# 2014/2015
## INTERIM REPORT

9 MONTHS
October 1, 2014 – June 30, 2015
THYSSENKRUPP AG

Developing the future.

ThyssenKrupp

# Contents
9 months 2014/2015 — October 1, 2014 – June 30, 2015


## Interim management report

01 ThyssenKrupp in figures

03 ThyssenKrupp overview

04 Strategy

05 Report on the economic position

- 05 Macro and sector environment
- 07 Summarized assessment by the Executive Board
- 09 Group review
- 16 Business area review
- 27 Results of operations and financial position

30 ThyssenKrupp stock

31 Compliance

32 Employees

33 Technology and innovations

33 Subsequent events

34 Forecast, opportunity and risk report

- 34 Fiscal year 2014/2015 forecast
- 36 Opportunities and risks

## Condensed interim financial statements

38 Consolidated statement of financial position

39 Consolidated statement of income

40 Consolidated statement of comprehensive income

41 Consolidated statement of changes in equity

42 Consolidated statement of cash flows

43 Selected notes to the consolidated financial statements

64 Review report

## Further information

65 Report by the Supervisory Board Audit Committee

66 Contact and 2015/2016 financial calendar



This interim report was published on August 13, 2015.

# ThyssenKrupp in figures

**Group continuing operations** [1]

| | | 9 months 2013/2014 | 9 months 2014/2015 | Change | Change in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change | Change in % |
|---|---|---|---|---|---|---|---|---|---|
| Order intake | million € | 31,024 | 31,147 | 123 | 0 | 10,153 | 10,647 | 494 | 5 |
| Net sales | million € | 30,077 | 32,217 | 2,140 | 7 | 10,720 | 11,178 | 458 | 4 |
| EBITDA | million € | 1,736 | 2,064 | 328 | 19 | 644 | 796 | 152 | 24 |
| EBIT [2] | million € | 878 | 980 | 102 | 12 | 345 | 494 | 149 | 43 |
| EBIT margin [2]) | % | 2.9 | 3.0 | 0.1 | — | 3.2 | 4.4 | 1.2 | — |
| Adjusted EBIT [2] | million € | 945 | 1,261 | 316 | 33 | 394 | 539 | 145 | 37 |
| Adjusted EBIT margin [2] | % | 3.1 | 3.9 | 0.8 | — | 3.7 | 4.8 | 1.1 | — |
| EBT | million € | 301 | 571 | 270 | 90 | 162 | 356 | 194 | 120 |
| Income/(loss) (net of tax) | million € | 58 | 285 | 227 | 391 | 43 | 191 | 148 | 344 |
| attributable to ThyssenKrupp AG's shareholders | million € | 60 | 303 | 243 | 405 | 40 | 199 | 159 | 398 |
| Basic earnings per share | € | 0.11 | 0.53 | 0.42 | 382 | 0.07 | 0.35 | 0.28 | 400 |
| Operating cash flow | million € | (168) | 282 | 450 | ++ | 154 | 450 | 296 | 192 |
| Cash flow for investments | million € | (777) | (775) | 2 | 0 | (239) | (243) | (4) | (2) |
| Free cash flow before divestments | million € | (945) | (493) | 452 | 48 | (85) | 207 | 292 | ++ |
| Cash flow from divestments | million € | 1,062 | 184 | (878) | (83) | 16 | 50 | 34 | 213 |
| Free cash flow | million € | 117 | (309) | (426) | -- | (69) | 257 | 326 | ++ |
| Employees (June 30) | | 161,786 | 155,984 | (5,802) | (4) | 161,786 | 155,984 | (5,802) | (4) |

**Full Group** [1]

| | | 9 months 2013/2014 | 9 months 2014/2015 | Change | Change in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change | Change in % |
|---|---|---|---|---|---|---|---|---|---|
| Order intake | million € | 31,024 | 31,147 | 123 | 0 | 10,153 | 10,647 | 494 | 5 |
| Net sales total | million € | 30,077 | 32,217 | 2,140 | 7 | 10,720 | 11,178 | 458 | 4 |
| EBITDA | million € | 1,920 | 2,058 | 138 | 7 | 643 | 796 | 153 | 24 |
| EBIT [2] | million € | 1,062 | 973 | (89) | (8) | 344 | 493 | 149 | 43 |
| EBIT margin [2] | % | 3.5 | 3.0 | (0.5) | — | 3.2 | 4.4 | 1.2 | — |
| Adjusted EBIT [2] | million € | 945 | 1,261 | 316 | 33 | 394 | 539 | 145 | 37 |
| Adjusted EBIT margin [2] | % | 3.1 | 3.9 | 0.8 | — | 3.7 | 4.8 | 1.1 | — |
| EBT | million € | 485 | 565 | 80 | 16 | 161 | 356 | 195 | 121 |
| Net income/(loss) | million € | 242 | 279 | 37 | 15 | 42 | 191 | 149 | 355 |
| attributable to ThyssenKrupp AG's shareholders | million € | 244 | 297 | 53 | 22 | 40 | 199 | 159 | 398 |
| Basic earnings per share | € | 0.44 | 0.52 | 0.08 | 18 | 0.07 | 0.35 | 0.28 | 400 |
| Operating cash flow | million € | (168) | 276 | 444 | ++ | 154 | 450 | 296 | 192 |
| Cash flow for investments | million € | (777) | (775) | 2 | 0 | (239) | (244) | (5) | (2) |
| Free cash flow before divestments | million € | (945) | (499) | 446 | 47 | (85) | 206 | 291 | ++ |
| Cash flow from divestments | million € | 1,062 | 184 | (878) | (83) | 16 | 51 | 35 | 219 |
| Free cash flow | million € | 117 | (315) | (432) | -- | (69) | 257 | 326 | ++ |
| Net financial debt (June 30) | million € | 4,243 | 4,388 | 145 | 3 | 4,243 | 4,388 | 145 | 3 |
| Total equity (June 30) | million € | 3,172 | 3,538 | 366 | 12 | 3,172 | 3,538 | 366 | 12 |
| Employees (June 30) | | 161,786 | 155,984 | (5,802) | (4) | 161,786 | 155,984 | (5,802) | (4) |

[1] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes).
[2] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

**Business Areas**

| | Order intake million € | | Net sales million € | | EBIT [2] million € | | Adjusted EBIT [2] million € | | Employees | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 9 months 2013/2014 | 9 months 2014/2015 | 9 months 2013/2014 | 9 months 2014/2015 | 9 months 2013/2014 | 9 months 2014/2015 | 9 months 2013/2014 | 9 months 2014/2015 | June 30, 2014 | June 30, 2015 |
| Components Technology | 4,623 | 5,127 | 4,586 | 5,087 | 187 | 227 | 207 | 241 | 28,500 | 29,464 |
| Elevator Technology | 5,074 | 5,809 | 4,634 | 5,249 | 418 | 533 | 472 | 557 | 49,707 | 51,184 |
| Industrial Solutions | 4,518 | 3,151 | 4,466 | 4,584 | 316 | 304 | 320 | 297 | 19,065 | 19,148 |
| Materials Services | 9,956 | 10,841 | 9,839 | 10,993 | 123 | (62) | 148 | 140 | 30,467 | 22,347 |
| Steel Europe [1] | 6,878 | 6,539 | 6,662 | 6,532 | 164 | 343 | 185 | 358 | 27,665 | 27,273 |
| Steel Americas | 1,595 | 1,414 | 1,514 | 1,396 | 118 | (57) | (34) | (45) | 3,446 | 3,689 |
| Corporate | 126 | 140 | 126 | 139 | (454) | (312) | (359) | (291) | 2,936 | 2,879 |
| Consolidation | (1,746) | (1,874) | (1,750) | (1,763) | 6 | 4 | 6 | 4 | | |
| Continuing operations [1] | 31,024 | 31,147 | 30,077 | 32,217 | 878 | 980 | 945 | 1,261 | 161,786 | 155,984 |

| | Order intake million € | | Net sales million € | | EBIT [2] million € | | Adjusted EBIT [2] million € | |
|---|---|---|---|---|---|---|---|---|
| | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 |
| Components Technology | 1,611 | 1,743 | 1,603 | 1,758 | 66 | 81 | 69 | 91 |
| Elevator Technology | 1,692 | 2,051 | 1,609 | 1,876 | 165 | 199 | 173 | 211 |
| Industrial Solutions | 1,035 | 1,334 | 1,585 | 1,574 | 111 | 101 | 112 | 96 |
| Materials Services | 3,700 | 3,572 | 3,780 | 3,778 | 44 | 89 | 58 | 89 |
| Steel Europe [1] | 2,177 | 2,050 | 2,219 | 2,287 | 91 | 150 | 103 | 166 |
| Steel Americas | 412 | 519 | 441 | 441 | 4 | (27) | 12 | (25) |
| Corporate | 41 | 44 | 42 | 46 | (139) | (98) | (137) | (90) |
| Consolidation | (515) | (666) | (559) | (582) | 3 | (1) | 4 | 1 |
| Continuing operations [1] | 10,153 | 10,647 | 10,720 | 11,178 | 345 | 494 | 394 | 539 |

[1] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes).
[2] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

## Notes on the performance indicators

With the retrospective adoption of IFRS 11, Hüttenwerke Krupp Mannesmann GmbH (HKM), previously accounted for by the equity method, is classified in the reporting periods of the prior year not as a joint venture but as a joint operation. This means that the assets, liabilities, income and expenses of HKM are consolidated proportionately. In organizational terms HKM is assigned to the Steel Europe business area. See “Recently adopted accounting standards” in the Notes.

Beginning with the fiscal year 2014/2015 we have also retrospectively amended the definitions of EBIT, adjusted EBIT and capital employed with regard to the treatment of capitalized borrowing costs. Depreciation of capitalized borrowing costs is no longer reversed in EBIT and adjusted EBIT. Analogously, capitalized borrowing costs again become part of capital employed. In addition, upward correction factors are included in capital employed resulting in an increase in the performance requirements for positive value added. In another change EBIT and adjusted EBIT at business area level, particularly in business areas with long-term construction contracts, are no longer increased by an imputed earnings contribution derived from net advance payments surpluses and the interest and financing effects attainable with them. Analogously, net advance payments surpluses are no longer included in capital employed. See also the information in the 2013/2014 Annual Report in the section “Fundamental information about the Group” under “Management of the Group”.

Following the disposal of the discontinued operation Stainless Global at the end of the 1st quarter 2012/2013 as a result of the combination with the Finnish company Outokumpu Oyj (OTK), expenses and income continue to be recorded which are directly related to this and represent discontinued operations. The 29.9% financial interest in OTK obtained as part of the transaction was accounted for by the equity method until the announcement of its sale on November 29, 2013 and its equity method income was not included in EBIT due to its non-operating nature. The sale was closed on February 28, 2014.

# ThyssenKrupp overview

ThyssenKrupp is a diversified industrial group with traditional strengths in materials and a growing share of capital goods and services businesses. Over 155,000 employees in nearly 80 countries work with passion and technological expertise to develop high-quality products and intelligent industrial processes and services for sustainable progress. Their skills and commitment are the basis of our success. In fiscal year 2013/2014 ThyssenKrupp generated sales of around €41 billion.

Together with our customers we develop competitive solutions for the challenges of the future in the areas Mechanical, Plant and Materials. With our engineering expertise we enable our customers to gain an edge in the global market and manufacture innovative products in a cost- and resource-friendly way. For us, technical progress and innovations, allied with the combined strength of the Group, are key factors enabling us to meet current and future customer and market requirements around the world, grow on the markets of the future, and generate strong and stable earnings, cash flows and value growth.

**ThyssenKrupp stock/ADR master data**

| | |
|---|---|
| **ISIN** (International Stock Identification Number) | |
| **Stocks** | **DE 000 750 0001** |
| **ADRs** | **US88629Q2075** |
| **Symbols** | |
| Stocks (Frankfurt, Düsseldorf stock exchanges) | TKA |
| ADRs (over-the-counter trading) | TKAMY |

# Strategy

Our positioning as a diversified industrial group is linked to the ambition to generate strong and stable earnings, cash flow and value added. We aim to achieve this by focusing increasingly on profitable capital goods and services businesses with lower volatility and capital intensity and on the global growth regions and industries. In addition we aim to significantly improve our earnings strength. For this we are applying two levers: systematically increasing the earning power of the business areas to secure their profitable growth while consistently and systematically leveraging synergies within the Group through targeted initiatives.

All businesses in our portfolio have to meet clear minimum requirements or pursue a convincing business plan to fulfill them: All businesses must sustainably generate positive earnings, positive cash flows and positive value added (ThyssenKrupp Value Added) on average across the cycle and at the same time maintain or achieve industry-leading positions in terms of profitability.

Our program for positioning ThyssenKrupp as a diversified industrial group is the Strategic Way Forward, which we have been implementing rigorously since May 2011. In recent fiscal years we have concentrated in particular on strengthening our key financial ratios and securing value and liquidity for the company. In parallel with the changes in our corporate culture, leadership and structure and the stronger performance orientation, we also place stronger strategic emphasis on our customers and markets and on the development of our HR strategy. By addressing these four strategic action areas systematically we will further stabilize our finances and gain strategic freedom, both for investments and for research and development. In the coming years we aim to continue to grow profitably, both in the emerging growth regions and in the industrialized countries. The aim of the efficiency program “impact 2015” is to achieve a cumulative positive EBIT effect of more than €2.5 billion from performance measures in the three fiscal years 2012/2013 through 2014/2015. In the first 9 months 2014/2015 we achieved EBIT effects of €800 million, bringing the cumulative total so far to over €2.4 billion. impact methods and systems are now firmly established as an integral part of our performance culture.

More information on our positioning as a diversified industrial group and the implementation of the Strategic Way Forward can be found in the 2013/2014 Annual Report in the section “Fundamental information about the Group” under “Strategic Way Forward”.

More information on the progress achieved in the four strategic action areas can be found in the report on the economic position in the section “Business area review” and in the chapters “Compliance” and “Employees”.

More information on the strengthening of strategically important growth areas and our research and development activities is provided in the report on the economic position in the section “Capital expenditures” and in the chapter “Technology and innovations”.

