Inc., Wilmington/Delaware, USA	USD	2,000	100.00	691
ThyssenKrupp Acciai Speciali Terni (I)					
86	Aspasiel S.r.l., Rome, Italy		260	100.00	89
87	Società delle Fucine S.r.l., Terni, Italy		7,988	100.00	89
88	Terninox S.p.A., Terni, Italy		20,800	100.00	89
89	ThyssenKrupp Acciai Speciali Terni S.p.A., Terni, Italy		159,682	100.00	686
90	ThyssenKrupp AST USA, Inc., Albany/New York, USA	USD	30	100.00	691
91	Tubificio di Terni S.p.A., Terni, Italy		5,944	97.00	89
ThyssenKrupp Mexinox (MX)					
92	Mexinox Trading S.A. de C.V., Mexico D.F., Mexico	MXN	100,600 ¹⁾	100.00	95 100.00% ³⁾
					93 0.00% ³⁾
93	Mexinox USA Inc., Brownsville/Texas, USA	USD	2,000	100.00	95
94	ThyssenKrupp Mexinox CreatelT, S.A. de C.V., San Luis Potosi, Mexico	MXN	50 ¹⁾	100.00	95 99.98%
					92 0.02%
95	ThyssenKrupp Mexinox S.A. de C.V., San Luis Potosi, Mexico	MXN	4,621,499 ¹⁾	100.00	688 100.00% ³⁾
					97 0.00% ³⁾
Shanghai Krupp Stainless (CHN)					
96	Shanghai Krupp Stainless Co., Ltd., Pudong New Area / Shanghai, PR China	CNY	2,618,815 ¹⁾	60.00	81
ThyssenKrupp Stainless USA					
97	ThyssenKrupp Stainless USA, LLC, Wilmington/Delaware, USA	USD	1,000	100.00	78
ThyssenKrupp VDM					
98	ThyssenKrupp VDM GmbH, Werdohl		32,000	98.06	81
99	ThyssenKrupp VDM Australia Pty. Ltd., Mulgrave/Victoria, Australia	AUD	2,000	100.00	98
100	ThyssenKrupp VDM Austria Gesellschaft m.b.H., Vienna, Austria		50	100.00	669
101	ThyssenKrupp VDM Benelux B.V., Dordrecht, Netherlands		51	100.00	688
102	ThyssenKrupp VDM Canada Ltd., Markham/Ontario, Canada	CAD	300	100.00	98
103	ThyssenKrupp VDM de Mexico S.A. de C.V., Naucalpan de Juarez, Mexico	MXN	550	100.00	98
104	ThyssenKrupp VDM (GZ) Trading Co., Ltd., Guangzhou, PR China		470	100.00	680
105	ThyssenKrupp VDM Hongkong Ltd., Hongkong, PR China	HKD	10 ¹⁾	99.98	98
106	ThyssenKrupp VDM Italia S.r.l., Sesto San Giovanni, Italy		10	100.00	686
107	ThyssenKrupp VDM Japan K.K., Tokyo, Japan	JPY	30,000	100.00	98

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No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
108	ThyssenKrupp VDM Korea Co. Ltd., Seoul, South Korea	KRW	100,000	100.00	98
109	ThyssenKrupp VDM S.A.S., Rueil-Malmaison, France		120	100.00	684
110	ThyssenKrupp VDM (Schweiz) AG, Basel, Switzerland	CHF	100	100.00	98
111	ThyssenKrupp VDM UK Ltd., Claygate-Esher, Great Britain	GBP	60	100.00	98
112	ThyssenKrupp VDM USA, Inc., Reno/Nevada, USA	USD	600	100.00	691
ThyssenKrupp Stainless International					
113	ThyssenKrupp Stainless International GmbH, Krefeld		26	100.00	81
114	ThyssenKrupp SILCO-INOX Szervizközpont Kft, Batonytereny, Hungary	HUF	765,980	100.00	115
115	ThyssenKrupp Stainless Benelux B.V., Rotterdam, Netherlands		18,151	100.00	688
116	ThyssenKrupp Stainless DVP, S.A., Barcelona, Spain		5,344	100.00	665
117	ThyssenKrupp Stainless France S.A., Paris, France		4,864	100.00	684
118	ThyssenKrupp Stainless (GZ) Trading Company Ltd., Guangzhou, PR China	USD	75	100.00	680
119	ThyssenKrupp Stainless International (Guangzhou) Ltd., Guangzhou, PR China	USD	9,500	100.00	680
120	ThyssenKrupp Stainless International (HK) Ltd., Hongkong, PR China	HKD	5 ¹⁾	100.00	113
121	ThyssenKrupp Stainless Istanbul Çelik Servis Merkezi A.S., Istanbul, Turkey		1,049	100.00	115
122	ThyssenKrupp Stainless Polska Sp.z o.o., Dabrowa Gornicza, Poland	PLN	33,499	100.00	113
123	ThyssenKrupp Stainless UK Ltd., Birmingham, Great Britain	GBP	100	100.00	690
MATERIALS SERVICES					
MetalsServices					
124	Aloverzee Handelsgesellschaft mbH, Düsseldorf		26	100.00	142
125	Dr. Mertens Edelstahlhandel GmbH, Offenbach		1,023	100.00	142
126	Eisenmetall Handelsgesellschaft mbH, Gelsenkirchen		26	100.00	142
127	Erich Weit GmbH, Munich		356	100.00	134
128	Freiburger Stahlhandel GmbH, Freiburg i.Br.		2,200	51.00	142
129	Health Care Solutions GmbH, Düsseldorf		4,173	100.00	142
130	Herzog Coilex GmbH, Stuttgart		4,100	74.90	147
131	Hövelmann & Co. Eisengroßhandlung GmbH, Gelsenkirchen		256	100.00	142
132	Jacob Bek GmbH, Ulm		2,807	79.96	142
133	Max Coehius GmbH, Berlin		920	75.00	142
134	Otto Wolff Handelsgesellschaft mbH, Düsseldorf		15,400	99.50	142
135	Peiniger International GmbH, Gelsenkirchen		1,023	100.00	148
136	Thyssen Altwert Umweltservice GmbH, Düsseldorf		6,740	100.00	653
137	Thyssen Rheinstahl Technik GmbH, Düsseldorf		8,948	100.00	142
138	Thyssen Schulte Werkstoffhandel GmbH, Düsseldorf		10,226	100.00	142
139	ThyssenKrupp Facilities Services GmbH, Düsseldorf		1,816	100.00	142
					651 94.90%
					5.10%
140	ThyssenKrupp Information Services GmbH, Düsseldorf		41,600	100.00	648
141	ThyssenKrupp Mannex GmbH, Düsseldorf		10,100	100.00	142
142	ThyssenKrupp Materials International GmbH, Düsseldorf		283,383	99.84	651
143	ThyssenKrupp MetalServ GmbH, Düsseldorf		1,534	100.00	142
					651 94.00%
					6.00%
144	ThyssenKrupp Schulte GmbH, Düsseldorf		26	100.00	142
145	ThyssenKrupp Services Immobilien GmbH, Düsseldorf		50	100.00	142
146	ThyssenKrupp Stahlkontor GmbH, Düsseldorf		1,486	99.98	142
					77.70%
					262 19.90%
					648 2.38%
147	ThyssenKrupp Stahl-Service-Center GmbH, Krefeld		9,287	99.55	142
					651 94.89%
					4.66%
148	ThyssenKrupp Systems & Services GmbH, Düsseldorf		59,310	100.00	142
					651 94.90%
					5.10%

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No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
149	Vermögensverwaltungsgesellschaft KWT mbH, Grünwald		1,278	100.00	139
150	Vermögensverwaltungsgesellschaft TIS mbH, Grünwald		513	100.00	140
151	Vermögensverwaltungsgesellschaft Xtend mbH, Grünwald		10,516	100.00	142
152	Xtend new media Holding GmbH, Grünwald		100	100.00	140
153	B.V. 'Nedeximpo' Nederlandse Export- en Importmaatschappij, Amsterdam, Netherlands		1,362	100.00	190
154	Carolina Building Materials, Inc., Carolina, Puerto Rico	USD	450	100.00	134
155	Cimex-Nor S.A., San Sebastian, Spain		618	74.00	142
156	FERROGLAS Glasbautechnik GmbH, Hörsching, Austria		218	100.00	669
157	LAGERMEX S.A. de C.V., Puebla, Mexico	MXN	120,545	100.00	142 71.95%
					4 28.05%
158	LAMINCER S.A., Munguia, Spain		180 ¹⁾	100.00	142 60.00%
					155 40.00%
159	OOO ThyssenKrupp Materials, Moscow, Russia	RUB	928,369	96.03	142
160	PALMETAL Controlo e Armazenagem S.A., Palmela, Portugal		1,000	90.00	155
161	Sidcomex S.A. de C.V., Puebla, Mexico	MXN	50 ¹⁾	100.00	157 99.99%
					142 0.01%
162	Techno-Stahl Stahlgroßhandel und Brennschneidbetrieb Ges.m.b.H., Vienna, Austria		146 ¹⁾	100.00	669
163	Thyssen Financial Services B.V., 's-Gravendeel, Netherlands		3,857	100.00	262
164	Thyssen Sudamerica N.V., Willemstad, Netherland Antilles	USD	5,463	100.00	190
165	Thyssen Trading S.A., São Paulo, Brazil	BRL	19,738 ¹⁾	100.00	142
166	ThyssenKrupp Christon N.V., Lokeren, Belgium		7,033	100.00	688 53.50%
					138 46.50%
167	ThyssenKrupp Energostal S.A., Torun, Poland	PLN	15,000	84.00	142
168	ThyssenKrupp Ferostav, spol. s r.o., Nové Zámky, Slovakia		1,492	80.00	142
169	ThyssenKrupp Ferroglobus Kereskedelmi ZRt, Budapest, Hungary	HUF	3,244,000	100.00	142
170	ThyssenKrupp Ferrosta spol. s.r.o., Prague, Czech Republic	CZK	200	100.00	142
171	ThyssenKrupp Fortinox S.A., Buenos Aires, Argentina	USD	2,100	80.00	142
172	ThyssenKrupp Industrial Services Canada, Inc., Windsor/Ontario, Canada	CAD	0	100.00	679
173	ThyssenKrupp Industrial Services NA, Inc., Southfield/Michigan, USA	USD	25	100.00	189
174	ThyssenKrupp ISIS Holding, Inc., Wilmington/Delaware, USA	USD	1	100.00	189
175	ThyssenKrupp Logistics, Inc., Wilmington/Delaware, USA	USD	1	100.00	189
176	ThyssenKrupp Mannex Asia Pte. Ltd., Singapore, Singapore	USD	154	100.00	141
177	ThyssenKrupp Mannex Pty. Ltd., Sydney/New South Wales, Australia	AUD	213	100.00	142
178	ThyssenKrupp Mannex Sverige AB, Gothenburg, Sweden	SEK	2,000	100.00	141
179	ThyssenKrupp Mannex UK Ltd., Woking, Great Britain	GBP	2,175	100.00	690
180	ThyssenKrupp Materials Austria GmbH, Vienna, Austria		2,455	100.00	669
181	ThyssenKrupp Materials Belgium N.V./S.A., Lokeren, Belgium		1,200	100.00	688 85.87%
					138 14.13%
182	ThyssenKrupp Materials CA Ltd., Concord/Ontario, Canada	CAD	14,778	100.00	189
183	ThyssenKrupp Materials d.o.o., Belgrad, Serbia		9,990	100.00	142
184	ThyssenKrupp Materials France S.A.S., Maurepas, France		25,958	100.00	684
185	ThyssenKrupp Materials Holding (Thailand) Ltd., Samut Prakarn Province, Thailand	THB	46,900	100.00	195 51.00%
					142 49.00%
186	ThyssenKrupp Materials Ibérica S.A., Martorelles, Spain		7,681	100.00	665
187	ThyssenKrupp Materials Korea Company Ltd., Seoul, South Korea	KRW	4,000,000	60.00	142
188	ThyssenKrupp Materials Middle East FZE, Jebel Ali, United Arab Emirates	AED	3,000	100.00	142
189	ThyssenKrupp Materials NA, Inc., Southfield/Michigan, USA	USD	2	100.00	691
190	ThyssenKrupp Materials Nederland B.V., Amsterdam, Netherlands		9,076	100.00	688
191	ThyssenKrupp Materials Romania S.R.L., Bucharest, Romania	RON	21,552 ¹⁾	100.00	142

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192	ThyssenKrupp Materials Switzerland AG, Bronschhofen, Switzerland	CHF	4,600	100.00	142
193	ThyssenKrupp Materials (Shanghai) Co., Ltd., Shanghai, PR China	CNY	23,000 ¹⁾	70.00	142
194	ThyssenKrupp Materials Sverige AB, Gothenburg, Sweden	SEK	23,080	100.00	142
195	ThyssenKrupp Materials (Thailand) Co., Ltd., Bangkok, Thailand	THB	200,000	83.50	142
					185
					34.50%
196	ThyssenKrupp Materials (UK) Ltd., Smethwick, Great Britain	GBP	12,032	100.00	690
197	ThyssenKrupp Materials Vietnam LLC, Hanoi, Vietnam	VND	121,000,000	97.36	142
198	ThyssenKrupp OnlineMetals, LLC, Southfield/Michigan, USA	USD	1,600	100.00	189
199	ThyssenKrupp Portugal - Aços e Serviços, Lda., Carregado, Portugal		1,150	100.00	142
200	ThyssenKrupp Securitization Corp., Southfield/Michigan, USA	USD	0	100.00	691
201	ThyssenKrupp Service Acier S.A.S., Fosses, France		14,000	100.00	684
202	ThyssenKrupp Stahlunion Polska Sp. z o.o., Katowitz, Poland	PLN	100	100.00	134
203	ThyssenKrupp Stal Serwis Polska Sp. z o.o., Dabrowa Górnicza, Poland	PLN	28,000	100.00	147
204	ThyssenKrupp Steel Distribution, LLC, Wilmington/Delaware, USA	USD	1	100.00	205
205	ThyssenKrupp Steel North America, Inc., Dover/Delaware, USA	USD	54,501	100.00	691
206	ThyssenKrupp-Jupiter Stomana OOD, Sofia, Bulgaria	BGN	500	80.00	142
	SpecialServices				
207	DSU Beteiligungs-Gesellschaft für Dienstleistungen und Umwelttechnik mbH, Oberhausen		30	100.00	217
208	ThyssenKrupp Aerospace Germany GmbH, Rodgau, Nieder-Roden	DEM	1,000	100.00	142
209	ThyssenKrupp Anlagenservice GmbH, Oberhausen		4,536	100.00	142
					648
					5.29%
210	ThyssenKrupp AT.PRO tec GmbH, Essen		42	61.19	218
211	ThyssenKrupp Bauservice GmbH, Hückelhoven		2,557	100.00	142
					651
					5.10%
212	ThyssenKrupp Energievertriebs GmbH, Essen		5,113	100.00	142
213	ThyssenKrupp GfT Bautechnik GmbH, Essen		500	70.00	142
214	ThyssenKrupp GfT Gleistechnik GmbH, Essen		1,000	100.00	142
215	ThyssenKrupp GfT Tiefbautechnik GmbH, Essen		26	100.00	213
216	ThyssenKrupp Metallurgie GmbH, Essen		7,107	100.00	142
					262
					35.14%
217	ThyssenKrupp MillServices & Systems GmbH, Duisburg		1,875	68.00	262
218	ThyssenKrupp MinEnergy GmbH, Essen		1,023	100.00	142
219	ThyssenKrupp Plastics GmbH, Düsseldorf		10,000	100.00	220
220	ThyssenKrupp Plastics International GmbH, Düsseldorf		5,113	100.00	142
221	Alfaplast AG, Steinhausen, Switzerland	CHF	250	100.00	257
222	Aviation Metals Ltd., Birmingham, Great Britain	GBP	65	40.00	244
223	DSU - Romania S.r.l., Bucharest, Romania	RON	6,968	100.00	207
224	Indu-Light AG, Beromünster/Luzern, Switzerland	CHF	150	53.33	226
225	Interlux GmbH, Hörsching, Austria		182	100.00	234
226	Neomat AG, Beromünster/Luzern, Switzerland	CHF	200	100.00	257
227	Nordisk Plast A/S, Auning, Denmark	DKK	4,000	100.00	230
228	Notz Plastics AG, Biel/Bienne, Switzerland	CHF	1,000	100.00	257
229	OOO ThyssenKrupp Bautechnik technischer Service, St. Petersburg, Russia	RUB	360 ¹⁾	100.00	213
230	RIAS A/S, Roskilde, Denmark	DKK	23,063	54.15	220
231	RIP Comércio Ltda., São Paulo, Brazil	BRL	619	100.00	232
232	RIP Serviços Industriais Ltda., São Paulo, Brazil	BRL	180,562	100.00	142
233	RIP Serviços Siderúrgicos Ltda., Rio de Janeiro, Brazil	BRL	1,000	100.00	232
					231
					0.00% ³⁾

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234	Röhm Austria GmbH, Vienna, Austria		727	100.00	669
235	Röhm Italia S.r.l., Garbagnate Milanese, Italy		100	100.00	686
236	Steba AG, Pfäffikon, Switzerland	CHF	500	100.00	226
237	STEBA Direktverkauf Kunststoffe + Plexiglas GmbH, Hunzenschwil, Switzerland	CHF	20	100.00	236
238	ThyssenKrupp Aerospace Australia Pty. Ltd., Wetherill Park/New South Wales, Australia	AUD	2,549	100.00	241
239	ThyssenKrupp Aerospace Finland Oy, Mänttä, Finland		59	100.00	241
240	ThyssenKrupp Aerospace India Private Ltd., Bangalore, India	INR	100	100.00	241 99.99%
					244 0.01%
241	ThyssenKrupp Aerospace International Holdings Ltd., Birmingham, Great Britain	GBP	650	100.00	244
242	ThyssenKrupp Aerospace Nederland B.V., Venlo, Netherlands		18	100.00	688
243	ThyssenKrupp Aerospace (Shanghai) Co. Ltd., Shanghai, PR China	USD	2,000	100.00	244
244	ThyssenKrupp Aerospace UK Ltd., Birmingham, Great Britain	GBP	3,295	100.00	690
245	ThyssenKrupp Autômatas Indústria de Peças Ltda., São Paulo, Brazil	BRL	335	80.00	232
246	ThyssenKrupp Cadillac Plastic S.A.S., Mitry-Mory, France		1,053	100.00	684
247	ThyssenKrupp Comércio de Combustíveis e Gases Ltda., Rio de Janeiro, Brazil	BRL	100,230	100.00	218 95.00%
					75 5.00%
248	ThyssenKrupp GfT Polska Sp. z o.o., Krakow, Poland	PLN	15,750	100.00	214
249	ThyssenKrupp InPlant Services LLC, Dover/Delaware, USA	USD	1,900	51.00	189
250	ThyssenKrupp Máquinas e Equipamentos Ltda., Rio de Janeiro, Brazil	BRL	10	100.00	232 95.00%
					75 5.00%
251	ThyssenKrupp Materials, LLC, Southfield/Michigan, USA	USD	1	100.00	189
252	ThyssenKrupp MinEnergy (Tianjin) Co., Ltd., Tianjin, PR China	USD	200 ¹⁾	100.00	218
253	ThyssenKrupp Otto Wolff N.V./S.A., Mechelen, Belgium		711	100.00	220
254	ThyssenKrupp Plastic Ibérica SL, Massalfassar (Valencia), Spain		3,000	100.00	220
255	ThyssenKrupp Steelcom N.Z. Ltd., New Zealand	NZD	0	100.00	213
256	ThyssenKrupp Steelcom Pty. Ltd., North Sydney/New South Wales, Australia	AUD	0	100.00	213
257	ThyssenKrupp Stokvis Plastics B.V., Roosendaal, Netherlands		4,500	100.00	688
258	ThyssenKrupp-Dopravné Stavby Slovensko s.r.o., Bratislava, Slovakia	SKK	1,000 ¹⁾	51.00	214
259	TOO ThyssenKrupp-CL COO, Aktau, Kazakhstan	KZT	16,000 ¹⁾	51.00	213
260	UAB ThyssenKrupp Baltija, Klaipeda, Lithuania	LTL	10 ¹⁾	51.00	213
Industrial Services					
261	Siegfried Schlüssler Feuerungsbau GmbH, Bispingen		135	100.00	263
262	ThyssenKrupp Industrial Services Holding GmbH, Düsseldorf		50,000	100.00	142 94.90%
					648 5.10%
263	ThyssenKrupp Xervon Energy GmbH, Duisburg		1,300	100.00	264
264	ThyssenKrupp Xervon GmbH, Düsseldorf		12,000	100.00	148
265	ThyssenKrupp Xervon Utilities GmbH, Düsseldorf		25	100.00	264
266	Rosendaal Services N.V., Kapellen, Belgium		125	100.00	264 98.40%
					265 1.60%
267	Sumatec/Astel-Peiniger (M) Joint Venture, Selangor Darul Ehsan, Malaysia	MYR		56.00	278
268	ThyssenKrupp Palmers Ltd., West Midlands, Great Britain	GBP	0	100.00	690
269	ThyssenKrupp Services Ltd., Coventry, Great Britain	GBP	125	100.00	270
270	ThyssenKrupp Services (UK) Ltd., Business Park Coventry West Midlands, Great Britain	GBP	656	100.00	690
271	ThyssenKrupp Xervon Algeria S.A.R.L., Algier, Algeria	DZD	23,750	100.00	264 95.00%
					276 5.00%
272	ThyssenKrupp Xervon Austria GmbH, Maria Lanzendorf, Austria		1,453	100.00	669
273	ThyssenKrupp Xervon Co. Ltd., Shanghai, PR China	CNY	5,805 ¹⁾	100.00	264
274	ThyssenKrupp Xervon Corp - Mindus Joint Venture, Kuala Lumpur, Malaysia	MYR	0	80.00	275

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No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
275	ThyssenKrupp Xervon Corp. Sdn. Bhd., Kuala Lumpur, Malaysia	MYR	3,800	49.00	278
276	ThyssenKrupp Xervon Egypt SAE, Cairo, Egypt	EGP	14,000	100.00	277 98.96%
					264 1.04%
277	ThyssenKrupp Xervon Gulf LLC, Sharjah, United Arab Emirates	AED	500	100.00	264
278	ThyssenKrupp Xervon Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	MYR	2,650 ¹⁾	100.00	264
279	ThyssenKrupp Xervon Norway AS, Oslo, Norway	NOK	20,000	100.00	264
280	ThyssenKrupp Xervon Polska Sp. z o.o., Warsaw, Poland	PLN	7,150	100.00	264
281	ThyssenKrupp Xervon S.A., Taragona, Spain		598	100.00	665
282	ThyssenKrupp Xervon Saudi Arabia L.L.C., Al-Khubar, Saudi Arabia	SAR	1,000	100.00	277
283	ThyssenKrupp Xervon Sweden AB, Stockholm, Sweden	SEK	1,200	100.00	148
284	ThyssenKrupp Xervon U.A.E. - L.L.C. For Industrial Services, Abu Dhabi, United Arab Emirates	AED	2,000	100.00	277
ELEVATOR TECHNOLOGY					
Corporate Elevator					
285	ELEG Europäische Lift + Escalator GmbH, Düsseldorf		51	100.00	287
286	Rheinstahl Union GmbH, Düsseldorf		26	100.00	287
287	ThyssenKrupp Elevator AG, Düsseldorf		100,000	100.00	651
288	ThyssenKrupp Elevator die Fünfte GmbH, Essen		25	100.00	287
289	ThyssenKrupp Elevator Research GmbH, Düsseldorf		25	100.00	285
290	ThyssenKrupp Industries and Services Qatar LLC, Doha, Qatar	QAR	2,000	100.00	287
Central/Eastern/Northern Europe (CENE)					
291	Christian Hein GmbH, Langenhagen		522	100.00	301
292	GMT Aufzug-Service GmbH, Ettlingen		26	100.00	301
293	GWH Aufzüge GmbH, Himmelstadt		26	100.00	301
294	Haisch Aufzüge GmbH, Gingen/Fils		50	100.00	301
295	Hanseatische Aufzugsbau GmbH, Rostock		33	100.00	301
296	LiftEquip GmbH Elevator Components, Neuhausen a.d.F.		25	100.00	301
297	Liftservice und Montage GmbH, Saarbrücken		51	100.00	301
298	Tepper Aufzüge GmbH, Münster		1,641	100.00	301
299	ThyssenKrupp Aufzüge GmbH, Stuttgart		2,700	100.00	302
300	ThyssenKrupp Aufzugswerke GmbH, Neuhausen a.d.F.		10,226	99.50	301
301	ThyssenKrupp Elevator (CENE) GmbH, Essen		7,100	100.00	287
302	ThyssenKrupp Elevator (CENE) Infrastruktur GmbH, Essen		2,700	100.00	301
303	Ascenseurs Drieux-Combaluzier S.A.S., Les Lilas, France		892	100.00	315
304	Atena S.A., Les Lilas, France		40	100.00	315
305	Bardeck Lift Engineers Ltd., London, Great Britain	GBP	11	100.00	690
306	Compagnie des Ascenseurs et Elevateurs S.A.M. 'CASEL SAM', Monaco, Monaco		153	98.80	315
307	Hammond & Champness Ltd., Nottingham, Great Britain	GBP	500	100.00	318
308	HK Services A/S, Bergen, Norway	NOK	351	100.00	319
309	MGTI SNEV S.A.S., Saint Jeannet, France		526	100.00	315
310	Mulder Liftservice B.V., Nuth, Netherlands		18	100.00	324
311	OOO ThyssenKrupp Elevator, Moscow, Russia	RUB	14,344	100.00	301
312	Proxi-Line E.U.R.L., Angers, France		77	100.00	326
313	The Britannic Lift Company Ltd., West Yorkshire, Great Britain	GBP	35	100.00	318
314	ThyssenKrupp Ascenseurs Luxembourg S.a.r.l., Luxembourg, Luxembourg		13,396	100.00	301
315	ThyssenKrupp Ascenseurs S.A.S., Angers, France		8,117	100.00	326
316	ThyssenKrupp Aufzüge AG, Rümlang, Switzerland	CHF	1,165	100.00	301 85.84%
					315 14.16%