# Report on the economic position

## MACRO AND SECTOR ENVIRONMENT

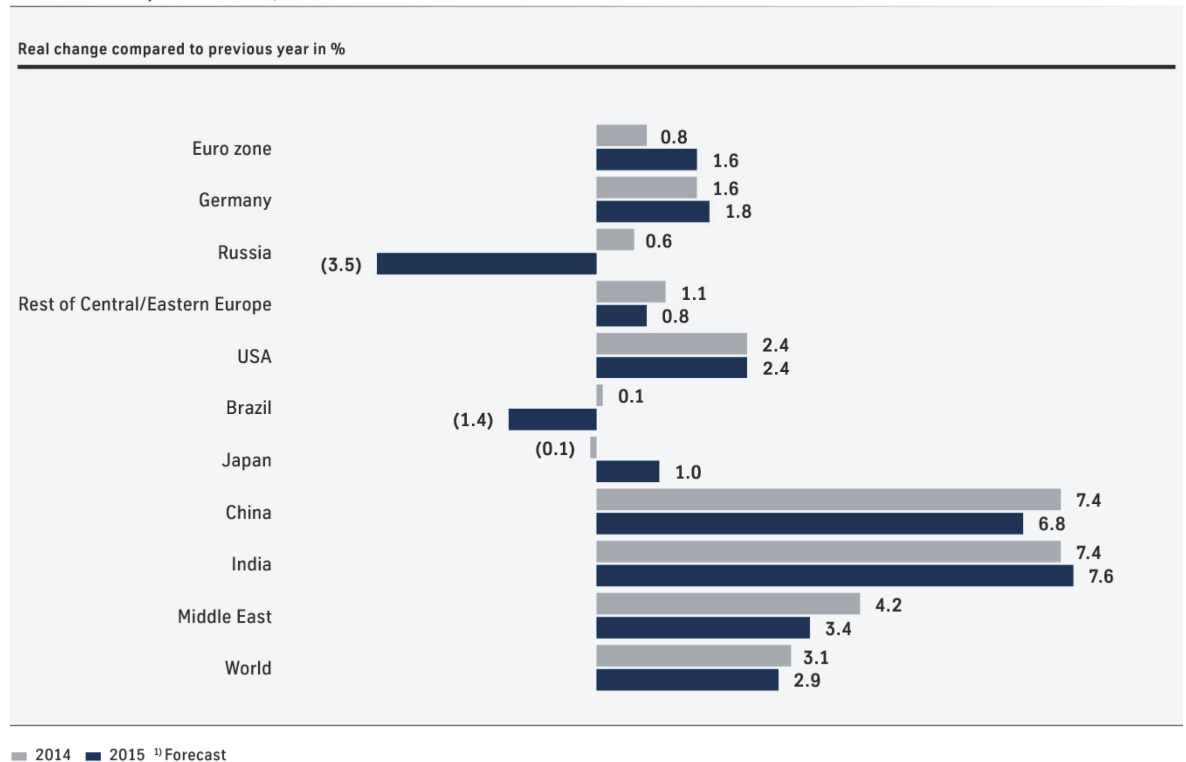
**Significant changes in oil prices and exchange rates with stabilizing effect on consumption and important customer industries**

Important parameters affecting the economic environment have experienced significant changes since the beginning of our reporting year: Oil prices have fallen by over 40% and exchange rates have shifted noticeably; the euro has depreciated sharply against the US dollar. The duration of these developments and the timing and intensity of their impact on the economy cannot yet be reliably predicted. However, lower energy prices and a falling exchange rate are having a stabilizing effect on consumer spending and the competitiveness of important customer industries in the euro zone. Risks for the global economy continue to result from numerous geopolitical uncertainties including the Ukraine crisis and the conflicts in the Middle East, as well as from the debt problems in Europe and the expected interest rate liftoff in the USA. There would also be significant negative ramifications for the global economy if the financial market volatility in China leads to further economic slowdown.

In comparison with the forecasts at the beginning of the fiscal year the growth expectations for 2015 have been revised down in the reporting period, mainly due to a weak start to the year. Current indicators point to slightly slower growth year-on-year in 2015 with the global economy now expected to expand at a rate of just below 3%. The cuts to the growth forecasts have been larger for the USA and Brazil, and only minor for India and Germany. At sector level slightly more moderate growth is now forecast for the US machinery and construction industries in 2015. After exceptionally strong, partly stock cycle-related growth in 2014, demand for finished steel is expected to decline despite the continuing very positive outlook. The forecast for the German machinery sector has been downgraded to stagnation for this year. Despite continuously reduced expectations, vehicle output in China will probably increase further, though the majority of international OEMS are likely to lose market shares. The construction industry in China is likewise expected to show slightly slower growth than expected even recently. The forecasts for steel demand in China, which has been contracting since last year, have also been lowered again; China's growing production surplus has so far been diverted massively into exports – resulting in regional supply overhangs and sharply falling prices. After an already steep drop in 2014, automotive production and steel consumption in Brazil are expected to decline further in 2015.

The graphic and the table below show the current economic forecasts for selected regions and important customer industries.

**Gross domestic product 2014[1], 2015[1]**




2014 2015 [1] Forecast

**Important sales markets**

| | 2014 | 2015[1] |
|---|---|---|
| **Vehicle production, million cars and light trucks** | | |
| World | 85.0 | 86.4 |
| Western Europe | 13.2 | 13.7 |
| Germany | 5.8 | 5.8 |
| USA | 11.4 | 11.8 |
| Japan | 9.2 | 8.6 |
| China | 22.6 | 23.9 |
| Brazil | 2.9 | 2.5 |
| **Machinery production, real, in % versus prior year** | | |
| Germany | 1.1 | 0.0 |
| USA | 7.0 | 2.5 |
| Japan | 11.0 | 4.0 |
| China | 6.4 | 5.4 |
| **Construction output, real, in % versus prior year** | | |
| Germany | 5.3 | 1.5 |
| USA | 3.6 | 3.9 |
| China | 7.4 | 4.8 |
| India | 3.8 | 4.0 |
| **Demand for finished steel, million tons** | | |
| World | 1,537 | 1,524 |
| Germany | 39.4 | 39.8 |
| USA | 107 | 102 |
| China | 711 | 697 |

[1] Forecast

# Summarized assessment by the Executive Board

**Positive performance continues in 3rd quarter; efficiency program impact drives further improvement in adjusted EBIT**

ThyssenKrupp achieved its operating and strategic targets in the 3rd quarter and the first 9 months 2014/2015 (October 1, 2014 to June 30, 2015): Adjusted EBIT from continuing operations was significantly higher year-on-year in all quarters and in the first 9 months came to €1,261 million, up 33% from the prior year. This reflects in particular our stronger performance orientation and the progress made in implementing the performance measures under the impact program. The 3rd quarter contributed €539 million to adjusted EBIT, a quarter-on-quarter increase of 33% and the highest level for 15 quarters. All business areas except Steel Americas made a positive contribution. Earnings at Steel Americas were slightly negative overall in the first 9 months but improved in the first 6 months and it was only in the 3rd quarter, against a background of sharply increased price and margin pressure and production bottlenecks due to the water shortage in Brazil, that they fell below the prior-year figure, which included an insurance recovery. Components Technology, Elevator Technology and Steel Europe improved their adjusted EBIT in all three quarters compared with the year before. Earnings in the first 9 months at Industrial Solutions and Materials Services were slightly lower year-on-year. Materials Services was impacted by mainly strike-related losses at AST in Italy as well as intense competition and high pressure on prices. However the comprehensive new business plans being implemented at AST and VDM are already showing clear progress. Both units made a clearly positive contribution to the business area's adjusted EBIT in the 3rd quarter, with the result that overall this was markedly higher both year-on-year and quarter-on-quarter. Elevator Technology increased its earnings and margin year-on-year for the eleventh quarter in succession. Steel Europe almost doubled its adjusted EBIT year-on-year in the first 9 months and with €166 million and a margin of 7.3% in the 3rd quarter achieved its highest level for more than three years. The capital goods businesses contributed a total of €1,095 million to adjusted EBIT in the first 9 months, while the materials businesses, including Steel Americas and despite the strike in Italy in the 1st quarter, contributed a clearly positive €453 million. Adjusted EBIT from Corporate and consolidation came to €(287) million.

At the beginning of the 3rd fiscal quarter we signed the contracts for the sale of the VDM group, having already recognized a net disposal loss of €119 million in the half-year financial statements. Upon closing of the transaction at July 31, 2015, we achieved a mid three-digit million euro positive effect on our net financial debt and pension obligations, which will be reflected in our financial ratios at September 30, 2015. The sale also further reduces the share of volatile materials businesses in our portfolio and therefore supports ThyssenKrupp's Strategic Way Forward as a diversified industrial group.

On this basis the Group generated a net profit in all three quarters, despite the above-mentioned disposal loss recognized in the 2nd quarter. Net income in the first 9 months came to €279 million (up year-on-year from €242 million), with the 3rd quarter accounting for €191 million (up significantly from €42 million).

At €(499) million the Group's free cash flow (FCF) before divestments in the first 9 months 2014/2015 improved year-on-year by €446 million but remained clearly negative in the 1st half and overall in the first 9 months due to non-period effects in net working capital, mainly in the 1st quarter, and due to payment deferrals and a temporarily lower order intake at Industrial Solutions. However, FCF before divestments was well within the corridor predicted for the first three quarters and in line with our full-year forecast and at €206 million in the 3rd quarter was already clearly positive. Despite continued reluctance by customers to award major projects we expect clear progress for the full year and aim to achieve at least break-even FCF before divestments. The Group's FCF in the first 9 months 2014/2015 came to €(315) million and includes cash flows from divestments, mainly the disposal of the RIP group at Materials Services in the 1st quarter and the disposal of an investment and non-operating assets at Corporate in the 3rd quarter. The Group's net financial debt at June 30, 2015 including the proportionate consolidation of HKM came to €4.4 billion and was €0.7 billion higher than at the end of the 2013/2014 fiscal year; quarter-on-quarter it was down by over €0.2 billion. Equity increased against the end of fiscal 2013/2014 by over €0.3 billion to €3.5 billion at June 30, 2015. We achieved this despite net negative effects from the remeasurement of pensions in the first 9 months. In the 3rd quarter, with higher discount rates and corresponding positive effects from the remeasurement of pensions and with the positive net income for the period, equity increased by almost €0.7 billion. Gearing increased from 114.9% to 124.0% in the first 9 months but fell sharply quarter-on-quarter. We expect a further improvement in our gearing by the end of the current fiscal year, driven by expected cash flows from divestments and clearly positive FCF before divestments.

With cash, cash equivalents and committed undrawn credit lines totaling €7.7 billion at June 30, 2015 and a balanced maturity profile, ThyssenKrupp is solidly financed.

### Risks further reduced

Having already considerably improved the Group's risk profile in fiscal year 2013/2014 with important portfolio and financing measures, we have further significantly reduced the risks to the Group in the current fiscal year, in particular as a result of the dropping of the "auto steel" cartel case against ThyssenKrupp and the disposal of the VDM group. Information on opportunities and risks is provided in the Opportunity and Risk Report.

# Group review

## Course of business

### Capital goods businesses with high order backlogs drive growth in sales

In a continuing challenging economic climate ThyssenKrupp performed well overall in the first 9 months 2014/2015. The main drivers for the growth in sales were once again the solid market positions and global reach of the capital goods businesses with corresponding positive exchange rate effects.

Order intake from continuing operations came to €31.1 billion in the first 9 months 2014/2015, up slightly from the prior year. On a comparable basis, i.e. excluding currency and portfolio effects, new orders declined by 6% compared with the prior year, which profited from a major order at Industrial Solutions in the 1st quarter. In the 3rd quarter 2014/2015 order intake was higher year-on-year at €10.6 billion, benefiting from positive exchange rate effects from the strong global positioning of our capital goods businesses and organic growth in our elevator business. On a comparable basis order intake declined slightly overall (down 1%). Compared with the prior quarter, new orders increased overall (up 2%).

Most of the capital goods businesses significantly exceeded their prior-year order intake in the first 9 months, in part thanks to positive exchange rate effects. The exception was Industrial Solutions, whose order intake declined mainly because of a major order at Marine Systems in the 1st quarter of the prior year. Also, against the background of volatile and falling oil and raw material prices, customers showed a reluctance to place orders. Nevertheless, thanks to a submarine order 3rd quarter order intake was significantly higher both year-on-year and quarter-on-quarter. Components Technology and Elevator Technology achieved double-digit year-on-year order growth in the first 9 months 2014/2015. In the components business this reflected the ramp-up of new products and plants, increased demand for axle module assembly and positive translation effects. However the momentum slowed in the 3rd quarter and demand for automotive components was generally more subdued. In China in particular this was characaterized by reduced expectations for sales of passengers cars and continued declining sales of heavy trucks. Order intake in the elevator business reached new record levels in all three quarters and in the 3rd quarter was 21% higher year-on-year. On a comparable basis the increase was 4% in the first 9 months and 7% in the 3rd quarter. The new installations business in the USA continued to perform particularly well. Orders in hand also reached a new record level of €4.9 billion and together with the order backlog at Industrial Solutions comes to a total of €17.5 billion – a solid basis for the profitable sales growth targeted for our elevator and project businesses.

Order intake in the materials businesses increased year-on-year in the first 9 months mainly due to portfolio effects – i.e. the inclusion of VDM and AST from OTK in the figures for Materials Services from March 1, 2014; on a comparable basis order intake declined partly as a result of lower material prices at Materials Services and lower raw material prices at our steel operations. At Materials Services the increase year-on-year including Special Materials (VDM and AST) was 9% (on a comparable basis (2)%). The expansion of global direct-to-customer business particularly in the first two fiscal quarters and the very good performance of the warehousing and service business in North America, partly due to exchange rate effects, were in part offset by the complete withdrawal from warehouse business in Russia, the closure of our railway equipment operations, and the sale of the service operations of the RIP group. Order intake at Steel Europe was down year-on-year, against continued high price pressure. Order volumes, which were significantly affected by temporary production bottlenecks in the 1st quarter, were distinctly higher quarter-on-quarter and year-on-year in the 2nd quarter in part for seasonal reasons and in part reflecting orders brought forward by customers. Order intake in the 3rd quarter slowed slightly, partly reflecting the usual seasonal lull in demand. Over the full reporting period order volumes were level with the prior year at 8.7 million tons. At Steel Americas order intake in the first 9 months was lower year-on-year, partly due to the sale of ThyssenKrupp Steel USA and bottlenecks in production, and from the 2nd quarter also due to high price pressure. The year-on-year increase in the 3rd quarter mainly reflects positive exchange rate effects and higher quarter-on-quarter volumes.

**Order intake by business area**

| million € | 9 months 2013/2014 | 9 months 2014/2015 | Change in % | Change on a comparable basis [1] in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change in % | Change on a comparable basis [1] in % |
|---|---|---|---|---|---|---|---|---|
| Components Technology | 4,623 | 5,127 | 11 | 4 | 1,611 | 1,743 | 8 | (1) |
| Elevator Technology | 5,074 | 5,809 | 14 | 4 | 1,692 | 2,051 | 21 | 7 |
| Industrial Solutions | 4,518 | 3,151 | (30) | (31) | 1,035 | 1,334 | 29 | 26 |
| Materials Services | 9,956 | 10,841 | 9 | (2) | 3,700 | 3,572 | (3) | (6) |
| Steel Europe [2] | 6,878 | 6,539 | (5) | (6) | 2,177 | 2,050 | (6) | (7) |
| Steel Americas | 1,595 | 1,414 | (11) | (3) | 412 | 519 | 26 | 3 |
| Corporate | 126 | 140 | 11 | 9 | 41 | 44 | 7 | 4 |
| Consolidation | (1,746) | (1,874) | — | — | (515) | (666) | — | — |
| Order intake of the continuing operations [2] | 31,024 | 31,147 | 0 | (6) | 10,153 | 10,647 | 5 | (1) |
| Stainless Global | 0 | 0 | — | — | 0 | 0 | — | — |
| Consolidation | 0 | 0 | — | — | 0 | 0 | — | — |
| Order intake of the Group [2] | 31,024 | 31,147 | 0 | (6) | 10,153 | 10,647 | 5 | (1) |

[1] excluding currency and portfolio effects
[2] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards" in the Notes).