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
317	ThyssenKrupp Aufzüge Gesellschaft m.b.H., Vienna, Austria		370	100.00	669
318	ThyssenKrupp Aufzüge Ltd., Nottingham, Great Britain	GBP	20,990	100.00	690
319	ThyssenKrupp Aufzüge Norge A/S, Oslo, Norway	NOK	5,200	100.00	301
320	ThyssenKrupp Aufzugswerke Konstruktions GmbH, Gratkorn, Austria		35	100.00	669
					300
321	ThyssenKrupp DVG dvgala d.o.o., Trzin, Slovenia		805	100.00	669
322	ThyssenKrupp Elevator A/S, Glostrup, Denmark	DKK	550	100.00	301
323	ThyssenKrupp Elevator A/S, Oslo, Norway	NOK	100	100.00	319
324	ThyssenKrupp Elevator B.V., Krimpen aan den IJssel, Netherlands		4,977	100.00	688
325	ThyssenKrupp Elevator Finland Oy, Helsinki, Finland		42	100.00	301
326	ThyssenKrupp Elevator Holding France S.A.S., Puteaux Cedex, France		34,433	100.00	684
327	ThyssenKrupp Elevator Ireland, Ltd., Dublin, Ireland		63	100.00	318
328	ThyssenKrupp Elevator Lithuania UAB, Vilnius, Lithuania	LTL	691 ¹⁾	100.00	669
329	ThyssenKrupp Elevator Manufacturing France S.A.S., Angers, France		4,602	100.00	315
330	ThyssenKrupp Elevator Sp. z o.o., Warsaw, Poland	PLN	15,300	100.00	301
331	ThyssenKrupp Elevator Sverige AB, Stockholm, Sweden	SEK	8,542	100.00	301
332	ThyssenKrupp Elevator UK Ltd., Nottingham, Great Britain	GBP	2,300	100.00	318
333	ThyssenKrupp Kazlift LLP, Almaty, Kazakhstan	KZT	166,076	100.00	366
334	ThyssenKrupp Koncar dizala d.o.o., Zagreb, Croatia	HRK	17,204	100.00	301
335	ThyssenKrupp Lift Kft, Budapest, Hungary	HUF	101,480	100.00	317
					285
336	ThyssenKrupp Liften Ascenseurs S.A., Brussels, Belgium		2,480	100.00	301
					440
					287
337	ThyssenKrupp Liften B.V., Krimpen aan den IJssel, Netherlands		1,875	100.00	324
338	ThyssenKrupp Rulletrapper A/S, Oslo, Norway	NOK	100	100.00	319
339	ThyssenKrupp Vytahy s.r.o., Prague, Czech Republic	CZK	78,313	100.00	301
340	ThyssenKrupp Vytahy s.r.o., Bratislava, Slovakia		266	100.00	317
341	TOB ThyssenKrupp Elevator Ukraine, Kiev, Ukraine	UAH	42,560 ¹⁾	100.00	301
					285
342	Trapo Küng AG, Basel, Switzerland	CHF	500	100.00	316
Southern Europe/Africa/Middle East (SEAME)					
343	ASEL Ascensores S.L., Madrid, Spain		7	100.00	366
344	Cont Ascensori S.r.l., Alessandria, Italy		72	100.00	348
345	Curti Ascensori S.r.l., Bosisio Parini, Italy		112	100.00	348
346	Marco Bonfedi Ascensori Scale Mobili S.r.l., Milan, Italy		50	100.00	348
347	Massida Ascensori S.r.l., Cagliari, Italy		10 ¹⁾	100.00	348
348	Nuova TKEI S.P.A., Milan, Italy		1,500	100.00	686
349	Rossi Ascensori S.r.l., Prato-Firenze, Italy		10 ¹⁾	100.00	348
350	Sabia S.r.l., Modena, Italy		15 ¹⁾	100.00	348
351	Scam Ascensori S.r.l., Mestre, Venezia, Italy		16 ¹⁾	100.00	348
352	SIAR S.r.l., Rome, Italy		47 ¹⁾	100.00	348
353	Simonini Elevatori S.r.l., Foggia, Italy		23 ¹⁾	100.00	348
354	ThyssenKrupp Asansör Sanayi ve Tic. A.S., Istanbul, Turkey	TRL	10,953,270,000	100.00	301
					287
355	ThyssenKrupp Assanbar PJSC (Private Joint Stock Company), Mashhad, Iran	IRR	8,702,400	51.00	287
					366
356	ThyssenKrupp Elevadores, S.A., Lissabon, Portugal		3,586	100.00	366
357	ThyssenKrupp Elevadores, S.L., Madrid, Spain		4,696	99.94	366
358	ThyssenKrupp Elevator Almoayyed W.L.L., Manama, Bahrain	BHD	20	70.00	287

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No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.	
359	ThyssenKrupp Elevator Egypt Ltd., Cairo, Egypt	EGP	2,500	100.00	287	75.00%
					366	25.00%
360	ThyssenKrupp Elevator Israel LP, Rishon Le'zion, Israel	ILS	40,000	100.00	285	49.90%
					366	49.90%
					722	0.20%
361	ThyssenKrupp Elevator Italia S.p.A., Milan, Italy		490	100.00	348	98.00%
					287	2.00%
362	ThyssenKrupp Elevator Manufacturing Spain S.L., Andoain, Spain		281	100.00	357	
363	ThyssenKrupp Elevator Maroc S.A.R.L., Casablanca. Marruecos, Morocco	MAD	1,085	100.00	366	95.00%
					357	5.00%
364	ThyssenKrupp Elevator Saudi Co. Ltd., Riyadh, Saudi Arabia	SAR	2,000	100.00	301	90.00%
					286	10.00%
365	ThyssenKrupp Elevator (South Africa) (Pty.) Ltd., Johannesburg, South Africa	ZAR	111	100.00	287	
366	ThyssenKrupp Elevator Southern Europe, Africa & Middle East, S.L.U., Madrid, Spain		306,109	100.00	665	
367	ThyssenKrupp Elevator SRL, Bucharest, Romania	RON	1,545 ¹⁾	100.00	366	100.00% ³⁾
					357	0.00% ³⁾
368	ThyssenKrupp Elevator UAE (L L C), Dubai, United Arab Emirates	AED	80,300	100.00	287	
369	ThyssenKrupp Elevatori d.o.o., Belgrad, Serbia		350 ¹⁾	100.00	317	
370	ThyssenKrupp Elevator/Jordan Ltd. Co., Amman, Jordan	JOD	1,569	100.00	287	
371	ThyssenKrupp Elevators Bulgaria EAD, Sofia, Bulgaria	BGN	1,000	100.00	366	
372	ThyssenKrupp Elevators Hellas S.A., Athen, Greece		2,240	100.00	287	51.00%
					366	49.00%
373	2G S.r.l., Messina, Italy		47 ¹⁾	100.00	348	
	Americas (AMS)					
374	Computerized Elevator Control Corp., New York, USA	USD	8	100.00	386	
375	ThyssenKrupp Elevadores, C.A., Caracas, Venezuela	VEB	3,076	100.00	357	
376	ThyssenKrupp Elevadores, S.A., Guatemala, Guatemala	GTQ	10,178 ¹⁾	100.00	357	90.00%
					380	10.00%
377	ThyssenKrupp Elevadores, S.A., São Paulo, Brazil	BRL	259,607	99.78	357	
378	ThyssenKrupp Elevadores S.A., Panama, Panama	USD	867 ¹⁾	100.00	357	
379	ThyssenKrupp Elevadores S.A., Bogota, Columbia	COP	5,657,905 ¹⁾	100.00	357	94.00%
					376	1.50%
					380	1.50%
					381	1.50%
					383	1.50%
380	ThyssenKrupp Elevadores S.A., Buenos Aires, Argentina	ARS	18,728 ¹⁾	100.00	357	94.98%
					381	5.02%
381	ThyssenKrupp Elevadores S.A., Santiago de Chile-Nunoa, Chile	CLP	2,289,533	100.00	357	98.84%
					380	1.16%
382	ThyssenKrupp Elevadores, S.A. de C.V., Mexico City, Mexico	MXN	75,036	100.00	357	99.93%
					380	0.07%
383	ThyssenKrupp Elevadores S.A.C., Lima, Peru	PEN	12,556 ¹⁾	100.00	357	99.81%
					380	0.19%
384	ThyssenKrupp Elevadores, S.R.L., Asunción, Paraguay	PYG	1,330,000 ¹⁾	100.00	357	99.90%
					380	0.10%
385	ThyssenKrupp Elevadores, S.R.L., Montevideo, Uruguay	UYU	6,303	100.00	357	95.00%
					380	5.00%
386	ThyssenKrupp Elevator Americas Corp., Wilmington/Delaware, USA	USD	0	100.00	691	
387	ThyssenKrupp Elevator Canada Ltd., Toronto/Ontario, Canada	CAD	4,141	100.00	392	

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No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
388	ThyssenKrupp Elevator Capital Corp., Wilmington/Delaware, USA	USD	302,250	100.00	389
389	ThyssenKrupp Elevator Corp., Wilmington/Delaware, USA	USD	26,261	100.00	386
390	ThyssenKrupp Elevator Inc., San Juan, Puerto Rico	USD	1	100.00	389
391	ThyssenKrupp Elevator Manufacturing Inc., Collierville/Tennessee, USA	USD	1	100.00	389
392	ThyssenKrupp Northern Elevator Corp., Scarborough/Ontario, Canada	CAD	100	100.00	679
Asia/Pacific (AP)					
393	PT. ThyssenKrupp Elevator Indonesia, Jakarta, Indonesia	IDR	12,760,653	94.68	287
394	Sun Rhine Enterprises Ltd., Taipei, Taiwan	TWD	138,075	100.00	287
395	Sun Rich Enterprises Ltd., Taipei, Taiwan	TWD	6,000	100.00	287
396	Thyssen Elevators Co., Ltd., Zhongshan, PR China	USD	31,680 ¹⁾	100.00	287
397	ThyssenKrupp Elevator & Escalator (Shanghai) Co.Ltd., Shanghai, PR China	USD	5,250 ¹⁾	100.00	680
398	ThyssenKrupp Elevator Asia Pacific Ltd., Hongkong, PR China	HKD	58,000	100.00	287
399	ThyssenKrupp Elevator Australia Pty. Ltd., Sydney/New South Wales, Australia	AUD	1	100.00	412
400	ThyssenKrupp Elevator (BD) Pvt. Ltd., Dhaka, Bangladesh	BDT	3,395	100.00	402
401	ThyssenKrupp Elevator (HK) Ltd., Hongkong, PR China	HKD	129,970	100.00	287
402	ThyssenKrupp Elevator (India) Pvt. Ltd., New Delhi, India	INR	881,620	100.00	287
					100.00% ³⁾
					285
					0.00% ³⁾
403	ThyssenKrupp Elevator Installation and Maintenance (China) Co. Ltd., Guangzhou, PR China	USD	6,500 ¹⁾	100.00	680
404	ThyssenKrupp Elevator (Korea) Ltd., Seoul, South Korea	KRW	1,273,220	100.00	287
405	ThyssenKrupp Elevator Malaysia Sdn. Bhd., Selangor, Malaysia	MYR	500	100.00	287
406	ThyssenKrupp Elevator New Zealand Ltd., Auckland, New Zealand	NZD	1	100.00	399
407	ThyssenKrupp Elevator Queensland Pty. Ltd., Melbourne/Victoria, Australia	AUD	1	100.00	412
408	ThyssenKrupp Elevator (Singapore) Pte.Ltd., Singapore, Singapore	SGD	4,800	100.00	287
409	ThyssenKrupp Elevator (Thailand) Co., Ltd., Bangkok, Thailand	THB	155,776	100.00	287
410	ThyssenKrupp Elevator Vietnam Co. Ltd., Hanoi, Vietnam	USD	200	100.00	287
411	ThyssenKrupp Elevators (Shanghai) Co., Ltd., Shanghai, PR China	USD	13,940 ¹⁾	100.00	680
412	ThyssenKrupp Lifts Pacific Pty. Ltd., Alexandria/New South Wales, Australia	AUD	10,800	100.00	287
413	TK Lif & Eskalator Sdn. Bhd., Shah Alam, Malaysia	MYR	100	100.00	398
					70.00%
					405
					30.00%
Escalators/Passenger Boarding Bridges(ES/PBB)					
414	ThyssenKrupp Elevator (EBC) GmbH, Berlin		25	100.00	287
415	ThyssenKrupp Elevator (ES/PBB) GmbH, Essen		25	100.00	287
416	ThyssenKrupp Fahrtreppen GmbH, Hamburg		1,311	100.00	301
417	AVIOTEAM Servizio e Manutenzioni S.r.l., Rome, Italy		52 ¹⁾	65.00	418
418	ThyssenKrupp Airport Services S.L., Mieres / Asturias, Spain		150 ¹⁾	100.00	421
419	ThyssenKrupp Airport Systems Co. (Zhongshan) Ltd., Guangdong, PR China	USD	2,550	100.00	680
420	ThyssenKrupp Airport Systems Inc., Fort Worth/Texas, USA	USD	3,510	100.00	691
421	ThyssenKrupp Airport Systems, S.A., Mieres/Oviedo, Spain		1,743	100.00	357
					100.00% ³⁾
					425
					0.00% ³⁾
422	ThyssenKrupp Elevator (ES/PBB) Ltd., Newton Aycliffe, Great Britain	GBP	4,135	100.00	690
423	ThyssenKrupp Elevator Innovation Center, S.A., Mieres/Oviedo, Spain		902	100.00	425
424	ThyssenKrupp Escalator Co. (China) Ltd., Guangdong, PR China	USD	14,800 ¹⁾	100.00	680
425	ThyssenKrupp Norte S.A., Mieres/Oviedo, Spain		4,147	100.00	665
					66.30%
					357
					33.70%
Accessibility (ACC)					
426	ThyssenKrupp Accessibility Holding GmbH, Essen		25	100.00	287
427	ThyssenKrupp Treppenlifte GmbH, Neuss		32	100.00	287
428	Lift Able Ltd., Cleveland, Great Britain	GBP	7	100.00	433

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No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
429	ThyssenKrupp Accesibilidad S.L., Madrid, Spain		3	100.00	665
430	ThyssenKrupp Access China Ltd., Shanghai, PR China	USD	500	100.00	680
431	ThyssenKrupp Access Corp., Kansas City/Missouri, USA	USD	0	100.00	691
432	ThyssenKrupp Access Japan Co., Ltd., Tokyo, Japan	JPY	47,000	100.00	287
433	ThyssenKrupp Access Ltd., Stockton-on-Tees, Great Britain	GBP	100	100.00	690
434	ThyssenKrupp Access Manufacturing, LLC, Delaware, USA	USD	2,500	100.00	431
435	ThyssenKrupp Accessibility B.V., Krimpen aan den IJssel, Netherlands		1,270	100.00	324
436	ThyssenKrupp Acessibilidades, Unipessoal, Lda., Sintra, Portugal		50	100.00	287
437	ThyssenKrupp Ceteco S.r.l., Pisa, Italy		500	100.00	361
438	ThyssenKrupp Monolift AB, Stockholm, Sweden	SEK	100	100.00	324
439	ThyssenKrupp Monolift AS, Oslo, Norway	NOK	110	100.00	319
440	ThyssenKrupp Monolift N.V., Gent, Belgium		450	100.00	324
					99.93%
					426
					0.07%
441	ThyssenKrupp Monolift S.A.S., Gennevilliers, France		40	100.00	326
442	ThyssenKrupp Monoliften B.V., Krimpen aan den IJssel, Netherlands		97	100.00	324
PLANT TECHNOLOGY					
Uhde					
443	AWG Industrieanlagen und Wassertechnik GmbH Berlin, Berlin	DEM	50	100.00	445
444	GKI-OFU Industrieofenbau GmbH, Dortmund		26	100.00	445
445	Uhde GmbH, Dortmund		49,650	100.00	659
					94.90%
					651
					5.10%
446	Uhde High Pressure Technologies GmbH, Hagen		1,023	100.00	445
447	Uhde Inventa-Fischer GmbH, Berlin		3,210	100.00	445
448	Uhde Services GmbH, Haltern am See		588	100.00	445
449	OOO Uhde, Dzerzhinsk, Russia	RUB	3,058 ¹⁾	100.00	445
450	OSC Process Engineering Ltd., Stockport, Great Britain	GBP	350	90.00	690
451	ThyssenKrupp PDNA Engineering (Proprietary) Ltd., Sunninghill, South Africa	ZAR	1,000	74.90	496
452	Uhde Arabia Ltd., Al-Khobar, Saudi Arabia	SAR	2,000	60.00	445
453	Uhde Asia Pacific Pty. Ltd., West Melbourne/Victoria, Australia	AUD	857	100.00	445
454	Uhde Corporation of America, Bridgeville/Pennsylvania, USA	USD	0	100.00	691
455	Uhde Edeleanu S.E. Asia Pte. Ltd., Singapore, Singapore	SGD	1,000	100.00	445
456	Uhde Engineering Consulting (Shanghai) Co., Ltd., Shanghai, PR China		364 ¹⁾	100.00	464
457	Uhde Engineering de México, S.A. de C.V., Mexico D.F., Mexico	MXN	8,919	100.00	462
					99.99%
					445
					0.01%
458	Uhde Engineering Egypt Company (S.A.E.), Cairo, Egypt	EGP	250	100.00	445
459	Uhde Fertilizer Technology B.V., Amsterdam, Netherlands		18	100.00	688
460	Uhde India Private Ltd., Mumbai, India	INR	29,440	80.43	445
461	Uhde Inventa-Fischer AG, Domat / Ems, Switzerland	CHF	100	100.00	445
462	Uhde Mexico S.A. de C.V., Mexico City, Mexico	MXN	45,219	100.00	445
					98.06%
					665
					1.22%
					466
					0.72%
463	Uhde Services Slovakia s.r.o., Lazaretská, Slovakia	SKK	200	100.00	448
					85.00%
					445
					15.00%
464	Uhde Shedden (Australia) Pty. Ltd., South Melbourne/Victoria, Australia	AUD	5,757	100.00	453
465	Uhde Shedden (Thailand) Ltd., Bangkok, Thailand	THB	31,000	48.38	453
Polysius					
466	Polysius AG, Beckum	DEM	21,000	100.00	659
					94.90%
					651
					5.10%

¹⁾ fiscal year not 09/30 ²⁾ in accordance with IFRS regulations ³⁾ splinter investment as of fourth digit behind decimal point ⁴⁾ parent company

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
467	A-C Equipment Services Corp., Milwaukee/Wisconsin, USA	USD	4,500	100.00	473
468	ELEX CemCat AG, Schwerzenbach, Switzerland	CHF	100	60.00	466
469	Maerz Ofenbau AG, Zurich, Switzerland	CHF	1,000	100.00	466
470	OOO Polysius, Moscow, Russia	RUB	17,000	100.00	466
471	Polysius Asia Pacific Pte. Ltd., Singapore, Singapore	SGD	100	100.00	466
472	Polysius Australia Pty. Ltd., Perth/Western Australia, Australia	AUD	50	100.00	466
473	Polysius Corp., Atlanta/Georgia, USA	USD	0	100.00	691
474	Polysius de Argentina S.A., Buenos Aires, Argentina	ARS	120	100.00	466
475	Polysius de Mexico S.A. de C.V., Mexico-City, Mexico	MXN	12,000	100.00	466
476	Polysius del Peru S.A., Arequipa, Peru	PEN	28,678	100.00	466 99.01%
					475 0.99%
477	Polysius do Brasil Ltda., São Paulo, Brazil	BRL	62,179	100.00	466
478	Polysius Engineering Sdn. Bhd., Kuala Lumpur, Malaysia	MYR	500	100.00	466
479	Polysius Ingenieria y Servicios del Peru S.A., Arequipa, Peru	PEN	410	100.00	466 99.00%
					474 1.00%
480	Polysius Ltd., Ascot/Berkshire, Great Britain	GBP	300	100.00	690
481	Polysius Polska Sp. z o.o., Warsaw, Poland	PLN	50	100.00	466
482	Polysius S.A., Madrid, Spain		601	100.00	665
483	Polysius S.A.S., Aix en Provence, France		2,400	100.00	684
484	Polysius (Shanghai) Co., Ltd., Shanghai, PR China		12,082	100.00	680
485	Polysius Vietnam Ltd., Hanoi, Vietnam	VND	2,416,700	100.00	466
486	ThyssenKrupp Engineering (Proprietary) Ltd., Gabarone, Botsuana	BWP	3	100.00	496 99.97%
					466 0.03%
487	ThyssenKrupp Servicios S.A. de C.V., Mexico D.F., Mexico	MXN	50	100.00	475 98.00%
					466 2.00%
488	TOV Polysius Ukraine, Kiev, Ukraine		300	100.00	466
489	Umatac Industrial Processes Inc., Calgary/Alberta, Canada	CAD	5,636	70.00	466
Fördertechnik					
490	ThyssenKrupp Fördertechnik GmbH, Essen		22,344	100.00	659 94.90%
					651 5.10%
491	Krupp Canada Inc., Calgary/Alberta, Canada	CAD	5,000	100.00	490
492	Mining Plants & Systems Bulgaria EOOD, Sofia, Bulgaria	BGN	5	100.00	490
493	PWH Materials Handling Systems Inc., Calgary/Alberta, Canada	CAD	20	100.00	490
494	ThyssenKrupp BulkTec (China) Ltd., Beijing, PR China		5,000 ¹⁾	100.00	680
495	ThyssenKrupp Engineering (Australia) Pty. Ltd., Stirling/Western Australia, Australia	AUD	170	100.00	490
496	ThyssenKrupp Engineering (Proprietary) Ltd., Sunninghill, South Africa	ZAR	101	100.00	445 60.00%
					490 30.00%
					466 10.00%
497	ThyssenKrupp Industries India Pvt. Ltd., Pimpri, India	INR	97,865	54.73	637
498	ThyssenKrupp Ingenieria Chile Ltda., Santiago de Chile, Chile	USD	15	100.00	501
499	ThyssenKrupp KH Mineral S.A.S., Sarreguemines, France		1,000	100.00	684
500	ThyssenKrupp Materials Handling Pty. Ltd., Stirling/Western Australia, Australia	AUD	25	100.00	490
501	ThyssenKrupp Robins Inc., Denver/Colorado, USA	USD	0	100.00	691
System Engineering					
502	Bleuel & Röhlung GmbH, Burghaun	DEM	290	51.03	504
503	Nothelfer Planung GmbH, Wadern-Lockweiler		51	100.00	504
504	ThyssenKrupp Drauz Nothelfer GmbH, Heilbronn		11,500	100.00	508 94.90%
					651 5.10%

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
505	ThyssenKrupp EGM GmbH, Langenhagen	DEM	250	100.00	506 94.92%
					659 5.08%
506	ThyssenKrupp Krause GmbH, Bremen	DEM	10,000	100.00	508 94.90%
					659 5.10%
507	ThyssenKrupp KST GmbH, Hohenstein-Ernstthal		26	100.00	506
508	ThyssenKrupp System Engineering GmbH, Essen		50	100.00	659
509	OOO ThyssenKrupp System Engineering, Kaluga, Russische Föderation, Russia	RUB	4,500	100.00	508
510	ThyssenKrupp Krause Ltd., Redhill/Surrey, Great Britain	GBP	0	100.00	690
511	ThyssenKrupp Production Systems Ltda., Diadema-São Paulo, Brazil	BRL	110,959	100.00	659 99.75%
					598 0.25%
512	ThyssenKrupp System Engineering, Inc., Auburn Hills/Michigan, USA	USD	150	100.00	691
513	ThyssenKrupp System Engineering Ltd., Coventry, Great Britain	GBP	150	100.00	690
514	ThyssenKrupp System Engineering S.A., Barcelona, Spain		60	100.00	665
515	ThyssenKrupp System Engineering, S.A. de C.V., Santiago de Querétaro, Mexico	MXN	4,929 ¹⁾	100.00	506
516	ThyssenKrupp System Engineering S.A.S., Ensisheim, France		458	100.00	684
517	ThyssenKrupp System Engineering (Shanghai) Co., Ltd., Shanghai, PR China		1,000 ¹⁾	100.00	680
518	ThyssenKrupp System Engineering Sp. z o.o., Gdansk, Poland	PLN	23,646	100.00	506
	Transrapid				
519	ThyssenKrupp Transrapid GmbH, Kassel	DEM	1,500	100.00	659
	Other Companies Plant Technology				
520	Uhde Services and Consulting GmbH, Dortmund		26	100.00	659
	COMPONENTS TECHNOLOGY				
	Presta Camshafts				
521	ThyssenKrupp Presta Chemnitz GmbH, Chemnitz		25	100.00	659
522	ThyssenKrupp Presta Ilsenburg GmbH, Ilsenburg		307	100.00	659 94.98%
					651 5.02%
523	ThyssenKrupp Presta Dalian Co. Ltd., Dalian, PR China		18,500	100.00	680
524	ThyssenKrupp Presta Danville, LLC, Danville/Illinois, USA	USD	0	100.00	691
525	ThyssenKrupp Presta TecCenter AG, Eschen, Liechtenstein	CHF	10,000	100.00	522
	Forging-Group				
526	ThyssenKrupp Gerlach GmbH, Homburg/Saar		34,257	100.00	659
527	ThyssenKrupp Birmid, Newton Aycliffe, Great Britain	GBP	0	100.00	674
528	ThyssenKrupp Crankshaft Co. LLC, Danville/Illinois, USA	USD	1	100.00	691
529	ThyssenKrupp Engine Components (China) Co., Ltd., Nanjing, PR China	USD	76,000	100.00	680
530	ThyssenKrupp Engine Components (India) Private Ltd., Nashik, India	INR	300,000 ¹⁾	100.00	526 99.90%
					659 0.10%
531	ThyssenKrupp Mavilor S.A., L'Horme, France		89,965	100.00	684
532	ThyssenKrupp Metalúrgica Campo Limpo Ltda., Campo Limpo Paulista, Brazil	BRL	85,000	59.77	689
533	ThyssenKrupp Metalúrgica de México S.A. de C.V., Puebla, Mexico	MXN	141,800	100.00	532
534	ThyssenKrupp Metalúrgica de Servicios S.A. de C.V., Puebla, Mexico	MXN	131	100.00	533
535	ThyssenKrupp Metalúrgica Santa Luzia Ltda., Santa Luzia, Brazil	BRL	58,198	100.00	532
	Waupaca				
536	ThyssenKrupp Waupaca de Mexico, S. de R.L. de C.V., Mexico, Mexico	USD	3	100.00	537 95.00%
					676 5.00%
537	ThyssenKrupp Waupaca, Inc., Waupaca/Wisconsin, USA	USD	0	100.00	676
	Rothe Erde				
538	PSL Wälzlager GmbH, Dietzenbach		26	100.00	549
539	Rothe Erde GmbH, Dortmund		12,790	100.00	659 80.00%
					648 20.00%