At €32.2 billion in the first 9 months and €11.2 billion in the 3rd quarter 2014/2015, sales from continuing operations were level or higher year-on-year in almost all business areas, partly due to exchange rate effects. The only exceptions were the steel businesses: At Steel Europe sales in the 9-month period declined year-on-year due to lower net selling prices particularly as a result of sharply falling raw material prices; however in the 3rd quarter Steel Europe reported a year-on-year increase in sales due to higher volumes, and quarter-on-quarter growth due to slightly higher prices. Sales at Steel Americas in the first 9 months were down year-on-year partly due to the disposal of ThyssenKrupp Steel USA; 3rd quarter sales were level year-on-year thanks to the absence of portfolio effects and positive exchange rate effects. On a comparable basis sales from continuing operations in the first 9 months were slightly higher (up 1%) year-on-year, profiting above all from organic growth in the components and elevator businesses. In the 3rd quarter sales on a comparable basis were 2% lower year-on-year mainly due to an overall decline in materials business, particularly as a result of lower material prices at Materials Services and lower raw material prices at our steel operations.

Order intake and sales of the full Group were the same as those from continuing operations as from the prior year onwards the discontinued operations recorded only expenses and income and contributed neither to order intake nor to sales.

**Net sales by business area**

| million € | 9 months 2013/2014 | 9 months 2014/2015 | Change in % | Change on a comparable basis [1] in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change in % | Change on a comparable basis [1] in % |
|---|---|---|---|---|---|---|---|---|
| Components Technology | 4,586 | 5,087 | 11 | 3 | 1,603 | 1,758 | 10 | 0 |
| Elevator Technology | 4,634 | 5,249 | 13 | 3 | 1,609 | 1,876 | 17 | 3 |
| Industrial Solutions | 4,466 | 4,584 | 3 | 1 | 1,585 | 1,574 | (1) | (4) |
| Materials Services | 9,839 | 10,993 | 12 | 1 | 3,780 | 3,778 | 0 | (3) |
| Steel Europe [2] | 6,662 | 6,532 | (2) | (3) | 2,219 | 2,287 | 3 | 2 |
| Steel Americas | 1,514 | 1,396 | (8) | (7) | 441 | 441 | 0 | (23) |
| Corporate | 126 | 139 | 10 | 9 | 42 | 46 | 10 | 9 |
| Consolidation | (1,750) | (1,763) | — | — | (559) | (582) | — | — |
| Net sales of the continuing operations [2] | 30,077 | 32,217 | 7 | 1 | 10,720 | 11,178 | 4 | (2) |
| Stainless Global | 0 | 0 | — | — | 0 | 0 | — | — |
| Consolidation | 0 | 0 | — | — | 0 | 0 | — | — |
| Net sales of the Group [2] | 30,077 | 32,217 | 7 | 1 | 10,720 | 11,178 | 4 | (2) |

[1] excluding currency and portfolio effects
[2] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards" in the Notes).

### Impact program drives improvement – further significant increase in adjusted EBIT

In a challenging and highly competitive climate we achieved adjusted EBIT from continuing operations of €1,261 million in the first 9 months and €539 million in the 3rd quarter 2014/2015, representing significant increases both year-on-year and quarter-on-quarter despite negative effects from the strike at AST in Italy. The positive earnings trend reflects in particular our extensive efficiency measures. In the first 9 months 2014/2015 we achieved EBIT effects of €800 million from the impact program, to which the 3rd quarter contributed €250 million.

In the capital goods businesses adjusted EBIT was higher year-on-year in all three quarters and hence also in the first 9 months. Only Industrial Solutions was temporarily lower year-on-year, with margins good though slightly lower. Components Technology continued to profit from the efficiency measures, improving its earnings and margin both year-on-year and quarter-on-quarter. Elevator Technology further increased its earnings and earnings margin year-on-year. In addition to a pleasing operating performance this was also down to the efficiency and restructuring measures under impact.

In the materials businesses aggregate adjusted EBIT was likewise higher year-on-year in all three quarters and hence in the first 9 months. Materials Services' adjusted EBIT declined in the first 9 months, impacted by mainly strike-related losses at AST in Italy and by a highly competitive materials environment with high price pressure. Numerous efficiency measures and sales initiatives under impact and the progress made with implementing the new business plans at AST and VDM had a clear stabilizing effect. In the 3rd quarter Materials Services again reported significant increases both year-on-year and quarter-on-quarter. The impact measures also continued to have an effect on the steel businesses: Steel Europe significantly increased its adjusted EBIT and adjusted EBIT margin year-on-year and quarter-on-quarter in all three quarters. Earnings at Steel Americas only fell below the prior-year figures, which included an insurance recovery, in the 3rd quarter, with a strong increase in price and margin pressure and bottlenecks in production as a result of the water shortage in Brazil.

The adjusted EBIT of the full Group was the same as that from continuing operations as the expenses and income of the discontinued operations were recognized as special items.

**Adjusted EBIT by business area [1]**

| million € | 9 months 2013/2014 | 9 months 2014/2015 | Change in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change in % |
|---|---|---|---|---|---|---|
| Components Technology | 207 | 241 | 16 | 69 | 91 | 32 |
| Elevator Technology | 472 | 557 | 18 | 173 | 211 | 22 |
| Industrial Solutions | 320 | 297 | (7) | 112 | 96 | (14) |
| Materials Services | 148 | 140 | (5) | 58 | 89 | 53 |
| Steel Europe [2] | 185 | 358 | 94 | 103 | 166 | 61 |
| Steel Americas | (34) | (45) | (32) | 12 | (25) | -- |
| Corporate | (359) | (291) | 19 | (137) | (90) | 34 |
| Consolidation | 6 | 4 | — | 4 | 1 | — |
| Adjusted EBIT of the continuing operations [2] | 945 | 1,261 | 33 | 394 | 539 | 37 |
| Stainless Global | 0 | 0 | — | 0 | 0 | — |
| Consolidation | 0 | 0 | — | 0 | 0 | — |
| Adjusted EBIT of the Group [2] | 945 | 1,261 | 33 | 394 | 539 | 37 |

[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).
[2] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes).

### Earnings impacted by special items

EBIT from continuing operations was impacted by special items totaling €281 million in the first 9 months 2014/2015. These related mainly to disposal losses and restructuring expenses of €202 million at Materials Services. They include effects of the write-down in connection with the sale of the VDM group, which was recognized in the half-year financial statements and is included in EBIT with €(174) million and in after-tax earnings with €(119) million. Upon final deconsolidation income not yet realized (other comprehensive income in equity) will additionally be realized; at June 30, 2015 income of €12 million (from foreign currency) was not yet realized. More information on the sale of the VDM group can be found in Note 02. At Components Technology EBIT also contains special expenses totaling €14 million which were mainly incurred in the 3rd quarter for restructuring measures in the steering systems business. At Elevator Technology there were

special items totaling €24 million, mainly relating to restructuring measures in Europe. The special items at Steel Europe came to €15 million, likewise mainly in connection with restructuring measures in the 3rd quarter. At Steel Americas earnings were impacted by special items totaling €12 million, mainly resulting from an expense in the 1st quarter due to the updated valuation of a long-term freight contract. At Corporate special items totaling €21 million were recognized, resulting from portfolio measures and restructurings.

**Special items from continuing operations [1]**

| million € | 9 months 2013/2014 | 9 months 2014/2015 | Change in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change in % |
|---|---|---|---|---|---|---|
| EBIT [2] | 878 | 980 | 12 | 345 | 494 | 43 |
| +/- Disposal losses/gains | (63) | 18 | ++ | (2) | 3 | ++ |
| + Restructuring expenses | 114 | 56 | (51) | 24 | 39 | 63 |
| +/- Impairment/reversal of impairment | (2) | 172 | ++ | (1) | (2) | -- |
| + Other non-operating expenses | 30 | 41 | 37 | 20 | 11 | (45) |
| - Other non-operating income | (12) | (6) | 50 | 8 | (6) | -- |
| Adjusted EBIT [2] | 945 | 1,261 | 33 | 394 | 539 | 37 |

[1] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes).
[2] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

In the first 9 months special items relating to discontinued operations totaled over €6 million, resulting from severance payments in connection with personnel measures. Including the discontinued operations, net special items for the full Group came to €288 million in the first 9 months 2014/2015. In the prior-year period net special items were positive at €117 million and mainly included income attributable to the discontinued operations resulting from the absence of potential compensation payments under merger control requirements.

### Net income higher year-on-year

On this basis and despite the above-mentioned disposal loss recognized in the 2nd quarter, the Group generated positive net income in all three quarters, totaling €279 million in the first 9 months. Net income in the first 9 months is therefore €37 million higher year-on-year, even though the prior-year figure contained significant positive special items while this year significant negative special items were recognized. In the 3rd quarter net income came to €191 million, almost €150 million higher than a year earlier. Earnings per share in the first 9 months came to €0.52, with the 3rd quarter accounting for €0.35.

## Capital expenditures

### Capital spending at prior-year level, higher at capital goods businesses

ThyssenKrupp invested a total of €775 million in the reporting period, the same as a year earlier. While the capital goods businesses increased their investment activity, capital expenditures in the materials operations were down overall. As a result, the share of capital expenditure accounted for by our capital goods businesses rose to over 40%. Excluding effects from cash acquired in connection with the acquisition of consolidated companies at Industrial Solutions, our capital goods businesses accounted for around 48% of capital expenditure.

**Components Technology –** The business area invested a total of €249 million. A considerable share of this was spent on additional production capacities for cylinder head cover models at sites in Germany and China. The expansion of production for electric steering systems around the world also continues apace; in Mexico the last expansion phase of a new steering components plant was opened. In addition, crankshaft production at the Homburg/Saar site was expanded. The business area is thus continuing on its path of regional diversification and improved profitability in the auto sector.

**Elevator Technology –** Capital spending at Elevator Technology in the first 9 months of the fiscal year came to €75 million. As part of our extensive growth program we continued to invest in the build-out of our global service network and manufacturing sites. The construction of the test tower continues to schedule. On completion at the end of 2016, the tower will be used among other things to test and certify our innovative MULTI elevator.

**Industrial Solutions –** Net of proceeds totaling around €52 million from cash acquired in connection with the acquisition of consolidated companies, particularly in connection with the first-time consolidation of ThyssenKrupp Chlorine Engineers in the 3rd quarter 2014/2015, capital spending in the first 9 months 2014/2015 came to around €46 million and was therefore higher year-on-year. The focus was on strengthening our technology portfolio and further expanding our service business. Process Technologies invested mainly in the acquisition of technologies for the production of specialty chemicals based on renewable raw materials from Inventa in Singapore, required for example to produce food and cosmetics. In addition Resource Technologies invested in building service centers in Chile and Brazil and with the acquisition of Maxx Engineering Pty. in Australia strengthened its market position in the service business in the Pilbara region of northwestern Australia, one of the biggest iron ore regions in the world. Marine Systems continued to invest in its shipyard infrastructure.

**Materials Services –** Materials Services invested a total of €67 million in the first 9 months of fiscal 2014/2015, mostly in replacement and modernization projects in the warehousing, processing and logistics areas. 40% of the spending went on VDM and AST, where the focus was on plant renewals and upgrades to safeguard and expand production and improvements relating to environmental protection and occupational safety.

**Steel Europe –** Capital spending at Steel Europe came to €292 million in the reporting period. Following the relining of blast furnace 2 in Duisburg Schwelgern in October 2014, measures required following the blast furnace shutdown were a key area of investment. A further major investment in the future of the company is the ongoing renewal of our IT infrastructure with the aim of harmonizing the system landscape. Steel Europe also invests continuously in improving environmental protection. A major project in this connection was begun in the sinter plant in the current fiscal year.

**Steel Americas –** Capital expenditures at Steel Americas amounted to €39 million in the reporting period, and were lower again year-on-year mainly due to the disposal of ThyssenKrupp Steel USA. Spending at the Brazilian steel mill was focused on further improving the plant's environmental performance and further technical optimization.

**Corporate –** Capital spending at Corporate came to €52 million in the first 9 months 2014/2015. Two thirds of this was investment in property, which is consolidated centrally for the whole Group at Real Estate. Another major area was spending on data and process harmonization and centrally purchased software licenses.

## Financing

### Cash flow and net financial debt

At €(499) million the Group's free cash flow (FCF) before divestments in the first 9 months 2014/2015 improved year-on-year by €446 million but remained clearly negative. However, FCF before divestments in the 3rd quarter was clearly positive at €206 million. The Group's FCF in the first 9 months 2014/2015 came to €(315) million and contains cash flows from divestments, mainly in the 1st quarter at Materials Services and in the 3rd quarter at Corporate.

The full Group's net financial debt at June 30, 2015 including the proportionate consolidation of HKM came to €4,388 million.

Net financial debt is calculated as the difference between cash and cash equivalents shown in the statement of financial position plus current other financial assets available for sale, and non-current and current financial debt. The corresponding assets intended for sale of the disposal groups and the discontinued operations are also taken into account.

**Net financial debt full Group[1)]**

in million €, quarter-on-quarter rate of change

| | Rate of change | Net financial debt |
|---|---|---|
| **2013/2014** | | |
| December 31 | | 4,599 |
| March 31 | (9)% | 4,178 |
| June 30 | + 2% | 4,243 |
| September 30 | (13)% | 3,677 |
| **2014/2015** | | |
| December 31 | + 15% | 4,212 |
| March 31 | + 10% | 4,633 |
| June 30 | (5)% | 4,388 |

1) Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards" in the Notes).

ThyssenKrupp AG has agreements with banks which contain certain conditions in the event that the gearing ratio (net financial debt to equity) in the consolidated financial statements exceeds 150% at the closing date (September 30). At June 30, 2015 the gearing ratio was 124%, 9.1 percentage points higher than at September 30, 2014 (114.9%; including HKM), but 37.8 percentage points lower than in the 2nd quarter. We expect an improvement in our gearing by the end of the current fiscal year, driven by expected cash flows from divestments and in particular clearly positive FCF before divestments in the final fiscal quarter.

At June 30, 2015 the Group's available liquidity amounted to €7.7 billion, consisting of €4.0 billion cash and cash equivalents and €3.7 billion undrawn committed credit lines. Additional financing possibilities were available to us under a commercial paper program with a limit of €1.5 billion. Under the program commercial papers can be issued with a term of up to 364 days depending on investor demand. At June 30, 2015 an amount of €150 million had been drawn under the program.

The available liquidity offers enough scope to cover maturities in gross financial debt. The gross financial debt repayable by the end of the current fiscal year amounts to €0.4 billion.

ThyssenKrupp is thus solidly financed.

### Financing measures

**Bond successfully placed** – On February 18, 2015 ThyssenKrupp AG issued a dual-tranche bond with a total volume of €1.35 billion, documented under the company's €10 billion debt issuance program. The bond was issued in two tranches, the first with a maturity of five years and nine months and the second with a maturity of ten years. The five years and nine months tranche has a volume of €750 million. It carries a coupon of 1.75% p.a. at an issue price of 99.328%. The ten years tranche has a volume of €600 million. It carries a coupon of 2.5% p.a. at an issue price of 98.818%. With the transaction ThyssenKrupp AG made use of the good market environment, extended its maturity profile and strengthened the capital market share in its financing mix.

**Syndicated credit line extended** – In March 2015 ThyssenKrupp extended its €2 billion syndicated credit line by a year. The facility therefore now has a term to March 28, 2018.

## Rating

We have been rated by Moody's and Standard & Poor's (S&P) since 2001 and by Fitch since 2003. Our ratings are currently below investment grade. In December 2014 S&P and Fitch raised the outlook for our current BB/BB+ ratings from "negative" to "stable". Moody's confirmed our Ba1 rating with a negative outlook. A negative outlook means that the rating agency monitors the rating more closely and then reviews it, normally within a period of twelve to 18 months.

**Rating**

| | Long-term rating | Short-term rating | Outlook |
|---|---|---|---|
| Standard & Poor's | BB | B | stable |
| Moody's | Ba1 | Not Prime | negative |
| Fitch | BB+ | B | stable |

# Business area review

## Components Technology

**Components Technology in figures**

| | | 9 months 2013/2014 | 9 months 2014/2015 | Change in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change in % |
|---|---|---|---|---|---|---|---|
| Order intake | million € | 4,623 | 5,127 | 11 | 1,611 | 1,743 | 8 |
| Net sales | million € | 4,586 | 5,087 | 11 | 1,603 | 1,758 | 10 |
| EBIT [1] | million € | 187 | 227 | 21 | 66 | 81 | 23 |
| EBIT margin [1] | % | 4.1 | 4.5 | — | 4.1 | 4.6 | — |
| Adjusted EBIT [1] | million € | 207 | 241 | 16 | 69 | 91 | 32 |
| Adjusted EBIT margin [1] | % | 4.5 | 4.7 | — | 4.3 | 5.2 | — |
| Employees (June 30) | | 28,500 | 29,464 | 3 | 28,500 | 29,464 | 3 |

[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

The Components Technology business area produces and markets high-tech components worldwide for the automotive and machinery sectors. In the auto sector the product range includes assembled camshafts, cylinder head modules with integrated camshafts, and crankshafts (Powertrain); steering and damping systems, springs and stabilizers as well as the assembly of axle modules (Chassis). In the machinery sector Components Technology supplies components for construction equipment, wind turbines and numerous general engineering applications. This broad spectrum of products is based on years of experience in innovative materials and forging processes within the business area. Components Technology covers the entire value chain, from the development and manufacture of high-performance components through to machining and complex assembly processes. Mechatronic solutions using electronics and software developed in-house are playing an increasingly important role.

### Order intake and sales in the first 9 months higher year-on-year

Components Technology has performed well overall in fiscal year 2014/2015 to date. Order intake and sales in the first 9 months were each 11% higher than in the same period a year earlier. Alongside production ramp-ups for new products, the ramp-up of new plants and an increase in demand for axle module assembly, this growth was aided by significant positive translation effects, mainly from the US dollar and Chinese yuan to euros. On a comparable basis, too, order intake (up 4%) and sales (up 3%) were higher year-on-year. The momentum slowed slightly in the 3rd quarter. Order intake and sales increased year-on-year by 8% and 10 % to €1.7 billion and €1.8 billion, respectively; excluding exchange rate effects they were level with the prior year. Demand in the auto components business was more subdued overall. In China in particular this was characterized by reduced expectations for sales of passengers cars and continued declining sales of heavy trucks (>6 t). In addition the markets in Brazil and Russia were weak. Growth in the European and US markets for cars and trucks remained robust.

To continue our profitable growth and expand our global presence in auto components manufacturing, new plants were opened during the fiscal year, particularly in the growth regions of China and North America. In the Powertrain business the Changzhou site began producing cylinder head cover modules in November. A further cylinder head cover module plant is planned at San Miguel de Allende in Mexico, which will begin supplying to mainly US customers from 2017. The strong global demand and high growth potential for these products reflect the further refinement of our camshaft technology and optimization of the manufacturing process. By supplying complete camshaft modules, we offer our customers systems of the highest quality and functionality with a very attractive cost/benefit ratio: Our camshaft modules increase the efficiency of engine assembly while offering weight savings of up to 30% and lowering fuel consumption and emissions.

In our Chassis operations we also started production at a new front axle assembly plant in Mexico in February. The acquisition of several new orders necessitated a capacity expansion at the Puebla site. We also opened a new steering components plant in Puebla in April, expanding our presence in the growing North American market.

Sales in the industrial components business in the first 9 months increased by 8%; on a comparable basis they were slightly lower year-on-year. In particular business with wind turbine components in China, Brazil and India was pleasing, while business with construction equipment components remained weak.

### Higher earnings benefit from efficiency measures

At €241 million in the first 9 months, adjusted EBIT of Components Technology was significantly higher than a year earlier. In addition to the good performance in industrial components, efficiency measures under the corporate program impact, cost reductions from completed restructuring measures, and currency translation effects had a positive influence on earnings. Despite higher logistics costs for the production ramp-up of new products, cost disadvantages from the appreciation of the Swiss franc, and costs in the crankshafts business in connection with a major repair, adjusted EBIT margin improved to 4.7%. Adjusted EBIT in the 3rd quarter came to €91 million, a significant improvement from the prior year and also higher compared with the good prior quarter. Adjusted EBIT margin at 5.2% was significantly higher quarter-on-quarter and year-on-year. EBIT includes non-recurring costs of restructuring measures in the steering business, incurred mainly in the 3rd quarter, but was higher year-on-year both in the first 9 months and in the 3rd quarter, mainly as a result of operating improvements.

**Components Technology order intake**

in million €, quarter-on-quarter rate of change

| | Quarter | Change | Order intake |
|---|---|---|---|
| 2013/2014 | Q1 | | 1,439 |
| | Q2 | + 9% | 1,573 |
| | Q3 | + 2% | 1,611 |
| | Q4 | (5)% | 1,534 |
| 2014/2015 | Q1 | + 6% | 1,621 |
| | Q2 | + 9% | 1,763 |
| | Q3 | (1)% | 1,743 |

**Components Technology adjusted EBIT[1)]**

in million €, quarter-on-quarter rate of change

| | Quarter | Change | Adjusted EBIT |
|---|---|---|---|
| 2013/2014 | Q1 | | 63 |
| | Q2 | + 19% | 75 |
| | Q3 | (8)% | 69 |
| | Q4 | (12)% | 61 |
| 2014/2015 | Q1 | + 10% | 67 |
| | Q2 | + 24% | 83 |
| | Q3 | + 10% | 91 |

1) Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

## Elevator Technology

**Elevator Technology in figures**

| | | 9 months 2013/2014 | 9 months 2014/2015 | Change in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change in % |
|---|---|---|---|---|---|---|---|
| Orders in hand (June 30) | million € | 3,970 | 4,934 | 24 | 3,970 | 4,934 | 24 |
| Order intake | million € | 5,074 | 5,809 | 14 | 1,692 | 2,051 | 21 |
| Net sales | million € | 4,634 | 5,249 | 13 | 1,609 | 1,876 | 17 |
| EBIT [1)] | million € | 418 | 533 | 28 | 165 | 199 | 21 |
| EBIT margin [1)] | % | 9.0 | 10.1 | — | 10.2 | 10.6 | — |
| Adjusted EBIT [1)] | million € | 472 | 557 | 18 | 173 | 211 | 22 |
| Adjusted EBIT margin [1)] | % | 10.2 | 10.6 | — | 10.8 | 11.3 | — |
| Employees (June 30) | | 49,707 | 51,184 | 3 | 49,707 | 51,184 | 3 |

1) Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

The Elevator Technology business area supplies passenger and freight elevators, escalators and moving walks, passenger boarding bridges, stair and platform lifts as well as providing service for the entire product range. Over 900 locations form a tight-knit sales and service network keeping us close to customers.

### Order intake and orders in hand reach new record levels

Order intake of the Elevator Technology business area in the first 9 months of fiscal year 2014/2015 came to €5.8 billion, 14% up from the prior year; on a comparable basis, mainly excluding exchange-rate effects, the increase was 4%. 3rd-quarter orders were up by over 21% year-on-year, and on a comparable basis by 7%. Orders continued to profit from increased demand for new installations particularly in the USA and South Korea, and from positive exchange rate effects. New installations business in Europe declined slightly; service business, which is important for Europe, was virtually unchanged. In China the number of new installations included in order intake was level with the prior year and included several orders for elevators and escalators for major projects. Compared with the 2nd quarter of the current fiscal year the market in China showed a seasonal improvement. Overall, order intake increased significantly quarter-on-quarter to a new record level of €2.1 billion.

Thanks to strong demand for new installations and positive exchange rate effects the business area's sales also increased significantly, gaining year-on-year by 13% in the first 9 months and 17% in the 3rd quarter 2014/2015. On a comparable basis the increase was 3% in each case. Whereas sales in Europe were lower year-on-year mainly due to the still weak market in France, Elevator Technology recorded significant growth rates in the Americas and Asia – particularly in the USA, China and South Korea.

As part of the implementation of our comprehensive growth strategy, we continued to invest in the international expansion of our service network and production sites in the first 9 months of fiscal year 2014/15. The acquisition of Lift & Engineering Services Ltd. in the United Kingdom in December 2014 is a further step in the build-out of our global service business. The construction of the test tower for elevator innovations in Rottweil is progressing according to schedule. After completion at the end of 2016, the 246 meter tower will be used among other things to test and certify our innovative MULTI elevator. Featuring several cars moving vertically and for the first time also horizontally in the same shaft, MULTI will open up completely new possibilities in terms of building height, design and use. This is an outstanding example of how the Elevator Technology business area promotes efficient and convenient urban mobility with innovative technology.

### Adjusted EBIT again higher year-on-year

In the first three quarters of the current fiscal year Elevator Technology improved its adjusted EBIT year-on-year by 18% to €557 million as a result of higher sales and margins. The earnings and margin improvement mainly reflects a pleasing operating performance and the efficiency and restructuring measures under the corporate program impact. Positive exchange rate effects also made a contribution. Adjusted EBIT in the 3rd quarter 2014/2015 was up 22% to €211 million, the eleventh year-on-year increase in a row. Compared with the seasonally weaker 2nd quarter of the current fiscal year we achieved a gain of 26%.

Despite the continuing difficult market situation in Europe we improved our adjusted EBIT margin year-on-year by 0.4% points to 10.6 % in the first 9 months and by 0.5% points to 11.3% in the 3rd quarter.

Cumulative EBIT came to €533 million. It includes special items of €24 million, primarily due to restructuring measures in Europe.

In April we also decided to streamline the business area's structures to enable us to operate more efficiently on the market in the future. The number of regional business units will be reduced from four to three. The new organizational structure better reflects the market drivers in the respective regions and is overall more homogeneous. The European business will be brought together under the same management in the future. This measure will also support the development of new technologies, improvements to existing technologies and the harmonization and reduction of the product portfolio.

**Elevator Technology order intake**

in million €, quarter-on-quarter rate of change

| | Quarter | Change | Value |
|---|---|---|---|
| 2013/2014 | Q1 | | 1,801 |
| | Q2 | (12)% | 1,581 |
| | Q3 | + 7% | 1,692 |
| | Q4 | + 3% | 1,745 |
| 2014/2015 | Q1 | + 7% | 1,868 |
| | Q2 | + 1% | 1,890 |
| | Q3 | + 9% | 2,051 |

**Elevator Technology adjusted EBIT[1]**

in million €, quarter-on-quarter rate of change

| | Quarter | Change | Value |
|---|---|---|---|
| 2013/2014 | Q1 | | 156 |
| | Q2 | (8)% | 143 |
| | Q3 | + 21% | 173 |
| | Q4 | + 17% | 202 |
| 2014/2015 | Q1 | (12)% | 178 |
| | Q2 | (6)% | 168 |
| | Q3 | + 26% | 211 |

[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

## Industrial Solutions

**Industrial Solutions in figures**

| | | 9 months 2013/2014 | 9 months 2014/2015 | Change in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change in % |
|---|---|---|---|---|---|---|---|
| Orders in hand (June 30) | million € | 14,561 | 12,523 | (14) | 14,561 | 12,523 | (14) |
| Order intake | million € | 4,518 | 3,151 | (30) | 1,035 | 1,334 | 29 |
| thereof Marine Systems [1] | million € | 1,411 | 665 | (53) | 51 | 612 | ++ |
| Net sales | million € | 4,466 | 4,584 | 3 | 1,585 | 1,574 | (1) |
| thereof Marine Systems [1] | million € | 1,269 | 1,163 | (8) | 507 | 413 | (19) |
| EBIT [2] | million € | 316 | 304 | (4) | 111 | 101 | (9) |
| EBIT margin [2] | % | 7.1 | 6.6 | — | 7.0 | 6.4 | — |
| Adjusted EBIT [2] | million € | 320 | 297 | (7) | 112 | 96 | (14) |
| Adjusted EBIT margin [2] | % | 7.2 | 6.5 | — | 7.1 | 6.1 | — |
| Employees (June 30) | | 19,065 | 19,148 | 0 | 19,065 | 19,148 | 0 |

[1] including other shareholdings and consolidation
[2] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

In addition to the plant engineering operations, managed by the two business units Process Technologies and Resource Technologies, the Industrial Solutions business area also comprises the System Engineering and Marine Systems business units. The product portfolio encompasses chemical plants and refineries (Process Technologies), equipment for the cement industry and innovative solutions for the mining and processing of raw materials (Resource Technologies), production systems for the auto industry (System Engineering), and naval shipbuilding (Marine Systems).

On the Group's Strategic Way Forward, the integration and regionalization of the plant engineering business created the basic conditions to achieve our growth targets and increase efficiency. As a global, integrated engineering and construction company with strong technological expertise, ThyssenKrupp Industrial Solutions focuses market strategy, collaborates closely with customers on projects and in the service area, and supports the global exchange of knowledge and engineering and project management capabilities across all its business activities. Leading-edge technologies and secure and reliable project management form the basis for our sustainable engineering solutions.

### Order intake in first 9 months down from high prior-year level, sales stable

As expected, order intake at Industrial Solutions in the first 9 months 2014/2015 at €3.2 billion was lower than in the same period a year earlier, when we booked major orders at Marine Systems and Resource Technologies. Against a background of volatile and declining oil and raw material prices, customers were reluctant to place new orders. However we are continuing to pursue the projects and they remain part of a full project pipeline. Thanks to a submarine order, 3rd quarter order intake at €1.3 billion was significantly higher year-on-year and quarter-on-quarter.

Process Technologies recorded a slight decline in order intake in the first 9 months 2014/2015 compared with the same prior-year period. However, 3rd quarter orders were slightly higher year-on-year. Among other things the business unit won a contract in the high two digit million euro region to supply a hydrochloric acid electrolysis plant to a Chinese customer. In addition the establishment of a strategic partnership between ThyssenKrupp Uhde Chlorine Engineers and McPhy Energy in the field of hydrogen production allowed us to further strengthen our market position in the growing renewable energy storage sector and widen our offering in the electrochemical plant and technology business. Against the background of continuing attractive gas prices we also see opportunities for follow-up orders for fertilizer plants and associated infrastructure in the USA and Canada.

Order intake at Resource Technologies in the first 9 months 2014/2015 was down from the same period a year earlier, which benefited from a major cement plant contract in Algeria. The high order backlog, a balanced product portfolio with an increasing share of repair and service business, and promising negotiations on planned projects in the cement sector point to a stable level of business. In particular, customers value our wide offering of engineering, procurement and construction services for turnkey cement lines as well as our technological flexibility with regard to the fuels used. This allows customers to respond to price changes in the energy sector and increase the profitability of their plants. With the opening of a new service center for customers in the mining and raw materials industries in Chile in May 2015 we also strengthened our service business in a market environment that remains characterized by weak investment activity.