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
540	Definox (Beijing) Stainless Steel Equipment Ltd., Beijing, PR China	CNY	1,341 ¹⁾	100.00	545
541	Defontaine Ibérica S.A., Viana, Spain		721	100.00	545
542	Defontaine Italia S.r.l., Sesto San Giovanni, Italy		99	100.00	545
543	Defontaine of America, Inc., New Berlin/Wisconsin, USA	USD	50	100.00	691
544	Defontaine (Qingdao) Machinery Co., Ltd., Jiaonan City, Shandong Province, PR China		33,500	100.00	680
545	Defontaine S.A., Saint Herblain, France		4,603	100.00	684 99.99%
					539 0.01%
546	Defontaine Tunisie S.A., Ben Arous, Tunisia	TND	1,500	50.97	545
547	Nippon Roballo Company Ltd., Minato-ku/Tokyo, Japan	JPY	740,000	100.00	539
548	OOO PSL, Moscow, Russia	RUB	100 ¹⁾	100.00	549 99.00%
					538 1.00%
549	PSL a.s., Povazská Bystrica, Slovakia	SKK	234,000	100.00	539
550	PSL of America Inc., Twinsburg/Ohio, USA	USD	1	100.00	549
551	REX (Xuzhou) Slewing Bearing Co., Ltd., Xuzhou, PR China	USD	39,500 ¹⁾	60.00	680
552	Roballo Engineering Company Ltd., Peterlee, Great Britain	GBP	1,000	100.00	690
553	Robrasa Rolamentos Especiais Rothe Erde Ltda., Diadema, Brazil	BRL	10,119	100.00	659
554	Rotek Incorporated, Aurora/Ohio, USA	USD	100	100.00	691
555	Rothe Erde - Metallurgica Rossi S.p.A., Visano, Italy		1,612	100.00	686
556	Rothe Erde Ibérica S.A., Zaragoza, Spain		1,369	100.00	665
557	Rothe Erde India Private Ltd., Maharashtra, India	INR	1,190,570	100.00	539
558	Xuzhou Rothe Erde Ring Mill Co., Ltd., Xuzhou, PR China	USD	27,749 ¹⁾	100.00	680
559	Xuzhou Rothe Erde Slewing Bearing Co., Ltd., Xuzhou, PR China	USD	27,300 ¹⁾	60.00	680
Berco					
560	BERCO Deutschland GmbH, Ennepetal	DEM	4,668	100.00	659
561	Berco Bulgaria EOOD, Apriltsi, Bulgaria	BGN	780	100.00	565
562	Berco of America Inc., Waukesha/Wisconsin, USA	USD	50	100.00	691
563	Berco (Shanghai) Undercarriage Technology Co., Ltd., Shanghai, PR China		4,000	100.00	680
564	Berco (Shanghai) Undercarriage Trading Co., Ltd., Shanghai, PR China		2,000	100.00	680
565	Berco S.p.A., Copparo, Italy		38,700	100.00	686 99.95%
					651 0.05%
566	Berco (UK) Ltd., Birmingham, Great Britain	GBP	120	100.00	690
567	Berco Undercarriages (India) Private Ltd., Andrah Pradesh, India	INR	265,500	100.00	565 99.00%
					560 1.00%
568	BercoSul Ltda., Diadema-São Paulo, Brazil	BRL	14,062	100.00	565
569	Olympic Tracks, Inc., Puyallup/Washington, USA	USD	50	100.00	562
Presta Steering					
570	BMB Steering Innovation GmbH, Schönebeck		512	100.00	572
571	ThyssenKrupp Presta München/Esslingen GmbH, Munich		50	100.00	590
572	ThyssenKrupp Presta SteerTec GmbH, Düsseldorf		5,114	100.00	659 94.99%
					651 5.01%
573	ThyssenKrupp Presta SteerTec Mülheim GmbH, Mülheim		26	100.00	572
574	ThyssenKrupp Presta SteerTec Schönebeck GmbH, Schönebeck		26	100.00	572
575	ThyssenKrupp Automotive Sales & Technical Center, Inc., Troy/Michigan, USA	USD	3	100.00	691
576	ThyssenKrupp Presta Aktiengesellschaft, Eschen, Liechtenstein	CHF	15,000	100.00	659
577	ThyssenKrupp Presta Cold Forging LLC, Wilmington/Delaware, USA	USD	5,000	100.00	575
578	ThyssenKrupp Presta de México S.A. de C.V., Puebla, Mexico	MXN	17,316	100.00	581 33.33%
					590 33.33%
					602 33.33%
579	ThyssenKrupp Presta do Brasil Ltda., Curitiba, Brazil	BRL	36,944	100.00	581 89.81%
					590 10.19%

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
580	ThyssenKrupp Presta Fawer (Changchun) Co. Ltd., Changchun, PR China	CNY	52,834 ¹⁾	59.65	581
581	ThyssenKrupp Presta France S.A.S., Florange, France		23,660	100.00	684
582	ThyssenKrupp Presta HuiZhong Shanghai Co., Ltd., Shanghai, PR China	CNY	100,562 ¹⁾	60.00	581
583	ThyssenKrupp Presta Hungary Kft., Budapest, Hungary	HUF	632,770	100.00	571
584	ThyssenKrupp Presta Japan Co., Ltd., Tokyo, Japan	JPY	10,000	100.00	659
585	ThyssenKrupp Presta Servicios de México S.A. de C.V., Puebla, Mexico	MXN	50 ¹⁾	100.00	590
					581
					33.33%
					602
					33.33%
586	ThyssenKrupp Presta SteerTec Poland Sp.z o.o., Meseritz, Poland	PLN	3,664	100.00	572
587	ThyssenKrupp Presta Terre Haute, LLC, Terre Haute/Indiana, USA	USD	4,000	100.00	575
Bilstein-Gruppe					
588	HF Vermögensverwaltungsgesellschaft im Ruhrtal GmbH, Hagen		2,098	99.95	593
589	Kraemer & Freund Handel GmbH, Hagen		100	100.00	593
590	ThyssenKrupp Automotive Systems GmbH, Essen		2,557	100.00	659
591	ThyssenKrupp Bilstein Suspension GmbH, Ennepetal		5,982	99.50	659
					94.49%
					651
					5.01%
592	ThyssenKrupp Bilstein Tuning GmbH, Ennepetal		100	100.00	591
593	ThyssenKrupp Federn GmbH, Hagen		15,595	100.00	591
					94.99%
					651
					5.01%
594	ThyssenKrupp Automotive Systèmes France S.A.R.L., Hambach, France		152	100.00	684
595	ThyssenKrupp Automotive Systems de México S.A. de C.V., Puebla, Mexico	MXN	50	100.00	590
					100.00% ³⁾
					578
					0.00% ³⁾
596	ThyssenKrupp Automotive Systems Industrial do Brasil Ltda., Paraná, Brazil	BRL	170,400	100.00	590
					93.74%
					532
					6.26%
					598
					0.00% ³⁾
597	ThyssenKrupp Automotive Systems of America. LLC, Wilmington/Delaware, USA	USD	1	100.00	691
598	ThyssenKrupp Bilstein Brasil Molas e Componentes de Suspensão Ltda., São Paulo, Brazil	BRL	76,090	100.00	593
					100.00% ³⁾
					636
					0.00% ³⁾
599	ThyssenKrupp Bilstein Compa S.A., Sibiu, Romania	LEU	30,291	73.00	591
					72.82%
					504
					0.09%
					593
					0.09%
600	ThyssenKrupp Bilstein Ibérica, S.L.U., Alonsotegui, Spain		8,297	100.00	665
601	ThyssenKrupp Bilstein of America Inc., San Diego/California, USA	USD	945	100.00	691
602	ThyssenKrupp Bilstein Sasa S.A. de C.V., San Luis Potosi, Mexico	MXN	457,561	100.00	593
603	ThyssenKrupp Bilstein Woodhead Ltd., Leeds, Great Britain	GBP	7,610	100.00	674
604	ThyssenKrupp Fawer Liaoyang Spring Co., Ltd., Liaoyang/Liaoning, PR China	USD	21,278 ¹⁾	60.00	680
605	ThyssenKrupp Sasa Servicios, S.A.de C.V., San Luis Potosi, Mexico	MXN	50	100.00	602
Other Companies Components Technology					
606	ThyssenKrupp Technologies Japan Co., Ltd., Tokyo, Japan	JPY	10,000	100.00	659
MARINE SYSTEMS					
Naval					
607	Blohm + Voss Marine Systems GmbH, Hamburg		25	100.00	633
608	Emder Werft und Dockbetriebe GmbH, Emden		12,790	100.00	633
609	Hörn-Beteiligungs-GmbH, Kiel		26	100.00	610
610	Howaldtswerke-Deutsche Werft GmbH, Kiel		30,000	100.00	633
611	IKL Ingenieurkontor Lübeck GmbH, Kiel		26	100.00	610
612	Innovative Meerestechnik GmbH, Emden		1,023	100.00	608
613	Schiffahrtskontor "MARITIM" GmbH, Kiel		26	100.00	610
614	SDC Sheltered Docking Center GmbH, Kiel		25	100.00	610

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
615	ThyssenKrupp Fahrzeugtechnik GmbH, Emden		1,050	100.00	608
616	Blohm+Voss El Djazair S.a.r.l., Algier, Algeria	DZD	10,000	100.00	621
617	Greek Naval Shipyards Holding S.A., Skaramanga, Greece		62,265	100.00	609
618	Kockums AB, Malmö, Sweden	SEK	50,000	100.00	610
619	ThyssenKrupp Marin Sistem Gemi Sanayi ve Ticaret A.S., Istanbul, Turkey	TRY	200 ¹⁾	60.00	633
620	ThyssenKrupp Marine Systems Canada Inc., Ottawa/Ontario, Canada	CAD	100	100.00	633
621	ThyssenKrupp Marine Systems International Pte. Ltd., Singapore, Singapore	SGD	30,333	100.00	633
Shipyards and Services					
622	BIS Blohm + Voss Inspection Service GmbH, Hamburg		26	100.00	626
623	Blohm + Voss Industries GmbH, Hamburg		10,226	100.00	656
624	Blohm + Voss Naval GmbH, Hamburg		50	100.00	633
625	Blohm + Voss Repair GmbH, Hamburg		2,560	100.00	633
626	Blohm + Voss Shipyards GmbH, Hamburg		8,950	100.00	633
627	SVG Steinwerder Verwaltungsgesellschaft mbH, Hamburg		30	100.00	633
628	Blohm & Voss Industries (China) Ltd., Hongkong, PR China	HKD	300	100.00	623
629	Blohm + Voss Industries (Shanghai) Ltd., Shanghai, PR China	USD	140	100.00	628
630	Blohm + Voss (Korea) Ltd., Pusan, South Korea	KRW	75,000	75.00	623
631	Blohm+Voss Oil Tools, LLC, Wilmington/Delaware, USA	USD	5,000	100.00	691
Other Companies Marine Systems					
632	Blohm + Voss Shipyards & Services GmbH, Hamburg		25	100.00	633
633	ThyssenKrupp Marine Systems AG, Hamburg		34,087	100.00	634
634	ThyssenKrupp Marine Systems Beteiligungen GmbH, Essen		1,857	100.00	659
					70.00%
					656
					30.00%
CORPORATE					
Corporate Headquarters					
635	Banter See Vermögensverwaltung GmbH, Düsseldorf		486	100.00	653
636	Brüninghaus Schmiede GmbH, Grünwald		511	100.00	659
637	Buckau-Walther GmbH, Grünwald		9,216	100.00	659
638	Bucketwheel Engineering GmbH, Essen		26	100.00	637
639	CCI Crane Cooperation International Handelsgesellschaft mbH, Essen		1,534	100.00	651
640	GLH GmbH, Essen	DEM	30,000	100.00	664
641	Hoesch AG, Düsseldorf		50	100.00	651
642	Konsortium für Kurssicherung GbR, Düsseldorf		39,113	97.76	4
					43.80%
					81
					18.99%
					651
					17.07%
					659
					11.67%
					142
					5.57%
					287
					0.65%
643	Krupp Entwicklungszentrum GmbH, Essen		1,534	100.00	697
644	Krupp Industrietechnik GmbH, Essen		51,129	100.00	648
					94.90%
					651
					5.10%
645	Krupp Informatik GmbH, Düsseldorf		51	100.00	637
646	MONTAN GmbH Assekuranz-Makler, Düsseldorf		184	53.81	658
647	Reisebüro Dr. Tigges GmbH, Essen		300	76.00	142
648	Thyssen Stahl GmbH, Düsseldorf		935,147	100.00	651
					82.64%
					697
					17.36%
649	ThyssenKrupp Academy GmbH, Düsseldorf		25	100.00	651
650	ThyssenKrupp AdMin GmbH, Düsseldorf		25	100.00	653
651	ThyssenKrupp AG, Duisburg und Essen		1,317,092	⁴⁾	