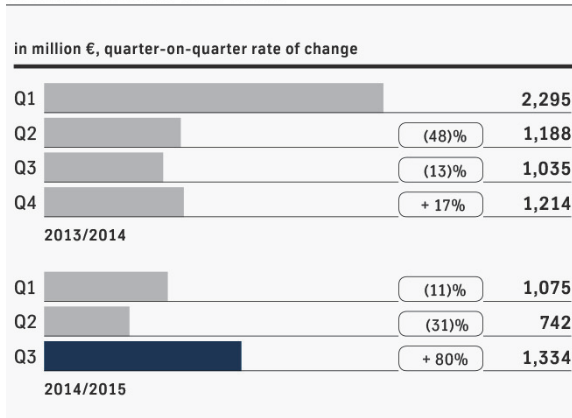
System Engineering continued to record solid demand for production systems for the automobile industry. Order intake in the first 9 months was higher year-on-year, while 3rd quarter orders were steady year-on-year and quarter-on-quarter. Among others, the company won several orders in the double-digit million range to build production lines for European OEMs. Increasingly, the process and technology expertise we have built up over the decades in the automotive industry is being applied to forward-looking assembly and automation solutions in the aircraft sector.

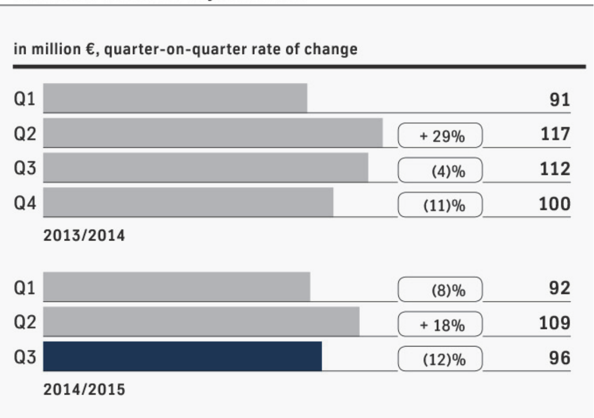
The business area's generally solid order situation and continuing high order backlog of €12.5 billion provide long-term planning certainty and secure capacity utilization for the next two to three years. Against the background of a difficult market environment the management team remains focused on expanding the addressable market in order to secure the targeted profitable sales growth. This includes intensified development and marketing of new technological solutions, increasing service business, regional presence and closeness to customers, and cross-business area market development.

Sales profited from the high order backlog. Despite the disposal of the Swedish operations of Marine Systems in the 4th quarter 2013/2014, sales in the first 9 months came to €4.6 billion, a 3% increase from the high prior-year figure. On a comparable basis the increase was 1%. 3rd quarter sales were level with the prior year thanks to positive exchange rate effects; on a comparable basis they decreased by 4%. At Process Technologies lower order intake last fiscal year led to a decline in sales in the first 9 months 2014/2015. However, sales of Resource Technologies were significantly higher year-on-year, in part due to the ramp-up of the new cement plant orders. Sales of Marine Systems decreased slightly, also due to portfolio effects, while the positive sales trend at System Engineering continued.

### Adjusted EBIT with continuing good margin quality

Adjusted EBIT from project billings at €297 million in the first 9 months 2014/2015 and €96 million in the 3rd quarter was lower year-on-year. Adjusted EBIT margin remained within the target range of 6 to 7%. EBIT was impacted by only minor special items in the reporting period, including a positive effect from the consolidation of the electrolysis joint venture ThyssenKrupp Uhde Chlorine Engineers.




[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. "ThyssenKrupp in figures").

## Materials Services

**Materials Services in figures**

| | | 9 months 2013/2014 | 9 months 2014/2015 | Change in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change in % |
|---|---|---|---|---|---|---|---|
| Order intake | million € | 9,956 | 10,841 | 9 | 3,700 | 3,572 | (3) |
| Net sales | million € | 9,839 | 10,993 | 12 | 3,780 | 3,778 | 0 |
| EBIT [1] | million € | 123 | (62) | -- | 44 | 89 | 102 |
| EBIT margin [1] | % | 1.3 | (0.6) | — | 1.2 | 2.4 | — |
| Adjusted EBIT [1] | million € | 148 | 140 | (5) | 58 | 89 | 53 |
| Adjusted EBIT margin [1] | % | 1.5 | 1.3 | — | 1.5 | 2.4 | — |
| Employees (June 30) | | 30,467 | 22,347 | (27) | 30,467 | 22,347 | (27) |

[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. "ThyssenKrupp in figures").

The business area offers its customers a wide range of materials combined with extensive services to optimize their value chains. The services extend from material processing to various logistics services to innovative supply chain solutions. Materials Services sees itself as an efficient, reliable and customer-oriented business partner, based on a deep understanding of the market, an international setup with around 500 sites in 45 countries and engaged and motivated employees.

The companies and businesses of the VDM and AST groups are included in the business area's figures from March 1, 2014, mainly in the Special Materials business unit. This restricts the comparability of the figures for the reporting period with the prior-year figures.

### Order intake and sales slightly higher year-on-year on a comparable basis

In the first 9 months of fiscal 2014/2015 order intake came to €10.8 billion and sales to €11 billion, year-on-year gains of 9% and 12% respectively. On a comparable basis – in particular excluding Special Materials (VDM and AST) – orders were slightly lower and sales slightly higher. The expansion of our global direct-to-customer business particularly in the first two fiscal quarters and the very good performance of our warehouse and service business in North America, due in part to exchange rate effects, was partly offset by the discontinuation of warehouse business in Russia and the closure of our

railway equipment operations at the end of the past fiscal year as well as the sale of the RIP group's service activities in Brazil in the 1st fiscal quarter. The reporting period was characterized by very low price levels in almost all product segments on the materials side. Despite this, sales improved year-on-year in the aerospace business, which made further gains above all in North America, in raw materials trading, in materials warehousing and processing in Western Europe and in the auto-related service center operations. Sales of Special Materials, which were only included for four months in the prior-year figures, came to almost €2.1 billion.

In the first 9 months 2014/2015 the companies of the Materials Services business area sold a total of 9.6 million tons of materials, 2% less than a year earlier. Around 560,000 tons of this was attributable to stainless steel flat products and high-performance alloys produced and sold by the Special Materials unit. At 4.2 million tons, warehouse shipments of metals were over 2% lower year-on-year, though slightly higher excluding business in Russia. The service center business in particular made gains, and shipments also increased slightly in Germany and North America. Warehouse shipments were unchanged year-on-year in Eastern Europe excluding Russia, but lower in Western Europe. Shipments in the global direct-to-customer and trading operations were 16% higher year-on-year at 3.1 million tons. We sold 2.6 million tons of raw materials in the reporting period, 0.2 million tons less than a year earlier. In particular, shipments of coke/coal but also of nickel ores decreased compared with the very high volumes of the comparative period, but shipments of metals and alloys increased.

### Adjusted EBIT again higher in 3rd quarter, but overall still lower year-on-year

In addition to intense competition and high price pressure – above all in the warehousing business in Germany – Materials Services was impacted by mainly strike-related losses in the 1st quarter at AST in Italy. The disposal of the service activities in Brazil also reduced earnings. Overall, adjusted EBIT at €140 million in the first 9 months 2014/2015 was €8 million lower than a year earlier. However, numerous efficiency measures and sales initiatives in connection with impact and the progress made in implementing the new business plans at AST and VDM had a clear stabilizing effect. AST and VDM contributed a total €34 million to the business area’s adjusted EBIT in the 3rd quarter. Altogether Materials Services' adjusted EBIT in the 3rd quarter was significantly higher year-on-year and quarter-on-quarter.

At the start of the 3rd fiscal quarter we also signed the contracts for the sale of the VDM group. In this connection we wrote down the book value of the assets and recognized an EBIT effect of €(174) million and an after-tax effect of €(119) million in the half-year financial statements. The transaction was closed on July 31.

Special items due to disposals and restructuring totaled €202 million in the first 9 months. The main special item was the above-mentioned writedown in the 2nd quarter.

**Materials Services order intake**

in million €, quarter-on-quarter rate of change

| | Quarter | Change | Value |
|---|---|---|---|
| 2013/2014 | Q1 | | 2,842 |
| | Q2 | + 20% | 3,414 |
| | Q3 | + 8% | 3,700 |
| | Q4 | + 1% | 3,726 |
| 2014/2015 | Q1 | (5)% | 3,546 |
| | Q2 | + 5% | 3,723 |
| | Q3 | (4)% | 3,572 |

**Materials Services adjusted EBIT[1]**

in million €, quarter-on-quarter rate of change

| | Quarter | Change | Value |
|---|---|---|---|
| 2013/2014 | Q1 | | 34 |
| | Q2 | + 65% | 56 |
| | Q3 | + 4% | 58 |
| | Q4 | + 10% | 64 |
| 2014/2015 | Q1 | (97)% | 2 |
| | Q2 | + +% | 49 |
| | Q3 | + 82% | 89 |

[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

# Steel Europe

**Steel Europe in figures [1]**

| | | 9 months 2013/2014 | 9 months 2014/2015 | Change in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change in % |
|---|---|---|---|---|---|---|---|
| Order intake | million € | 6,878 | 6,539 | (5) | 2,177 | 2,050 | (6) |
| Net sales | million € | 6,662 | 6,532 | (2) | 2,219 | 2,287 | 3 |
| EBIT [2] | million € | 164 | 343 | 109 | 91 | 150 | 65 |
| EBIT margin [2] | % | 2.5 | 5.3 | — | 4.1 | 6.6 | — |
| Adjusted EBIT [2] | million € | 185 | 358 | 94 | 103 | 166 | 61 |
| Adjusted EBIT margin [2] | % | 2.8 | 5.5 | — | 4.6 | 7.3 | — |
| Employees (June 30) | | 27,665 | 27,273 | (1) | 27,665 | 27,273 | (1) |

[1] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes).
[2] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

The Steel Europe business area combines the Group’s flat carbon steel operations mainly in the European market. Its high-quality flat products are supplied to customers in the auto industry and other steel-using sectors. The range also includes products for attractive specialist markets such as the packaging industry.

### Orders and sales down due to lower prices

Steel Europe’s orders and sales in the first 9 months 2014/2015 were lower year-on-year. This was due to the sustained weakness of steel prices on the European spot markets, mainly due to much lower raw material prices, which was reflected in our deals. Volumes, which were significantly impacted by temporary production bottlenecks in the 1st quarter, returned to normal after the turn of the year.

Order intake came to €6.5 billion, a year-on-year drop of 5%. Excluding currency effects, the decrease was 6%. With production output once again stabilizing and demand picking up for seasonal reasons from the turn of the year, orders in the 2nd quarter were significantly higher quarter-on-quarter; however this was partly due to orders that were brought forward. This and the usual seasonal slowing of demand dampened 3rd quarter order intake slightly. Order volumes in the first 9 months came to 8.7 million tons, level with a year earlier.

Sales of the business area at €6.5 billion decreased by 2% (3% excluding exchange rate effects) due to the decline in average net selling prices. From the 2nd quarter onwards the previous negative price trend on the spot market was reflected in mainly lower price deals with our customers. However in the 3rd quarter our average net selling prices were higher again quarter-on-quarter. Despite temporary starting material supply difficulties, shipments in the first 9 months increased slightly year-on-year to roughly 8.8 million tons. Exports – especially to customers outside Europe – were substantially higher, particularly shipments of hot-rolled steel to the pipe and tube industry. Sales of tinplate and grain-oriented electrical steel were also up. From the start of 2015 shipments to distributors and service centers rose distinctly again in connection with the modest economic recovery. Shipments to automotive OEMs and suppliers were roughly level with the prior year, but sales of heavy plate were lower.

At roughly 9.4 million tons, crude steel production in the reporting period including supplies from HKM was 3% lower year-on-year. The delay in the return to operation of continuous caster 1 in October last year impacted starting material supplies, particularly in the 1st quarter of the fiscal year. Production output and the slab situation stabilized thereafter but there were again temporary production restrictions and shifts in the following months due to individual disruptions and a major planned revamp of continuous caster 3 at HKM. However, the backlogs from the 1st quarter have in part been cleared, partly due to continued supplies from ThyssenKrupp CSA in Brazil. Rolled steel production for customers in the reporting period was level with the prior year at 9 million tons.

### “Best-in-Class Reloaded” effects continue: Another strong improvement in EBIT

The Steel Europe business area recorded adjusted EBIT of €358 million in the first 9 months of the fiscal year, a year-on-year increase of €173 million or 94%. Earnings improved significantly in the course of the fiscal year. In the 3rd quarter 2014/2015 we achieved our highest quarterly earnings for more than 3 years - €166 million. Average adjusted EBIT margin over the full reporting period increased to 5.5%, underlining the effectiveness of our measures.

Steel prices remained inadequate – dropping again year-on-year – but the systematic implementation of measures under the “Best-in-Class Reloaded” program in particular had positive effects on earnings. Cost reduction measures are being complemented by differentiation initiatives for steel grades and by extensive sales optimization efforts. The high losses of previous years at Electrical Steel have been reduced substantially following the completion of restructuring measures, and this too supported the significant increase in earnings. Cost reductions for raw materials also contributed to the earnings improvement, although these cost advantages were partly eroded by the fall in the euro exchange rate.

EBIT in the first 9 months came to €343 million, compared with €164 million a year earlier. This includes net special items of €15 million, mainly for restructuring measures in the 3rd quarter.

The broad-based marketing offensive for the Groupwide development project InCar®plus, unveiled at the end of the last fiscal year, was continued intensively in conjunction with Components Technology and Industrial Solutions and has already met with an excellent response from automotive customers in Europe and the USA. Presentations in China, South Korea and Japan will follow in the course of the year. The project is being presented to customers at their own sites in a global technology roadshow and impressively demonstrates how we work together to develop innovative, market-oriented solutions based on precise knowledge of our customers' requirements and our strong engineering expertise.

**Steel Europe order intake[1)]**

in million €, quarter-on-quarter rate of change

| | | Change | Value |
|---|---|---|---|
| 2013/2014 | Q1 | | 2,272 |
| | Q2 | + 7% | 2,429 |
| | Q3 | (10)% | 2,177 |
| | Q4 | (7)% | 2,034 |
| 2014/2015 | Q1 | + 3% | 2,095 |
| | Q2 | + 14% | 2,394 |
| | Q3 | (14)% | 2,050 |

**Steel Europe adjusted EBIT[1),2)]**

in million €, quarter-on-quarter rate of change

| | | Change | Value |
|---|---|---|---|
| 2013/2014 | Q1 | | 18 |
| | Q2 | + 256% | 64 |
| | Q3 | + 61% | 103 |
| | Q4 | (65)% | 36 |
| 2014/2015 | Q1 | + 119% | 79 |
| | Q2 | + 43% | 113 |
| | Q3 | + 47% | 166 |

[1)] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes).
[2)] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

# Steel Americas

**Steel Americas in figures**

| | | 9 months 2013/2014 | 9 months 2014/2015 | Change in % | 3rd quarter 2013/2014 | 3rd quarter 2014/2015 | Change in % |
|---|---|---|---|---|---|---|---|
| Order intake | million € | 1,595 | 1,414 | (11) | 412 | 519 | 26 |
| Net sales | million € | 1,514 | 1,396 | (8) | 441 | 441 | 0 |
| EBIT [1] | million € | 118 | (57) | -- | 4 | (27) | -- |
| EBIT margin [1] | % | 7.8 | (4.1) | — | 0.9 | (6.1) | — |
| Adjusted EBIT [1] | million € | (34) | (45) | (32) | 12 | (25) | -- |
| Adjusted EBIT margin [1] | % | (2.2) | (3.2) | — | 2.7 | (5.7) | — |
| Employees (June 30) | | 3,446 | 3,689 | 7 | 3,446 | 3,689 | 7 |

[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

The Steel Americas business area supplies in particular the US and Brazilian markets with high-quality slabs from its steel mill in Brazil (ThyssenKrupp CSA). In addition to a long-term slab supply contract with ArcelorMittal and Nippon Steel & Sumitomo Metal Corporation (AM/NS), which reliably secures a minimum 40% capacity utilization for our plant for several years, ThyssenKrupp CSA is systematically addressing the slab markets in South and North America.

### Order intake and sales affected by bottlenecks in production

Order intake and sales at Steel Americas in the first 9 months in the first 9 months 2014/2015 both came to €1.4 billion, decreasing by 11% and 8% respectively from the prior year. In addition to the sale of ThyssenKrupp Steel USA in the prior year, this reflects bottlenecks in production due to an unscheduled converter outage in the 1st quarter, temporarily poor raw material quality in the 2nd quarter, scheduled maintenance shutdowns and the water shortage in Brazil, which led to disruptions in the supply of cooling water. Added to this there was increasing price pressure from the 2nd quarter. The steel market in Brazil was characterized overall by a further decline in consumption. On a comparable basis order intake and sales decreased by 3% and 7% respectively.

In the 3rd quarter 2014/2015 order intake came to €519 million, up 26% from a year earlier. Lower prices were outweighed in particular by positive exchange rate effects. On a comparable basis the increase was 3%. The clear increase compared with the prior quarter mainly reflects higher order volumes. Sales in the 3rd quarter at €441 million were largely unchanged quarter-on-quarter and year-on-year. Lower prices were offset by higher shipments quarter-on-quarter and by positive exchange rate effects year-on-year. On a comparable basis sales decreased year-on-year by 23%.

The Brazilian steel mill produced 2.9 million tons in the reporting period, 5% less than a year earlier due to the above-mentioned bottlenecks. 1.6 million tons of slabs was supplied to the rolling and coating plant of AM/NS in Calvert/Alabama and 0.5 million tons to Steel Europe. With demand for the high-quality slabs strong, further progress is being made with building a customer base in South and North America, despite difficult market conditions. Improvements to production stability and efficiency take precedence over increasing volumes.

### Adjusted EBIT almost at prior-year level in a difficult price environment

Adjusted EBIT in the first 9 months was negative at €(45) million but improved in the first 6 months and it was only in the 3rd quarter, against a background of sharply increased price and margin pressure particularly in the North American and Brazilian markets as well as bottlenecks in production, that it fell below the prior-year figure, which included an insurance recovery.

EBIT came to €(57) million in the first 9 months 2014/2015 and €(27) million in the 3rd quarter. This includes net special items of €12 million, mainly resulting from expense for the updated valuation of a long-term freight agreement in the 1st quarter. The prior-year figure includes in particular a high positive special item from the sale of the US site in Calvert in the 2nd quarter 2013/2014.

**Steel Americas order intake**

in million €, quarter-on-quarter rate of change

| | Quarter | Change | Value |
|---|---|---|---|
| 2013/2014 | Q1 | | 609 |
| | Q2 | (6)% | 574 |
| | Q3 | (28)% | 412 |
| | Q4 | + 50% | 620 |
| 2014/2015 | Q1 | (23)% | 475 |
| | Q2 | (12)% | 420 |
| | Q3 | + 24% | 519 |

**Steel Americas adjusted EBIT[1]**

in million €, quarter-on-quarter rate of change

| | Quarter | Change | Value |
|---|---|---|---|
| 2013/2014 | Q1 | | (19) |
| | Q2 | (42)% | (27) |
| | Q3 | ++% | 12 |
| | Q4 | −−% | (34) |
| 2014/2015 | Q1 | ++% | 0 |
| | Q2 | −−% | (20) |
| | Q3 | (25)% | (25) |

[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

## Corporate at ThyssenKrupp AG

Corporate comprises the Group's head office and the shared services activities. The Group is managed centrally by ThyssenKrupp AG as corporate headquarters. To achieve greater global integration, the Group is organized in a multi-dimensional leadership structure (matrix) made up of operating businesses, functions, regions and service units. Regional headquarters operate in North and South America, China, India, and the Asia/Pacific region. In June 2015 it was decided to set up a further regional headquarters in the Middle East/Africa region.

The shared services activities comprise Business Services (finance and human resources), IT and Real Estate. Sales of services by Corporate companies to Group companies and external customers came to €139 million in the first 9 months of the fiscal year, €13 million more than a year earlier.

Adjusted EBIT at Corporate in the first nine months 2014/2015 was €(291) million, a year-on-year improvement of €68 million due among other things to lower project costs during the year. Including special items from expenses for portfolio measures and restructurings, EBIT came to €(312) million; In the comparable prior-year period EBIT was €(454) million due to the deconsolidation of the US shell company The Budd Company in a Chapter 11 case as well as the sale of the Outokumpu shareholding.

## Stainless Global (discontinued operation)

The merger of the Stainless Global business area with the Finnish company OTK was completed on December 28, 2012. After its exit from the Group, expenses and income continue to be recorded which are directly associated with the sale of Stainless Global and classified as discontinued operations. The €6 million expense incurred in the first 9 months 2014/2015 was for settlement payments in connection with personnel measures. The income and expenses reported in the first 9 months 2013/2014 resulted in net EBIT of €184 million. It came mainly from the reversal of provisions recognized in connection with the sale of Inoxum to OTK for the obligation to offset any negative financial consequences for OTK under merger control requirements in the 1st quarter 2013/2014.

# Results of operations and financial position

The following section mainly contains an analysis of the earnings situation based on the statement of income, an analysis of liquidity based on the statement of cash flows, and an analysis of the statement of financial position. Information on financing and capital expenditures is provided in the section “Group review”.

## Analysis of the statement of income

At €32,217 million, net sales from continuing operations in the first 9 months of fiscal 2014/2015 were €2,140 million or 7% higher than a year earlier. In addition to growth in the components and elevator businesses and exchange rate effects, this increase mainly reflects the sales of the VDM and AST groups, included for the full 9 months of the reporting period but only from March 1, 2014 in the prior-year period. Cost of sales from continuing operations increased by €1,701 million or just under 7% and thus overall at a slightly slower rate than sales. The increase was mainly due to higher materials expense as well as the impairment loss recognized in the 2nd quarter 2014/2015 in connection with the initiated sale of the VDM group. Gross profit from continuing operations improved by €439 million to €5,100 million, while gross profit margin remained unchanged at 16%.

The €100 million increase in selling expenses from continuing operations and the €58 million increase in general and administrative expenses from continuing operations mainly reflected higher personnel expense and the inclusion of VDM and AST’s figures for the full 9 months of the reporting period compared with only four months in the prior-year period. Other losses attributable to continuing operations came to €113 million, compared with other gains of €306 million in the corresponding prior-year period. The €419 million deterioration was mainly due to gains included in the prior year from the deconsolidation of the non-operating US entity The Budd Company and from the sale of ThyssenKrupp Steel USA; in addition there were higher currency translation losses for refund entitlements in connection with non-income taxes.

The €361 million rise in finance income from continuing operations was mainly the result of higher exchange rate gains in connection with finance transactions. The net €24 million increase in finance expenses from continuing operations included significantly higher exchange rate losses in connection with finance transactions; this was partly offset in particular by the absence of the losses recognized in the prior year period from the disposal of the investment in Outokumpu Oyj.

In the reporting period, the €571 million income from continuing operations (before taxes) resulted in tax expense from continuing operations of €286 million, which as in the prior year was influenced by valuation allowances for deferred tax assets. After taking into account income taxes, income from continuing operations came to €285 million, €227 million higher than a year earlier.

The discontinued operations reported a loss of €6 million in the reporting period compared with income of €184 million a year earlier. The €190 million deterioration mainly reflected the reversal in the prior-year period of a provision for possible effects from merger control requirements in connection with the disposal of Inoxum to Outokumpu.

In the reporting period, earnings per share based on the €297 million net income attributable to the shareholders of ThyssenKrupp AG came to €0.52, €0.08 higher than a year earlier. Earnings per share from continuing operations came to €0.53, a year-on-year improvement of €0.42.

## 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 and also include the cash and cash equivalents relating to the disposal groups until their actual disposal.

In the reporting period there was a net cash inflow from operating activities of €276 million. The continuing operations recorded a €450 million improvement to a net cash inflow of €282 million. Significantly improved net earnings before depreciation, deferred taxes and loss on the disposal of non-current assets were partly offset by an increase in capital employed in operating assets and liabilities.

Investing activities in the reporting period resulted in a net cash outflow of €591 million relating exclusively to the continuing operations; cash inflows of €285 million were recorded in the corresponding prior-year period. The difference of €876 million mainly reflected the absence of the proceeds recognized in the prior year from the disposal of ThyssenKrupp Steel USA and the disposal of cash and cash equivalents – also recognized only in the prior-year period – in connection with the winding-down of the non-operating US subsidiary The Budd Company in a Chapter 11 case.

Overall, in particular as a result of capital expenditures, this resulted in negative free cash flow of €315 million for the reporting period, related almost exclusively to the continuing operations.

Financing activities resulted in a net cash inflow of €277 million, compared with a €361 million cash outflow a year earlier. The €638 million change mainly reflected net proceeds from borrowings of €738 million in the reporting period, compared with a €1,250 million net repayment of borrowings a year earlier. This was partly offset by the absence of the €878 million proceeds from the capital increase carried out in December 2013 as well as higher expenditures, recognized in other financing activities, for currency and cross-currency swaps in connection with Group financing.

## Analysis of the statement of financial position

Compared with September 30, 2014, total assets increased significantly by €1,077 million to €37,507 million. This increase included €1,221 million from currency translation alone, mainly due to the strong appreciation of the US dollar against the euro in the reporting period.

Non-current assets were only slightly higher than the figure at September 30, 2014. This included a currency translation-related increase of €648 million, relating mainly to goodwill included in intangible assets and to property, plant and equipment. This was partly offset by an excess of depreciation over additions of property, plant and equipment.

Current assets increased altogether by €1,005 million. This included exchange rate-related increases of €574 million, mainly in inventories and trade accounts receivable. The €653 million increase in assets held for sale was mainly due to reclassifications of inventories and trade accounts receivable as a result of the initiation in the 2nd quarter 2014/2015 of the sale of the VDM group. Adjusted for currency translation effects and reclassifications to assets held for sale, there were further significant increases in trade accounts receivable due to higher percentage completion rates on long-term construction contracts and in other non-financial assets as a result of higher refund entitlements in connection with non-income taxes.

Total equity at June 30, 2015 was €3,538 million, up €339 million from September 30, 2014. This was mainly due to the €279 million net income recorded in the reporting period as well as gains of €378 million from currency translation recognized in other comprehensive income. This was partly offset by the €291 million loss (after taxes) recognized in other comprehensive income from the remeasurement of pension and similar obligations as well as dividend payments of €116 million. The equity ratio improved to 9.4%.

Non-current liabilities increased altogether by €19 million. The €240 million increase in pension provisions included in this related mainly to the remeasurement; it was partly offset by a reclassification to liabilities associated with assets held for sale in connection with the initiated sale of the VDM group. Non-current financial debt decreased overall by €175 million. The issue in February 2015 of a bond with a total volume of €1,350 million was partly offset by reclassifications to current financial debt, relating to a €997 million bond due in February 2016, notes due in March and April 2016 totaling €281 million, as well as liabilities to financial institutions.

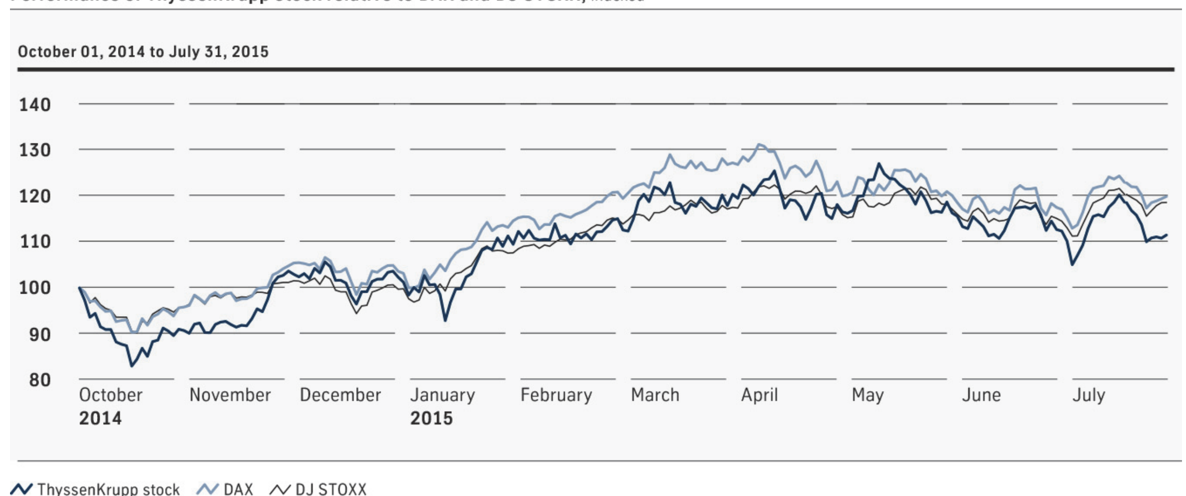
Current liabilities increased altogether by €719 million, significantly influenced by €354 million currency translation effects relating in particular to trade accounts payable and non-financial liabilities in connection with construction contracts. The initiation of the sale of the VDM group was the main reason for the €348 million increase in liabilities associated with assets held for sale; the increase related mainly to reclassifications of provisions for pensions and trade accounts payable. Current financial debt increased by €885 million, mainly reflecting the aforementioned reclassifications of the bond, notes and liabilities to financial institutions from non-current financial debt; this was partly offset by the repayment of a bond with a volume of €750 million in March 2015. Further significant decreases in current liabilities mainly reflected a reduction in other non-financial liabilities in connection with construction contracts and lower liabilities for the procurement of property, plant and equipment in other financial liabilities.

# ThyssenKrupp stock

At the start of the 2014/2015 fiscal year, geopolitical risks and economic concerns weighing on the markets impacted the performance of ThyssenKrupp's stock. Following publication of the annual financial statements in November 2014 and our successful Capital Markets Day in London in December the stock gained ground again. The continued improvement of the Group's performance in the 1st and 2nd quarters of the current fiscal year confirmed the success of our Strategic Way Forward and aided the further recovery of the stock.

Driven by the Greece crisis and turbulence on the Chinese stock markets, the impact of macroeconomic factors on the international stock markets grew again in the 3rd quarter. At the end of the 3rd quarter on June 30, 2015, ThyssenKrupp's share price stood at €23.34, around 12% higher than at the start of the fiscal year. In the same period the DAX index gained around 16%, while the DJ STOXX rose by around 14%.

**Performance of ThyssenKrupp stock relative to DAX and DJ STOXX,** indexed




### Capital Markets Day and broker field trips as efficient dialogue platform

With the Strategic Way Forward and our vision of a diversified industrial group we have positioned ThyssenKrupp on the capital market and clearly highlighted the value potential for investors. Our annual Capital Markets Day and the regular field trips organized by German and foreign brokers are efficient platforms for dialogue with the capital market about the progress made in the transformation process. The Capital Market Days and the field trips give participating investors the opportunity to meet and talk in depth with Group Executive Board members as well as executives and industry experts from our business areas.