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
652	ThyssenKrupp DeliCate GmbH, Düsseldorf		26	100.00	653
653	ThyssenKrupp Dienstleistungen GmbH, Düsseldorf		15,500	100.00	651
654	ThyssenKrupp Erste Beteiligungsgesellschaft mbH, Düsseldorf		25	100.00	648
655	ThyssenKrupp Management Consulting GmbH, Düsseldorf		25	100.00	653
656	ThyssenKrupp Marine Systems Industrieholding GmbH, Hamburg		48,573	100.00	651
657	ThyssenKrupp Reinsurance AG, Essen		3,000	100.00	658
658	ThyssenKrupp Risk and Insurance Services GmbH, Essen		3,000	100.00	651
659	ThyssenKrupp Technologies Beteiligungen GmbH, Essen		130,000	100.00	651
660	ThyssenKrupp TKW Verwaltungs GmbH, Bochum		512	100.00	653
661	Vermögensverwaltungsgesellschaft EZM mbH, Grünwald		4,142	100.00	648
662	Vermögensverwaltungsgesellschaft KSH mbH, Grünwald		5,113	100.00	651
663	Budcan Holdings Inc., Kitchener/Ontario, Canada	CAD	0	100.00	676
664	GLH, LLC, Fond du Lac/Wisconsin, USA	USD	108,993	100.00	691
665	Grupo ThyssenKrupp S.L., Madrid, Spain		16,156	100.00	651
666	Kitchener Frame Limited, Toronto/Ontario, Canada	CAD	0	100.00	675
667	QDF Components Ltd., Derby, Great Britain	GBP	19,680	100.00	674
668	Thyssen Acquisition Corp., Dover/Delaware, USA	USD	2	100.00	691
669	ThyssenKrupp Austria Beteiligungs GmbH, Vienna, Austria		35	100.00	671
670	ThyssenKrupp Austria GmbH, Vienna, Austria		35	100.00	651
671	ThyssenKrupp Austria GmbH & Co. KG, Vienna, Austria		35	100.00	651
672	ThyssenKrupp Automotive Systems UK Ltd., Coventry, Great Britain	GBP	200	100.00	674
673	ThyssenKrupp Automotive Talent Services Ltd., Durham, Great Britain	GBP	1,167	100.00	25
674	ThyssenKrupp Automotive (UK) Ltd., Newton Aycliffe, Great Britain	GBP	13,519	100.00	690
675	ThyssenKrupp Budd Canada Inc., Kitchener/Ontario, Canada	CAD	68,875	100.00	663
676	ThyssenKrupp Budd Company, Troy/Michigan, USA	USD	1	100.00	668
677	ThyssenKrupp Camford Engineering PLC, Newton Aycliffe, Great Britain	GBP	5,207	100.00	674
678	ThyssenKrupp Camford Ltd., Newton Aycliff, Great Britain	GBP	25	100.00	25
679	ThyssenKrupp Canada, Inc., Calgary/Alberta, Canada	CAD	1,000	100.00	651
680	ThyssenKrupp (China) Ltd., Beijing, PR China	USD	200,000	100.00	651
681	ThyssenKrupp Finance Canada, Inc., Calgary/Alberta, Canada	CAD	1	100.00	651
682	ThyssenKrupp Finance Nederland B.V., Krimpen aan den IJssel, Netherlands		2,300	100.00	651
683	ThyssenKrupp Finance USA, Inc., Wilmington/Delaware, USA	USD	1	100.00	691
684	ThyssenKrupp France S.A.S., Rueil-Malmaison, France		116,149	100.00	651
685	ThyssenKrupp Intermediate U.K. Ltd., County Durham, Great Britain	GBP	28,145	100.00	690
686	ThyssenKrupp Italia S.p.A., Terni, Italy		200,000	100.00	651
687	ThyssenKrupp Knowsley Ltd., Dundee, Great Britain	GBP	25,610	100.00	659
688	ThyssenKrupp Nederland B.V., Roermond, Netherlands		13,613	100.00	651
689	ThyssenKrupp Participations B.V., Veghel, Netherlands		100	100.00	651
690	ThyssenKrupp UK Plc., County Durham, Great Britain	GBP	76,145	100.00	651 100.00% ³⁾
					648 0.00% ³⁾
691	ThyssenKrupp USA, Inc., Troy/Michigan, USA	USD	247,989	100.00	651
692	Transit America Inc., Philadelphia/Pennsylvania, USA	USD	50,000	100.00	668
Business Services					
693	ThyssenKrupp Business Services GmbH, Essen		25	100.00	651
IT Services					
694	ThyssenKrupp IT Services GmbH, Essen		25	100.00	659
Real Estate					
695	Hellweg Liegenschaften GmbH, Bochum		50	94.00	697
696	ImmoVer Gesellschaft für Grundstücksverwaltung mbH, Essen		4,602	100.00	710

¹⁾ fiscal year not 09/30 ²⁾ in accordance with IFRS regulations ³⁾ splinter investment as of fourth digit behind decimal point ⁴⁾ parent company

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
697	Krupp Hoesch Stahl GmbH, Dortmund		181,510	100.00	651
698	Liegenschaftsgesellschaft Lintorf mbH, Düsseldorf		25	94.00	648
699	Stahlhauser Liegenschaften Verwaltungsgesellschaft mbH, Essen		25	94.00	710 88.00%
					651 6.00%
700	Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co. KG Industrie, Essen		692	100.00	659 94.90%
					696 5.10%
701	Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co. KG Stahl, Essen		511	100.00	648 94.90%
					696 5.10%
702	ThyssenKrupp ExperSite GmbH, Kassel		26	100.00	139
703	ThyssenKrupp Grundbesitz Verwaltungs GmbH, Essen		25	100.00	651
704	ThyssenKrupp Grundbesitz-Vermietungs GmbH & Co. KG, Essen		1,000	100.00	651
705	ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Krupp Hoesch Stahl, Essen		1,000	100.00	697
706	ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Stahl, Essen		1,000	100.00	701
707	ThyssenKrupp Immobilienentwicklungs Concordiahütte GmbH, Oberhausen		25	100.00	659 94.80%
					651 5.20%
708	ThyssenKrupp Immobilienentwicklungs Krefeld GmbH, Oberhausen		25	100.00	648
709	ThyssenKrupp Liegenschaften Umformtechnik Verwaltungs GmbH, Essen		25	100.00	659 94.80%
					651 5.20%
710	ThyssenKrupp Real Estate GmbH, Essen		15,441	100.00	651
711	ThyssenKrupp Stahl Immobilien GmbH, Duisburg		50	100.00	4 94.90%
					651 5.10%
712	Vermögensverwaltungsgesellschaft S + S mbH, Grünwald		2,557	100.00	710 51.00%
					651 49.00%
713	Kappel Immobilien AG in Liq., Kappel, Switzerland	CHF	3,100	100.00	651
714	Rhenus Immobilien Gesellschaft m.b.H., Vienna, Austria		70	100.00	669

¹⁾ fiscal year not 09/30 ²⁾ in accordance with IFRS regulations ³⁾ splinter investment as of fourth digit behind decimal point ⁴⁾ parent company

NON CONSOLIDATED COMPANIES (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
STEEL AMERICAS					
CSA					
715	CTA Termoeletrica do Atlantico Ltda., Rio de Janeiro, Brazil	BRL	10	99,00	75
STAINLESS GLOBAL					
ThyssenKrupp Acciai Speciali Terni (I)					
716	Terni - Società per l'Industria e l'Elettricità s.r.l., Terni, Italy		10	100,00	89
ThyssenKrupp VDM					
717	VDM-Unterstützungskasse GmbH, Werdohl		26	100,00	98
MATERIALS SERVICES					
MetalsServices					
718	OST-PLUS s.r.o., Teplice, Czech Republic	CZK	1.000 ¹⁾	90,00	127
719	ThyssenKrupp HiServ s.r.o., Kosice, Slovakia		7 ¹⁾	100,00	142
SpecialServices					
720	DvB Aufbereitungsgesellschaft zur Behandlung von Metallprodukten, Duisburg		102 ¹⁾	100,00	217
IndustrialServices					
721	ThyssenKrupp Xervon Dubai (L.L.C.), Dubai, United Arab Emirates	AED	300	100,00	277
ELEVATOR TECHNOLOGY					
Southern Europe/Africa/Middle East (SEAME)					
722	ThyssenKrupp Elevator (Management) Ltd., Rishon Le'zion, Israel	ILS		100,00	285 50,00%
					366 50,00%
PLANT TECHNOLOGY					
Uhde					
723	Edeleanu SDN. BHD., Kuala Lumpur, Malaysia	MYR	1.000	100,00	445
724	Uhde do Brasil Ltda., São Paulo, Brazil	BRL	798	100,00	445
725	Uhde Edeleanu s.r.o., Brno, Czech Republic	CZK	1.000 ¹⁾	100,00	445
726	Uhde Inventa-Fischer Chemical Fiber Equipment (Shanghai) Ltd., Shanghai, PR China	USD	200 ¹⁾	100,00	680
Polysius					
727	Polysius Wohnungsbau GmbH, Münster	DEM	200	100,00	466
728	Polysius-Hilfe GmbH, Münster	DEM	50	100,00	466
729	Maerz Ofenbau SRL, Timisoara, Romania	RON	204 ¹⁾	100,00	469
System Engineering					
730	ThyssenKrupp System Engineering S.r.l., Turin, Italy		120	100,00	686 98,00%
					506 2,00%
Other Companies Plant Technology					
731	Thyssen TPS Vermögensverwaltungs GmbH, Essen		26	100,00	659
732	ThyssenKrupp Industries (Thailand) Ltd., Bangkok, Thailand	THB	1.000	100,00	659
COMPONENTS TECHNOLOGY					
Rothe Erde					
733	Roballo France S.A.R.L., Rueil-Malmaison, France		180	100,00	684
Other Companies Components Technology					
734	ThyssenKrupp Automotive Italia S.r.l., Turin, Italy		99	100,00	659 99,00%
					576 1,00%
MARINE SYSTEMS					
Naval					
735	Maritime Services Consultant Enterprise Sdn.Bhd., Petaling Jaya, Malaysia	MYR	300	100,00	626
736	ThyssenKrupp Marine Systems Australia Pty Ltd, Canberra/Australian Capital Territory, Australia	AUD	101	100,00	626
737	United Stirling, Malmö, Sweden	SEK	100	100,00	618
Other Companies Marine Systems					
738	ThyssenKrupp Technologies HELLAS Marketing Services S.A., Athen, Greece		60	100,00	659 99,98%
					633 0,02%
CORPORATE					
Corporate Headquarters					
739	Thyssen Stahlunion Holdings Ltd., Smethwick, Great Britain	GBP	0	100,00	690

¹⁾ fiscal year not 09/30 ²⁾ in accordance with IFRS regulations ³⁾ splinter investment as of fourth digit behind decimal point ⁴⁾ parent company