In December 2014 ThyssenKrupp staged the third Capital Markets Day in connection with the Strategic Way Forward. The focus was on our capital goods businesses Industrial Solutions and Components Technology. Six field trips took place in the first 9 months of the fiscal year.

At all our capital market events, the commitment of our management team to meeting operating targets – which are set on the basis of benchmarks and act as a guideline for our strategic planning going forward – plays a key role.

### Your contact with Investor Relations

The team at Investor Relations is at your disposal to provide further information on ThyssenKrupp's stock and the value potential of the Company. We also provide extensive facts and data on our website. If you would like to contact our Investor Relations team or find out about the dates planned in the 2014/2015 financial calendar, please refer to the information in the overview at the back of this interim report or visit the "Investor Relations" pages on our website www.thyssenkrupp.com.

# Compliance

ThyssenKrupp's compliance program is focused on anti-corruption policies and antitrust law. Under the "Compliance 2020" strategic project the compliance program with its three pillars "inform", "identify" and "report and act" has been extended to include the areas of anti-money laundering and data protection. In the reporting period, the focus of compliance work was on systematically implementing the measures under this strategy.

### The basis: Our corporate culture

The basis for successfully implementing the compliance program is a corporate culture that embraces values such as transparency, integrity and credibility. Our employees bear personal responsibility and our managers also bear corporate responsibility for compliance and base their actions on these values. The further development of our compliance strategy and its implementation ultimately also serve to help our employees align their mindset and behavior with these values and so contribute to establishing an even stronger compliance culture throughout the Group. Only in this way can we sustainably implement our clear commitment to ensuring that corruption and violations of antitrust law in particular are met with zero tolerance at ThyssenKrupp.

### Further development of the compliance program: Compliance 2020

The key objective of the "Compliance 2020" strategy developed last fiscal year is to anchor compliance systematically throughout the Group. This includes numerous measures such as the further development of our worldwide training programs, greater integration of compliance in business processes, and targeted communications. The establishment and integration of anti-money laundering and data protection form an important part of our work under the "Compliance 2020" project and were one of the key areas of our work in the reporting period. In addition, by decision of the Executive Board the Compliance function has taken on the role of advisor, coordinator and consolidator in relation to other topic areas (e.g. occupational safety or environmental protection).

# Employees

At June 30, 2015, ThyssenKrupp employed 155,984 people worldwide, 5,802 or 3.6% fewer than a year earlier. Compared with September 30, 2014, the headcount decreased by 6,388 or 3.9%. This reduction was mainly due to the sale in December 2014 of the RIP group in Brazil (from the Materials Services business area) with 7,206 employees.

In operating terms there was a net increase of around 600 employees in the reporting period compared with September 30, 2014. While measures under the corporate program impact resulted in a largely socially compatible reduction of around 1,400 employees, mainly at Steel Europe and Materials Services, we took on roughly 2,000 new employees, in particular in the Americas and Asia, to support the development of new customers and markets for our high-growth capital goods businesses. The headcount in Germany declined slightly.

In Germany we employed 60,727 people at June 30, 2015, 38.9% of the total workforce. 19.6% of our employees were based in Europe outside Germany, 13.7% in the NAFTA region, 8.9% in South America, 17.4% in Asia – in particular China and India – and 1.5% in the rest of the world.

**Employees of continuing operations**

Quarter-on-quarter rate of change

| | | Quarter-on-quarter rate of change | Employees |
|---|---|---|---|
| 2013/2014 | December 31 | | 158,234 |
| | March 31 | + 3% | 162,411 |
| | June 30 | (0)% | 161,786 |
| | September 30 | + 0% | 162,372 |
| 2014/2015 | December 31 | (4)% | 155,407 |
| | March 31 | + 0% | 155,697 |
| | June 30 | + 0% | 155,984 |

[1] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes).

# Technology and innovations

ThyssenKrupp brings together demanding engineering disciplines, specifically in the areas Mechanical, Plant and Material, which are essential in meeting rising demand from the growing world population for consumer and capital goods. Globalization, with its steadily growing energy and resource consumption, and increasing urbanization, with the associated need for infrastructure and buildings, are further challenges for which we develop innovative products and technologies. In all of this, we need to take existing constraints into account, such as scarcity of natural resources, climate change, and political conditions.

Our assembled adjustable cam element was designed to help further improve combustion engines. Cams move the intake and exhaust valves that control the flow of fuel and exhaust gases into and out of an engine's cylinders. Adjustable cam elements can be used to vary valve opening and timing, making it possible among other things to control the amount of fuel combusted in the cylinder and thus reduce fuel consumption and emissions. Compared with conventional adjustable cam elements, which are milled from solid material, our elements are assembled from individual parts and reduce costs by up to 6%. ThyssenKrupp is the only manufacturer capable of supplying assembled adjustable cam elements.

ThyssenKrupp Carbon Components and Maxion Wheels have signed a cooperation agreement aimed at developing new weight-reduction and design potential. The two companies will work together to develop and market innovative lightweight wheels made from aluminum and CFRP (carbon fiber-reinforced plastics). The partners intend to supply the aluminum/CFRP wheels to the premium-vehicle market. The collaboration brings together the know-how of Maxion, the world's largest manufacturer of wheels, and the expertise of ThyssenKrupp Carbon Components, a technology leader in the development of lightweight CFRP wheels. The new aluminum/CFRP wheels will be up to 40% lighter than forged aluminum wheels and offer scope for attractive designs. The partners will work closely with automotive OEMs to develop customized solutions.

Ever stricter limits on levels of harmful substances in industrial wastewater are now very difficult to meet using conventional methods. We have developed a new biological process for cleaning wastewater from coke plants. By contrast with conventional methods in which wastewater is collected in large basins to allow harmful substances to settle to the bottom, we use bacteria to break down the harmful substances in a reactor. Nitrogen is then removed from the wastewater in a second step. At the end of the process, the water can be fed back into the production cycle. The process has a far smaller footprint and significantly lower investment costs than the conventional solution and provides much more thorough cleaning.

# Subsequent events

Subsequent events between the end of the first 9 months (June 30, 2015) and the date of authorization for issue (August 10, 2015) are presented in Note 14 to the interim financial statements.

# Forecast, opportunity and risk report

## Fiscal year 2014/2015 forecast

### Overall assessment by the Executive Board

We feel it appropriate to take a cautiously optimistic view overall of developments in the 2014/2015 fiscal year. With the continuing geopolitical risks, uncertainty over the economic climate and limited visibility in particular in our materials businesses, we expect slightly lower global economic growth than a year earlier, particularly due to the weak start to the year, with a very mixed picture in the regions and sectors. The sustainability and economic impact of the significant changes in raw materials, oil prices and exchange rates cannot yet be reliably predicted. However, these factors are having a stabilizing effect on consumer spending and the competitiveness of important customer industries in the euro zone. Overall we expect that the further progress in the implementation of our Strategic Way Forward, and in particular the efficiency measures under the impact program, will be clearly reflected in another significant improvement in our key performance indicators in the 2014/2015 fiscal year.

### Key assumptions

The expected improvement in our key performance indicators is based primarily on the assumption that there will be no further escalation of the geopolitical crises with potentially negative impacts particularly on our more cyclical materials and components businesses.

We therefore assume that the current trends will continue: heterogeneous, but overall slightly rising, growth in the euro zone, likewise heterogeneous, but overall slightly slower, growth in the emerging economies, and a generally stable US economy.

On this basis we expect generally subdued growth in the core markets for our materials and components businesses.

We expect global demand for steel to decrease slightly in 2015, with moderate growth in Europe, a decline from a high level in the USA following an exceptionally strong increase in 2014 partly due to the inventory cycle, and a further sharp fall in demand in Brazil. This is based on the assumption of no major dislocations on the raw materials markets and continuing intense competition.

For the global auto industry we forecast low growth overall with wide regional differences. Despite lowered expectations, output is likely to rise again in China and also increase, albeit at more moderate rates, in the USA and in Western Europe as a whole; for Germany we expect a sideways movement. Low oil prices, a weaker euro, and low interest rates will have a stabilizing effect. Auto production in Brazil is likely to decrease further in 2015 after a steep decline in 2014.

The high order backlog with good earnings quality at Elevator Technology and Industrial Solutions already secures their sales growth well into the next fiscal year.

More information on the expected future economic developments can be found in the section “Macro and sector environment” in the report on the economic position.

### Clear increase expected in adjusted EBIT, TKVA and FCF before divestments

In the following we describe the expected developments for ThyssenKrupp in the 2014/2015 fiscal year based on the above assumptions. The forecast and comparative prior-year figures for the adjusted EBIT of the Group and the business areas and for TKVA are based on the new KPI definitions (more information on the definition changes is provided in the section “ThyssenKrupp in figures” and in the 2013/2014 Annual Report in the section “Fundamental information about the Group” under “Management of the Group”) and also take into account the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes):

The **Group’s sales** are expected to grow by a mid-single-digit percentage rate (Group sales 2013/2014: €41.2 billion). Organic growth at Elevator Technology and Components Technology as well as positive exchange rate effects will outweigh the price pressure in the materials businesses resulting from lower material prices at Materials Services and lower raw material prices in our steel businesses. On a comparable basis Group sales will be roughly level with the prior year.

The Group’s **adjusted EBIT** is expected to improve to €1.6 to 1.7 billion (adjusted EBIT 2013/2014: €1.3 billion). With the exception of Steel Americas all business areas will make clearly positive contributions. Subject to exchange rates at the reporting date we expect earnings at Steel Americas to be level with the prior year based on operating progress and despite slightly lower output and strong pressure on prices and margins (adjusted EBIT 2013/2014: €(68) million). In addition, the expected growth of our highly profitable capital goods businesses and the Groupwide efforts to enhance performance under the impact program will contribute to improving the Group’s earnings.

- Capital goods businesses:
  - At Components Technology we expect a slight increase in earnings (adjusted EBIT 2013/2014: €268 million) as a result of progress with the ramp-up of the new plants as well as the restructuring and efficiency programs.
  - At Elevator Technology we expect earnings improvements from sales growth and also an improvement in adjusted EBIT margin by 0.5 to 0.7 percentage points from restructuring and efficiency measures (adjusted EBIT 2013/2014: €674 million, adjusted EBIT margin 2013/2014: 10.5%).
  - At Industrial Solutions we expect sales and earnings to come in at the prior-year level (adjusted EBIT 2013/2014: €420 million).
- Materials businesses:
  - At Materials Services we expect adjusted EBIT at the prior-year level (adjusted EBIT 2013/2014: €212 million). Earnings impacts from the high price pressure on the materials markets, the strike in Italy in the 1st quarter and divestments will be offset by progress with the restructuring and efficiency programs and sales initiatives.
  - Steel Europe is expected to generate significantly improved margins and adjusted EBIT as a result of efficiency gains and differentiation initiatives under “Best-in-Class Reloaded” (adjusted EBIT 2013/2014: €221 million).

For fiscal year 2014/2015 we continue to expect a significant year-on-year improvement in net income (net income 2013/2014: €195 million).

The Group's **TKVA** (ThyssenKrupp Value Added) is therefore also expected to show a clear improvement (TKVA 2013/2014: €(185) million).

We are also working hard to improve cash generation from operating activities on a sustainable basis. For the 2014/2015 fiscal year – despite continued reluctance by customers to award major projects – we expect to make clear progress and aim to achieve at least break-even FCF before divestments (FCF before divestments 2013/2014: €(357) million).

**Capital spending** in the Group will be a maximum €1.5 billion (capital expenditures 2013/2014: €1,250 million).

If the expected increases in earnings and cash flow materialize, we will take this into account – alongside economic justifiability – in our dividend proposal to the Annual General Meeting.

# Opportunity and risk report

## Opportunities

With our positioning as a diversified industrial group our aim is to generate high and stable earnings, cash and valuecontributions. The information on our strategic and operating opportunities presented on pages 94 to 96 of the 2013/2014 Annual Report remains valid.

## Risks

The Group will face economic risks if positive support is not forthcoming from the markets of relevance for ThyssenKrupp or exogenous shocks impact the overall economy. We continuously monitor and assess the economic situation to enable us to take action at an early stage.

ThyssenKrupp manages its liquidity and credit risks proactively. The company's financing and liquidity remain on a secure foundation in fiscal year 2014/2015. At June 30, 2015 the Group had €7.7 billion in cash, cash equivalents and undrawn committed credit lines. We counter credit risks (default risks) and other financial risks by using various financial instruments and applying restrictive principles regarding the choice of counterparties.

Depending on market situation, purchasing prices on the procurement markets can vary considerably and impact on our cost structures. Also, suppliers may be lost, which might in turn jeopardize our production and the fulfilment of contractual obligations towards our customers. We counteract these risks where possible through adjusted selling prices and alternative procurement sources to secure our competitiveness.

Our plants are exposed to the risk of business interruptions, property damage and production losses. We counter these risks through regular preventive maintenance and through modernization and investment in our machinery and production facilities. In close consultation with our central service provider ThyssenKrupp Risk and Insurance Services we take out appropriate insurance and so transfer risks to an external service provider.

Our diversification with multi-layered product and customer structures helps ensure that ThyssenKrupp remains largely independent of regional crises on sales markets. As a diversified industrial group we counter sales risks by focusing systematically on the markets of the future and pursuing active strategic development of markets and customers. We also take various measures at Group and business area level, for example with the integrated optimization program "Best-in-Class Reloaded" in the Steel Europe business area.

In the management of highly complex large orders with long project lead times, cost overruns and/or delays in individual project phases cannot be ruled out. To minimize these risks we continuously improve our internal control instruments.

New laws and other changes in the legal framework at national and international level could entail risks for our business activities if they lead to disadvantages for ThyssenKrupp compared with our competitors. We support the discussion processes on regulatory efforts through close working contacts with the relevant institutions and also work through industry associations to reduce possible risks such as further rising energy costs. Regulatory risks may arise from changes to the tax framework over time. For example in Brazil tax benefits granted at state level, from which ThyssenKrupp CSA also profits, are currently being examined by the constitutional court.

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

In 2013 the public prosecutor's office in Bremen launched an investigation into (former) employees of Atlas Elektronik GmbH, among others, on suspicion of bribery of foreign officials and tax evasion in connection with commission payments to an agent in Greek naval projects. In this connection, the public prosecutor's office has now opened administrative proceedings against Atlas as a legal person which could potentially serve as the basis for a company fine. The Greek state prosecutors have also started investigations into Atlas Elektronik and natural persons involved in this case. Under these criminal proceedings, in February 2015 the Greek state filed/announced civil claims for compensation in the mid two-digit million euro range against Atlas as a company. Atlas is a joint company of ThyssenKrupp and Airbus. The company is cooperating fully with the authorities and has initiated an internal investigation to clarify the matter in consultation with the Bremen public prosecutor's office. The ongoing official proceedings and the internal investigation are being closely monitored by the owners.

Our IT-based business processes are exposed to various risks associated with information security. Human error, organizational or technical processes and/or security vulnerabilities in information processing can create risks that threaten the confidentiality, availability and integrity of information. We have continuous measures in place to improve our information security management systems and the security technologies used.