EQUITY-STATED COMPANIES (*=Joint Venture) (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
STEEL EUROPE					
ThyssenKrupp Steel Europe					
740	Hüttenwerke Krupp Mannesmann GmbH, Duisburg*		103,000 ¹⁾	50.00	4
741	ANSC-TKS Galvanizing Co., Ltd., Dalian, Liaoning Province, PR China*	CNY	1,065,806 ¹⁾	50.00	4
Processing					
742	Kreislaufsystem Blechverpackungen Stahl GmbH (KBS), Düsseldorf		385 ¹⁾	40.00	10
743	SUNSCAPE ISOCAB NEW BUILDING MATERIALS LIMITED, Rizhao City, PR China	USD	11,960 ¹⁾	27.50	21
744	TKAS (Changchun) Steel Service Center Ltd., Changchun, PR China*	USD	12,000 ¹⁾	50.00	680
Other Companies Steel Europe					
745	Walzen-Service-Center GmbH, Oberhausen*		1,023	50.00	4
746	Acciai di Qualità, Centro Lavorazione Lamiere S.p.A., Geonova, Italy		1,731 ¹⁾	24.90	686
747	RKE N.V., Antwerpen, Belgium		645 ¹⁾	38.54	4
748	Transport- en Handelmaatschappij 'Steenkolen Utrecht' B.V., Rotterdam, Netherlands*		8,204 ¹⁾	50.00	73
STAINLESS GLOBAL					
ThyssenKrupp Acciai Speciali Terni (I)					
749	Euroacciai S.r.l., Sarezzo (BS), Italy		1,500 ¹⁾	30.23	89
750	Ilserv S.r.l., Terni, Italy		1,924 ¹⁾	35.00	89
751	Terni Frantumati S.p.A., Terni, Italy		930 ¹⁾	21.00	89
ThyssenKrupp Mexinox (MX)					
752	Fischer Mexicana S.A. de C.V., Puebla, Mexico*	MXN	108,544 ¹⁾	50.00	95
MATERIALS SERVICES					
MetalsServices					
753	Aceros de America Inc., San Juan, Puerto Rico*	USD	1,000	50.00	134
754	Feron Thyssen Plastics, s.r.o., Velká Bystrice, Olomouc, Czech Republic*	CZK	16,000 ¹⁾	50.00	142
755	Leong Jin Corporation Pte. Ltd., Singapore, Singapore	SGD	20,000 ¹⁾	30.00	142
756	Polarputki Oy, Helsinki, Finland*		1,009 ¹⁾	50.00	142
757	Thyssen Ros Casares S.A., Valencia, Spain*		5,000	50.00	147
SpecialServices					
758	Brouwer Shipping & Chartering GmbH, Hamburg		100 ¹⁾	30.00	218
759	TGHM GmbH & Co. KG, Dortmund*		511 ¹⁾	50.00	651
760	BCCW (Tangshan) Jiahua Coking & Chemical Co., Ltd., Tangshan, PR China	CNY	1,130,000 ¹⁾	25.00	218
761	MRT Track & Services Co., Inc., Bloomfield/New Jersey, USA*	USD	100	50.00	214
762	OOO Bel GT Bautechnik, Minsk / Smolewitschi, Belarus	USD	21 ¹⁾	25.00	213
ELEVATOR TECHNOLOGY					
Americas (AMS)					
763	Braun ThyssenKrupp Elevator LLC, Madison/Wisconsin, USA*	USD	1,000 ¹⁾	50.00	389
PLANT TECHNOLOGY					
Uhde					
764	Uhdenora S.p.A., Milan, Italy*		3,600	50.00	445
System Engineering					
765	HFS Hotforming Solutions GmbH, Schwalbach*		200	50.00	508
COMPONENTS TECHNOLOGY					
Forging-Group					
766	Huizhou Sumikin Forging Company Ltd., Huizhou, PR China*	USD	29,680 ¹⁾	34.00	680
MARINE SYSTEMS					
Naval					
767	Atlas Elektronik GmbH, Bremen*		31,240 ¹⁾	51.00	659
768	MARLOG Marine Logistik GmbH & Co. KG, Kiel*		1,500 ¹⁾	50.00	610
769	MarineForce International LLP, London, Great Britain*	GBP	693 ¹⁾	50.00	610
CORPORATE					
Real Estate					
770	COMUNITHY Immobilien GmbH, Düsseldorf		100 ¹⁾	49.00	710

¹⁾ fiscal year not 09/30 ²⁾ in accordance with IFRS regulations ³⁾ splinter investment as of fourth digit behind decimal point ⁴⁾ parent company

OTHER ASSOCIATED AFFILIATES (*=Joint Venture) (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
STEEL EUROPE					
ThyssenKrupp Steel Europe					
771	JEVISE Corporation, Tokyo, Japan*	JPY	10.000 ¹⁾	50,00	4
STAINLESS GLOBAL					
ThyssenKrupp VDM					
772	MOL Katalysatortechnik GmbH, Merseburg		77 ¹⁾	20,46	98
MATERIALS SERVICES					
MetalsServices					
773	Indo German International Private Ltd., New Delhi, India	INR	38.975 ¹⁾	50,00	141
774	Sidecontrol S.L., Gandia, Spain		36 ¹⁾	50,00	155
SpecialServices					
775	SIB Schell Industrieanlagen-Bau GmbH, Duisburg		102	50,00	217
776	Solid Slab Track GmbH, Görschen		100	49,00	214
777	TGHM Verwaltungsgesellschaft mbH, Dortmund	DEM	50 ¹⁾	50,00	651
PLANT TECHNOLOGY					
Uhde					
778	Shedden (Malaysia) Sdn. Bhd., Petaling Jaya, Malaysia	MYR	2.285 ¹⁾	40,00	464
Polysius					
779	PAN Grundstücksverwaltung GmbH, Mainz		26 ¹⁾	26,00	727
Transrapid					
780	Transrapid International Verwaltungsgesellschaft mbH, i. L., Berlin		80	50,00	519
COMPONENTS TECHNOLOGY					
Bilstein-Gruppe					
781	ABC Sistemas e Módulos Ltda., São Paulo, Brazil	BRL	600	33,33	596
MARINE SYSTEMS					
Naval					
782	Marlog Verwaltungsgesellschaft mbH, Kiel		25 ¹⁾	50,00	610
783	MS "MARITIM FRANKFURT" Schiffahrtskontor "MARITIM" GmbH & Co. KG, Kiel		1.218 ¹⁾	42,09	610
784	MS "MARITIM KIEL" Schiffahrtskontor "MARITIM" GmbH & Co. KG, Kiel		1.335 ¹⁾	33,33	610
785	MTG Marinetechnik GmbH, Hamburg		3.068 ¹⁾	49,00	608
					20,00%
					610
					19,00%
					767
					10,00%
Shipyards and Services					
786	Bollfilter Japan Ltd., Kobe, Japan	JPY	10.000	25,00	623
787	Simplex Turbulo Company Ltd., Wherwell, Great Britain	GBP	6	25,10	623
Other Companies Marine Systems					
788	LISNAVE-ESTALEIROS NAVAIS S.A., Lissabon, Portugal		5.000 ¹⁾	20,00	633
CORPORATE					
Corporate Headquarters					
789	Grundstücksgesellschaft Schlossplatz 1 mbH & Co. KG, Berlin		12.250 ¹⁾	18,37	651
Real Estate					
790	Gewerkschaft Hermann V GmbH, Essen		26	33,33	697
791	NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gelsenkirchen KG, Düsseldorf		10 ¹⁾	94,76	700
792	Wohnpark Duisburg Biegerhof GmbH, Düsseldorf		50	50,00	696

¹⁾ fiscal year not 09/30 ²⁾ in accordance with IFRS regulations ³⁾ splinter investment as of fourth digit behind decimal point ⁴⁾ parent company

OTHER SHAREHOLDINGS (as of September 30, 2010)

No.	Name and domicile of company	Foreign currency	Capital stock in € 1.000 or Domestic Currency	Share holdings %	Held by No.
CORPORATE					
Real Estate					
793	VBW Bauen und Wohnen GmbH, Bochum		12,858	13.06	
	Equity		69,238		
	Result		5,922		

¹⁾ fiscal year not 09/30 ²⁾ in accordance with IFRS regulations ³⁾ splinter investment as of fourth digit behind decimal point ⁴⁾ parent company

Auditors' Report

We have audited the consolidated financial statements prepared by the ThyssenKrupp AG, Duisburg and Essen, comprising the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the business year from October 1, 2009 to September 30, 2010. 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 8, 2010

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.

Essen, November 08, 2010

ThyssenKrupp AG
The Executive Board

Schulz

Hiesinger

Berlien

Eichler

Hippe

Labonte

Additional information

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04

How have ThyssenKrupp’s key figures developed over the past few years, when are the important financial dates for the next twelve months, what other directorships are held by members of the Executive Board and Supervisory Board? All this information is provided on the following pages. There are also aids to help you find your way around our annual report. Should you have any further questions, we would be pleased to help: The quickest way is to use the “Contact” facility on www.thyssenkrupp.com

Contents

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288	Other directorships held by Supervisory Board members
290	Index
292	Glossary
293	List of abbreviations
294	Contact and 2011/2012 dates

ThyssenKrupp Steel USA and ThyssenKrupp Stainless USA, Calvert, Alabama, USA

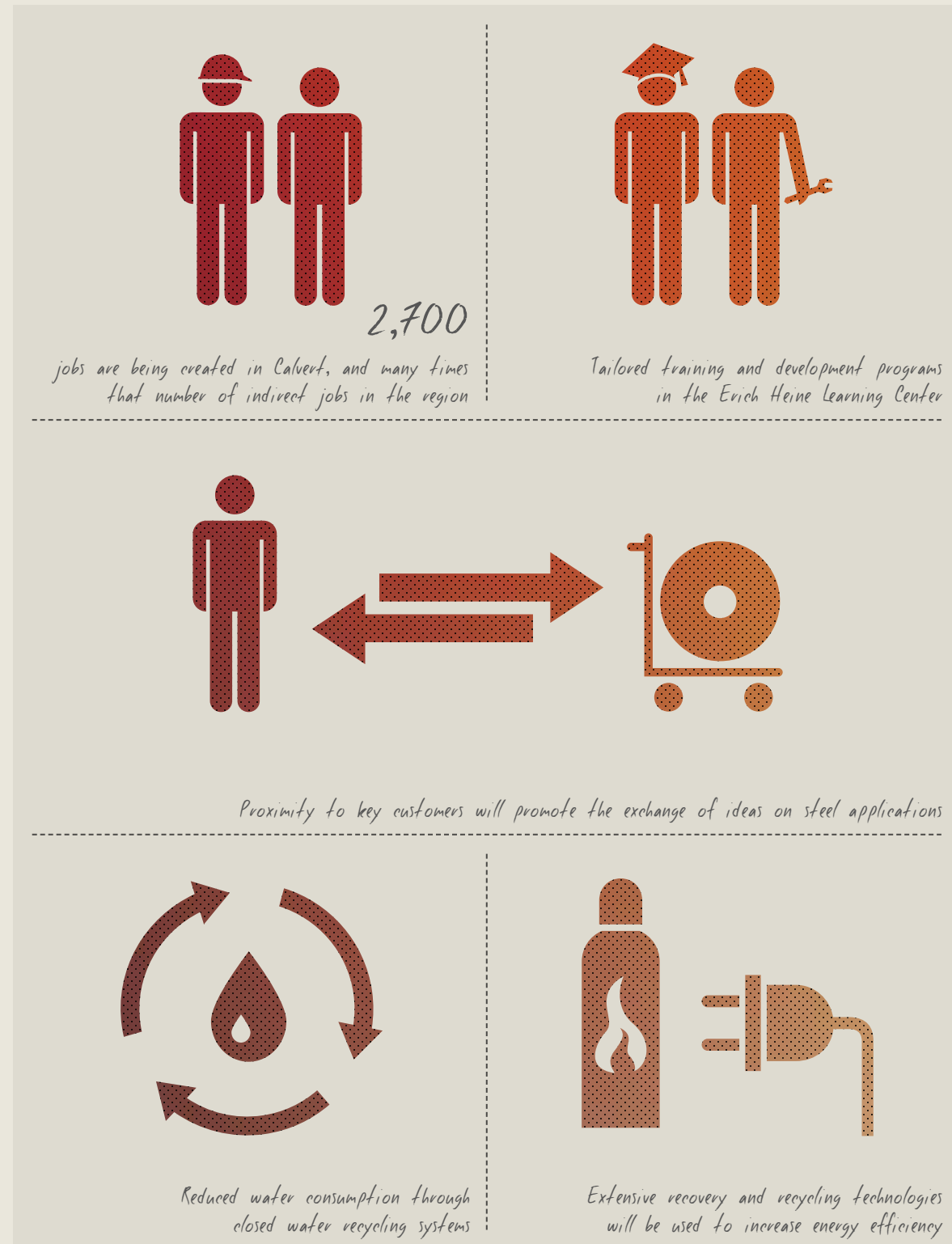
Major manufacturers and their suppliers are locating in the southern USA. They create high value-added and set high standards. Likewise the people in the region expect high standards from them in terms of local commitment. ThyssenKrupp's commitment extends to many areas, including social projects and support for universities.

Support for professional and personal development

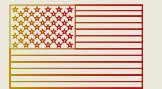
Economic strengthening of the region

Use of state-of-the-art environmental protection measures and compliance with strictest environmental standards

Support for local communities



Creating momentum



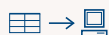
THYSSENKRUPP GROUP

							Year ended Sept. 30, 2009 to Year ended Sept. 30, 2010	
		Year ended Sept. 30, 2006	Year ended Sept. 30, 2007	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010	Change	Change in %
Value management								
Capital employed (average)	million €	17,056	18,000	19,478	20,662	20,590	(72)	—
ROCE	%	17.9	20.7	18.3	(8.1)	8.7	16.8	—
Weighted average cost of capital (WACC)	%	9.0	9.0	8.5	8.5	8.5	0.0	—
TKVA	million €	1,510	2,108	1,916	(3,419)	37	3,456	—
Cash flows/investments								
Operating cash flows	million €	3,467	2,220	3,679	3,699	868	(2,831)	(77)
Cash flows from disposals	million €	344	673	329	199	552	353	—
Cash flows from investments ¹⁾	million €	(2,040)	(2,997)	(4,227)	(4,077)	(3,510)	567	(14)
Free cash flow ¹⁾	million €	1,771	(104)	(219)	(179)	(2,090)	(1,911)	—
Cash flows from financing activities ¹⁾	million €	(2,012)	(670)	(705)	2,824	255	(2,569)	(91)
Investments ^{1) 2)}	million €	2,077	3,001	4,282	4,079	3,513	(566)	(14)
Cash and cash equivalents	million €	4,551	3,861	2,832	5,545	3,681	(1,864)	(34)
Net financial debt/(receivables)	million €	(747)	(223)	1,584	2,059	3,780	1,721	84
Internal financing capability		2.0	1.0	0.9	1.0	0.3	(0.7)	(70)
Debt to cash flow ratio		—	—	0.4	0.6	4.4	3.8	—
ThyssenKrupp AG								
Net income/(loss)	million €	1,118	309	1,175	(882)	800	1,682	—
Dividend pay out	million €	489	635	603	139	209 ³⁾	70	50
Dividend per share	€	1.00	1.30	1.30	0.30	0.45 ³⁾	0.15	50

¹⁾ Prior-year figures have been adjusted.

²⁾ Cash flows from investments before cash and cash equivalents acquired from acquisitions of consolidated companies

³⁾ Proposal to the General Stockholders' Meeting



Download the tables at:

http://www.thyssenkrupp.com/financial-reports/09_10/en/

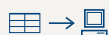
THYSSENKRUPP GROUP

							Year ended Sept. 30, 2009 to Year ended Sept. 30, 2010	
		Year ended Sept. 30, 2006	Year ended Sept. 30, 2007	Year ended Sept. 30, 2008	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010	Change	Change in %
Value management								
Capital employed (average)	million €	17,056	18,000	19,478	20,662	20,590	(72)	—
ROCE	%	17.9	20.7	18.3	(8.1)	8.7	16.8	—
Weighted average cost of capital (WACC)	%	9.0	9.0	8.5	8.5	8.5	0.0	—
TKVA	million €	1,510	2,108	1,916	(3,419)	37	3,456	—
Cash flows/investments								
Operating cash flows	million €	3,467	2,220	3,679	3,699	868	(2,831)	(77)
Cash flows from disposals	million €	344	673	329	199	552	353	—
Cash flows from investments ¹⁾	million €	(2,040)	(2,997)	(4,227)	(4,077)	(3,510)	(567)	(14)
Free cash flow ¹⁾	million €	1,771	(104)	(219)	(179)	(2,090)	(1,911)	—
Cash flows from financing activities ¹⁾	million €	(2,012)	(670)	(705)	2,824	255	(2,569)	(91)
Investments ^{1) 2)}	million €	2,077	3,001	4,282	4,079	3,513	(566)	(14)
Cash and cash equivalents	million €	4,551	3,861	2,832	5,545	3,681	(1,864)	(34)
Net financial debt/(receivables)	million €	(747)	(223)	1,584	2,059	3,780	1,721	84
Internal financing capability		2.0	1.0	0.9	1.0	0.3	(0.7)	(70)
Debt to cash flow ratio		—	—	0.4	0.6	4.4	3.8	—
ThyssenKrupp AG								
Net income/(loss)	million €	1,118	309	1,175	(882)	800	1,682	—
Dividend pay out	million €	489	635	603	139	209 ³⁾	70	50
Dividend per share	€	1.00	1.30	1.30	0.30	0.45 ³⁾	0.15	50

¹⁾ Prior-year figures have been adjusted.

²⁾ Cash flows from investments before cash and cash equivalents acquired from acquisitions of consolidated companies

³⁾ Proposal to the General Stockholders' Meeting



Download the tables at:

http://www.thyssenkrupp.com/financial-reports/09_10/en/

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 (Chair)
- ThyssenKrupp Steel Europe AG (Chair)

Dr. Olaf Berlien

Within the Group:

- ThyssenKrupp Marine Systems AG (Chair)
- ThyssenKrupp (China) Ltd./PR China (Chairman)

Edwin Eichler

- Heidelberger Druckmaschinen AG *
- Hüttenwerke Krupp Mannesmann GmbH (Vice Chair)
- SGL Carbon SE *
- ANSC-TKS Galvanizing Co., Ltd./PR China (Chairman)

Within the Group:

- ThyssenKrupp Materials International GmbH (Chair)
- ThyssenKrupp Nirosta GmbH (Chair)
- ThyssenKrupp Acciai Speciali Terni S.p.A./Italy (President)
- ThyssenKrupp Industries and Services Qatar LLC/Qatar
- ThyssenKrupp Steel Americas, LLC/USA (Chairman)
- ThyssenKrupp Steel and Stainless USA, LLC/USA
- ThyssenKrupp Steel USA, LLC/USA

Dr. Alan Hippe

- Voith AG

Within the Group:

- ThyssenKrupp Elevator AG
- ThyssenKrupp Nirosta GmbH
- ThyssenKrupp Reinsurance AG (Chair)

Ralph Labonte

- PEAG Personalentwicklungs- und Arbeitsmarktagentur GmbH (Chair)

Within the Group:

- Polysius AG (Vice Chair)
- Rothe Erde GmbH
- ThyssenKrupp Bilstein Suspension GmbH
- ThyssenKrupp Elevator AG
- ThyssenKrupp Marine Systems AG
- ThyssenKrupp Materials International GmbH
- ThyssenKrupp Steel Europe AG
- Uhde GmbH (Vice Chair)
- ThyssenKrupp System Engineering GmbH

At the close of January 21, 2010

Dr. Ulrich Middelmann resigned from the Executive Board and retired. The following directorships were held at the time of departure:

- Commerzbank AG *
 - Deutsche Telekom AG
 - E.ON Ruhrgas AG
 - LANXESS AG *
 - LANXESS Deutschland GmbH
 - Hoberg & Driesch GmbH (Chair)
- Within the Group:
- ThyssenKrupp Elevator AG
 - ThyssenKrupp Marine Systems AG
 - ThyssenKrupp Materials International GmbH
 - ThyssenKrupp Nirosta GmbH
 - ThyssenKrupp Steel Europe AG
 - ThyssenKrupp Acciai Speciali Terni S.p.A./Italy
 - ThyssenKrupp (China) Ltd./PR China

* Membership of supervisory boards within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2010)

* 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, 2010)

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

Markus Grolms, Bochum

(since October 14, 2009)

Trade union secretary at the Düsseldorf branch office of IG Metall

.....

Susanne Herberger, Dresden

Engineer (FH) – information technology

Chairwoman of the General Works Council

of ThyssenKrupp Aufzüge GmbH and

Chairwoman of the Works Council Union

ThyssenKrupp Elevator Technology

Within the Group:

- ThyssenKrupp Elevator AG

Bernd Kalwa, Krefeld

Lathe operator

Chairman of the General Works Council

of ThyssenKrupp Nirosta GmbH and

Chairman of the Works Council Union

ThyssenKrupp Stainless Global

Within the Group:

- ThyssenKrupp Nirosta GmbH

Prof. Dr. Hans-Peter Keitel, Essen

(since January 21, 2010)

President of the Federation of German Industries (Bundesverband der Deutschen Industrie e.V.)

- Commerzbank AG
- HOCHTIEF AG
- National-Bank AG
- EQT Infrastructure Limited (Member of the Investment Advisory Committee)
- RAG Foundation (Member of the Board of Trustees)

Ernst-August Kiel, Blumenthal

(since April 12, 2010)

Fitter

Chairman of the Works Council of

Howaldtswerke-Deutsche Werft GmbH and

Chairman of the Works Council Union

ThyssenKrupp Marine Systems

Within the Group:

- Howaldtswerke-Deutsche Werft GmbH
- ThyssenKrupp Marine Systems AG

• Membership of supervisory boards within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2010)

• 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, 2010)

Prof. Dr. Ulrich Lehner, Düsseldorf

Member of the Shareholders' Committee of
Henkel AG & Co. KGaA

- Deutsche Telekom AG (Chair)
- E.ON AG
- Henkel Management AG
- HSBC Trinkaus & Burkhardt AG
- Porsche Automobil Holding SE
- Dr. August Oetker KG (Member of the Advisory Board)
- Henkel AG & Co. KGaA (Member of the Shareholders' Committee)
- Novartis AG/Switzerland (Member of the Board of Directors)

Prof. Dr. Bernhard Pellens, Bochum

Professor of Business Studies and
International Accounting,
Ruhr University Bochum

- Rölfs WP Partner AG Wirtschafts-
prüfungsgesellschaft

Peter Remmler, Wolfsburg

Wholesale and export trader
Chairman of the Works Council of
ThyssenKrupp Schulte GmbH (Braunschweig)
and Chairman of the Works Council Union
ThyssenKrupp Materials Services
.....

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 Materials International GmbH
- ThyssenKrupp MillServices & Systems GmbH

Dr. Henning Schulte-Noelle, Munich

Chairman of the Supervisory Board
of Allianz SE

- Allianz SE (Chair)
- E.ON AG

Wilhelm Segerath, Duisburg

Automotive body maker

Chairman of the General Works Council
of ThyssenKrupp Steel Europe AG and
Chairman of the Works Council Union
ThyssenKrupp Steel Europe

Within the Group:

- ThyssenKrupp Steel Europe AG

Peer Steinbrück, Bonn

(since January 21, 2010)

Member of the German Parliament
Federal Minister (retd.)
.....

Christian Streiff, Paris

Former President of PSA Peugeot Citroën S.A.

- Ecole Nationale Supérieure des Mines
de Paris/France
- TI Automotive Ltd. United Kingdom

Jürgen R. Thumann, Düsseldorf

Chairman of the Advisory Board
of Heitkamp & Thumann Group

- Deutsche Messe AG
- HanseMerkur Holding AG
- HanseMerkur Krankenversicherung
auf Gegenseitigkeit
- Heitkamp BauHolding GmbH (Chair)
- Heitkamp & Thumann Group
(Chairman of the Advisory Board)

**Prof. Dr. Beatrice Weder di Mauro,
Frankfurt/Main**

(since January 21, 2010)

Professor of Economics, Economic Policy &
International Macroeconomics, Johannes
Gutenberg University of Mainz and Member of
the German Council of Economic Experts

- Roche AG/Switzerland (Member of the Board
of Directors)

Klaus Wiercimok, Düsseldorf

Attorney

Head of the Materials Services department
at Corporate Center Legal & Compliance
of ThyssenKrupp AG

Within the Group:

- ThyssenKrupp Xervon GmbH

At the close of January 21, 2010

Prof. Jürgen Hubbert, Dr. Martin Kohlhausen

and **Dr. Heinz Kriwet**, and at the close of March
31, 2010 **Mr. Theo Frielinghaus** 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:

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)

Dr. Martin Kohlhausen, Bad Homburg

Former Chairman of the Supervisory Board

of Commerzbank AG

- HOCHTIEF AG (Chair)

Theo Frielinghaus, Ahlen

Engineering technician

Chairman of the Works Council of Polysius AG

Within the Group:

- Polysius AG

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Glossary

A

Average collection period

Trade accounts receivable divided by sales, multiplied by 360 (the lower the ratio, the faster customers pay)

B

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 for company management and company controlling focused on responsible, long-term value creation

Corporate governance statement

Statement by a stock corporation under § 289a German GAAP (HGB) containing a description of how the executive board and supervisory board operate and the composition and functioning of their committees, the declaration of conformity and information about management practices

Cost of capital

Strategically defined minimum return required by capital providers

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)

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)

L

Long Term Incentive plan (LTI)

Long-term variable compensation for executive board members and other selected executives through stock rights

M

Mid Term Incentive plan (MTI)

Mid-term variable compensation for executive board members and other selected executives through stock rights

MSCI indices

MSCI indices are stock indices which reflect the regional and global performance of shares and are calculated by the US financial service provider Morgan Stanley Capital International.

O

Operating cash flow

Increase/decrease in cash and cash equivalents outside of investing, disposal or financing activities

P

Panamax Class

Class of ship with maximum dimensions for Panama Canal (approx. 289 m / 294 m length, 32 m beam and 12 m draft)

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

SWOT analysis

Instrument for analyzing situations and identifying strategies. SWOT stands for Strengths, Weaknesses, Opportunities and Threats.

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

Tinplate

Thin steel sheet for the packaging industry electrolytically coated with tin or chromium

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

List of abbreviations

A
AktG German Stock Corporation Act (Aktengesetz)
B
BRIC Acronym that refers to the countries of Brazil, Russia, India and China
C
CESR Committee of European Securities Regulators
CGU Cash Generating Unit
CO₂ Carbon dioxide
D
DAX German stock index
DEHSt German emissions trading office
DJ Stoxx Dow Jones STOXX
DRS German Accounting Standard
DSR German Accounting Standards Board
E
EPS Earnings per share
F
fob Free on board in accordance with International Commercial Terms
FFO/TD Funds From Operations/Total Debt

H
HGB German Commercial Code
I
IAS International Accounting Standards
IASB International Accounting Standards Board
IFRIC International Financial Interpretations Committee and interpretation of IFRIC
IFRS International Financial Reporting Standards
IS Information security
IT Information technology
L
LTI Long Term Incentive plan
M
MitbestG German Codetermination Law
MSCI Indices Morgan Stanley Capital International Indices
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 Management Board Compensation
W
WACC Weighted Average Cost of Capital
WpHG German Securities Trading Act

Contact and 2011/2012 dates

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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.

2011/2012 dates

January 21, 2011

General Stockholders' Meeting

January 24, 2011

Payment of dividend for the 2009/2010 fiscal year

February 11, 2011

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

May 13, 2011

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

August 12, 2011

Interim report
9 months 2010/2011 (October to June)
Conference call with analysts and investors

December 06, 2011

Annual press conference
Analysts' and investors' conference

January 20, 2012

General Stockholders' Meeting

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 annual 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 is also available on our website.

On request we would be pleased to send you further copies free of charge.

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