Our transparent and systematic risk management makes a major contribution to controlling the overall risks in the Group efficiently. In the first 9 months of the reporting year we further reduced our risk profile, in particular when the antitrust investigation in the "auto steel" area was dropped. From the current perspective the Group's risks are contained and there are no risks that jeopardize the continued existence of the company.

Beyond this, the detailed information contained in the risk report on pages 97 to 111 of the 2013/2014 Annual Report is still valid.

# ThyssenKrupp AG — Consolidated statement of financial position

| Assets million € | Note | Oct. 01, 2013 [1] | Sept. 30, 2014 [1] | June 30, 2015 |
|---|---|---|---|---|
| Intangible assets | | 4,219 | 4,314 | 4,495 |
| Property, plant and equipment | | 7,801 | 8,719 | 8,670 |
| Investment property | | 287 | 283 | 250 |
| Investments accounted for using the equity method | | 718 | 399 | 348 |
| Other financial assets | | 1,013 | 51 | 49 |
| Other non-financial assets | | 335 | 442 | 373 |
| Deferred tax assets | | 1,662 | 1,775 | 1,870 |
| Total non-current assets | | 16,035 | 15,983 | 16,055 |
| Inventories, net | | 6,508 | 7,529 | 7,432 |
| Trade accounts receivable | | 4,915 | 5,808 | 6,127 |
| Other financial assets | | 518 | 399 | 335 |
| Other non-financial assets | | 2,073 | 2,465 | 2,613 |
| Current income tax assets | | 124 | 174 | 218 |
| Cash and cash equivalents | | 3,858 | 4,030 | 4,032 |
| Assets held for sale | 02 | 1,543 | 42 | 695 |
| Total current assets | | 19,539 | 20,447 | 21,452 |
| Total assets | | 35,574 | 36,430 | 37,507 |

| Equity and Liabilities million € | Note | Oct. 01, 2013 [1] | Sept. 30, 2014 [1] | June 30, 2015 |
|---|---|---|---|---|
| Capital stock | | 1,317 | 1,449 | 1,449 |
| Additional paid in capital | | 4,684 | 5,434 | 5,434 |
| Retained earnings | | (3,816) | (4,142) | (4,166) |
| Cumulative other comprehensive income | | 58 | 242 | 655 |
| thereof relating to disposal groups (Sept. 30, 2014: 1; June 30, 2015: 16) | | | | |
| Equity attributable to ThyssenKrupp AG's stockholders | | 2,243 | 2,983 | 3,372 |
| Non-controlling interest | | 268 | 216 | 166 |
| Total equity | 05 | 2,511 | 3,199 | 3,538 |
| Accrued pension and similar obligations | 04 | 7,484 | 7,490 | 7,730 |
| Provisions for other employee benefits | | 281 | 368 | 368 |
| Other provisions | | 677 | 748 | 668 |
| Deferred tax liabilities | | 54 | 55 | 87 |
| Financial debt | 06 | 7,075 | 6,651 | 6,476 |
| Other financial liabilities | | 3 | 3 | 4 |
| Other non-financial liabilities | | 1 | 4 | 5 |
| Total non-current liabilities | | 15,575 | 15,319 | 15,338 |
| Provisions for employee benefits | | 298 | 311 | 309 |
| Other provisions | | 1,369 | 1,197 | 1,105 |
| Current income tax liablilities | | 235 | 194 | 209 |
| Financial debt | | 2,030 | 1,071 | 1,956 |
| Trade accounts payable | | 3,765 | 4,936 | 5,080 |
| Other financial liabilities | | 1,029 | 1,330 | 1,152 |
| Other non-financial liabilities | | 8,497 | 8,862 | 8,461 |
| Liabilities associated with assets held for sale | 02 | 265 | 11 | 359 |
| Total current liabilities | | 17,488 | 17,912 | 18,631 |
| Total liabilities | | 33,063 | 33,231 | 33,969 |
| Total equity and liabilities | | 35,574 | 36,430 | 37,507 |

See accompanying selected notes.

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

# ThyssenKrupp AG — Consolidated statement of income

| million €, earnings per share in € | Note | 9 months ended June 30, 2014 [1] | 9 months ended June 30, 2015 | 3rd quarter ended June 30, 2014 [1] | 3rd quarter ended June 30, 2015 |
|---|---|---|---|---|---|
| Net sales | 09 | 30,077 | 32,217 | 10,720 | 11,178 |
| Cost of sales | 10 | (25,416) | (27,117) | (9,062) | (9,341) |
| Gross profit | | 4,661 | 5,100 | 1,658 | 1,837 |
| | | | | | |
| Research and development cost | | (208) | (234) | (70) | (84) |
| Selling expenses | | (2,086) | (2,186) | (712) | (761) |
| General and administrative expenses | | (1,653) | (1,711) | (560) | (591) |
| Other income | | 147 | 188 | 53 | 91 |
| Other expenses | | (112) | (102) | (25) | (39) |
| Other gains/(losses) | | 306 | (113) | 13 | 30 |
| Income/(loss) from operations | | 1,055 | 942 | 357 | 483 |
| | | | | | |
| Income/(expense) from companies accounted for using the equity method | 11 | (7) | 39 | 9 | 12 |
| Finance income | | 694 | 1,055 | 131 | 209 |
| Finance expenses | | (1,441) | (1,465) | (335) | (348) |
| Financial income/(expense), net | | (754) | (371) | (195) | (127) |
| | | | | | |
| Income/(loss) before income taxes | | 301 | 571 | 162 | 356 |
| | | | | | |
| Income tax (expense)/income | | (243) | (286) | (119) | (165) |
| Income/(loss) from continuing operations (net of tax) | | 58 | 285 | 43 | 191 |
| | | | | | |
| Discontinued operations (net of tax) | 02 | 184 | (6) | (1) | 0 |
| Net income/(loss) | | 242 | 279 | 42 | 191 |
| | | | | | |
| Attributable to: | | | | | |
| ThyssenKrupp AG's stockholders | | 244 | 297 | 40 | 199 |
| Non-controlling interest | | (2) | (18) | 2 | (8) |
| Net income/(loss) | | 242 | 279 | 42 | 191 |
| | | | | | |
| **Basic and diluted earnings per share** | 12 | | | | |
| Income/(loss) from continuing operations (attributable to ThyssenKrupp AG's stockholders) | | 0.11 | 0.53 | 0.07 | 0.35 |
| Net income/(loss) (attributable to ThyssenKrupp AG's stockholders) | | 0.44 | 0.52 | 0.07 | 0.35 |

See accompanying selected notes.
[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

# ThyssenKrupp AG — Consolidated statement of comprehensive income

| million € | 9 months ended June 30, 2014 [1] | 9 months ended June 30, 2015 | 3rd quarter ended June 30, 2014 [1] | 3rd quarter ended June 30, 2015 |
|---|---|---|---|---|
| Net income/(loss) | 242 | 279 | 42 | 191 |
| **Items of other comprehensive income that will not be reclassified to profit or loss in future periods:** | | | | |
| Other comprehensive income from remeasurements of pensions and similar obligations | | | | |
| Change | (512) | (410) | (226) | 881 |
| Tax effect | 155 | 119 | 69 | (277) |
| Other comprehensive income from remeasurements of pensions and similar obligations, net | (357) | (291) | (157) | 604 |
| Share of unrealized gains/(losses) of investments accounted for using the equity-method | 0 | (3) | 0 | (2) |
| Subtotal of items of other comprehensive income that will not be reclassified to profit or loss in future periods: | (357) | (294) | (157) | 602 |
| **Items of other comprehensive income that will be reclassified to profit or loss in future periods:** | | | | |
| Foreign currency translation adjustment | | | | |
| Change in unrealized gains/(losses), net | (24) | 360 | 97 | (171) |
| Net realized (gains)/losses | (73) | 18 | 0 | 0 |
| Net unrealized gains/(losses) | (97) | 378 | 97 | (171) |
| Unrealized gains/(losses) from available-for-sale financial assets | | | | |
| Change in unrealized gains/(losses), net | 5 | 2 | 4 | (1) |
| Net realized (gains)/losses | 0 | 0 | 0 | 0 |
| Tax effect | (2) | 0 | (2) | 0 |
| Net unrealized gains/(losses) | 3 | 2 | 2 | (1) |
| Unrealized (losses)/gains on derivative financial instruments | | | | |
| Change in unrealized gains/(losses), net | 34 | (45) | 23 | (2) |
| Net realized (gains)/losses | (1) | 21 | 0 | 13 |
| Tax effect | (8) | 7 | (12) | (4) |
| Net unrealized gains/(losses) | 25 | (17) | 11 | 7 |
| Share of unrealized gains/(losses) of investments accounted for using the equity-method | (7) | 32 | 1 | (7) |
| Subtotal of items of other comprehensive income that will be reclassified to profit or loss in future periods: | (76) | 395 | 111 | (172) |
| Other comprehensive income | (433) | 101 | (46) | 430 |
| Total comprehensive income | (191) | 380 | (4) | 621 |
| | | | | |
| Attributable to: | | | | |
| ThyssenKrupp AG's stockholders | (192) | 417 | (13) | 629 |
| Non-controlling interest | 1 | (37) | 9 | (8) |
| | | | | |
| **Total comprehensive income attributable to ThyssenKrupp AG's stockholders refers to:** | | | | |
| Continuing operations | (376) | 423 | (12) | 629 |
| Discontinued operations | 184 | (6) | (1) | 0 |

See accompanying selected notes.

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

# ThyssenKrupp — Consolidated statement of changes in equity

| | | Equity attributable to ThyssenKrupp AG's stockholders | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cumulative other comprehensive income | | | | | | |
| million € (except number of shares) | Number of shares outstanding | Capital stock | Additional paid in capital | Retained earnings | Foreign currency translation adjustment | Available-for-sale financial assets | Derivative financial instruments | Share of investments accounted for using the equity method | Total | Non-controlling interest | Total equity |
| Balance as of Sept. 30, 2013 | 514,489,044 | 1,317 | 4,684 | (3,816) | 107 | 3 | (65) | 13 | 2,243 | 269 | 2,512 |
| Adjustment due to retrospective adoption of IFRS 11 | | | | 0 | | | | | 0 | (1) | (1) |
| Balance as of Oct. 1, 2013 [1] | 514,489,044 | 1,317 | 4,684 | (3,816) | 107 | 3 | (65) | 13 | 2,243 | 268 | 2,511 |
| Net income/(loss) [1] | | | | 244 | | | | | 244 | (2) | 242 |
| Other comprehensive income [1] | | | | (357) | (98) | 2 | 24 | (7) | (436) | 3 | (433) |
| Total comprehensive income [1] | | | | (113) | (98) | 2 | 24 | (7) | (192) | 1 | (191) |
| Profit attributable to non-controlling interest | | | | | | | | | 0 | (24) | (24) |
| Capital increase | 51,448,903 | 132 | 750 | (3) | | 0 | 0 | 0 | 879 | 0 | 879 |
| Other changes | | | | (4) | | | | | (4) | 1 | (3) |
| Balance as of June 30, 2014 [1] | 565,937,947 | 1,449 | 5,434 | (3,936) | 9 | 5 | (41) | 6 | 2,926 | 246 | 3,172 |
| Balance as of Sept. 30, 2014 [1] | 565,937,947 | 1,449 | 5,434 | (4,142) | 248 | 6 | (61) | 49 | 2,983 | 216 | 3,199 |
| Net income/(loss) | | | | 297 | | | | | 297 | (18) | 279 |
| Other comprehensive income | | | | (293) | 395 | 1 | (15) | 32 | 120 | (19) | 101 |
| Total comprehensive income | | | | 4 | 395 | 1 | (15) | 32 | 417 | (37) | 380 |
| Profit attributable to non-controlling interest | | | | | | | | | 0 | (54) | (54) |
| Dividend payment | | | | (62) | | | | | (62) | 0 | (62) |
| Capital increase | 0 | 0 | 0 | 0 | | | | | 0 | 15 | 15 |
| Other changes | | | | 34 | | | | | 34 | 26 | 60 |
| Balance as of June 30, 2015 | 565,937,947 | 1,449 | 5,434 | (4,166) | 643 | 7 | (76) | 81 | 3,372 | 166 | 3,538 |

See accompanying selected notes.
[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

# ThyssenKrupp — Consolidated statement of cash flows

| million € | 9 months ended June 30, 2014 [1] | 9 months ended June 30, 2015 | 3rd quarter ended June 30, 2014 [1] | 3rd quarter ended June 30, 2015 |
|---|---|---|---|---|
| Net income/(loss) | 242 | 279 | 42 | 191 |
| Adjustments to reconcile net income/(loss) to operating cash flows: | | | | |
| Discontinued operations (net of tax) | (184) | 6 | 1 | 0 |
| Deferred income taxes, net | 8 | 107 | 15 | 63 |
| Depreciation, amortization and impairment of non-current assets | 860 | 1,086 | 299 | 303 |
| Reversals of impairment losses of non-current assets | (3) | (2) | (1) | (1) |
| (Income)/loss from companies accounted for using the equity method, net of dividends received | 7 | (39) | (9) | (12) |
| (Gain)/loss on disposal of non-current assets, net | (322) | (11) | 1 | (10) |
| Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes: | | | | |
| - inventories | (565) | (92) | (88) | 40 |
| - trade accounts receivable | (575) | (219) | (24) | (341) |
| - accrued pension and similar obligations | (165) | (109) | (35) | (32) |
| - other provisions | (120) | (177) | 63 | 61 |
| - trade accounts payable | 130 | 102 | (89) | 121 |
| - other assets/liabilities not related to investing or financing activities | 519 | (649) | (21) | 67 |
| Operating cash flows – continuing operations | (168) | 282 | 154 | 450 |
| Operating cash flows – discontinued operations | 0 | (6) | 0 | 0 |
| Operating cash flows – total | (168) | 276 | 154 | 450 |
| Purchase of investments accounted for using the equity method and non-current financial assets | (2) | (2) | (2) | (1) |
| Expenditures for acquisitions of consolidated companies net of cash acquired | 30 | 30 | 36 | 49 |
| Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property | (760) | (711) | (259) | (260) |
| Capital expenditures for intangible assets (inclusive of advance payments) | (45) | (92) | (14) | (31) |
| Proceeds from disposals of investments accounted for using the equity method and non-current financial assets | 47 | 8 | 1 | 3 |
| Proceeds from disposals of previously consolidated companies net of cash acquired | 1,268 | 95 | 14 | 2 |
| Cash and cash equivalents disposed of due to loss of control over companies consolidated so far but not sold | (279) | 0 | 0 | 0 |
| Proceeds from disposals of property, plant and equipment and investment property | 25 | 81 | 0 | 45 |
| Proceeds from disposals of intangible assets | 1 | 0 | 1 | 0 |
| Cash flows from investing activities – continuing operations | 285 | (591) | (223) | (193) |
| Cash flows from investing activities – discontinued operations | 0 | 0 | 0 | 0 |
| Cash flows from investing activities – total | 285 | (591) | (223) | (193) |
| Proceeds from issuance of bonds | 1,250 | 1,350 | 0 | 0 |
| Repayment of bonds | (1,000) | (750) | (1,000) | 0 |
| Proceeds from liabilities to financial institutions | 1,156 | 1,560 | 456 | 883 |
| Repayments of liabilities to financial institutions | (2,313) | (1,659) | (668) | (1,015) |
| Proceeds from/(repayments on) notes payable and other loans | (342) | 233 | (173) | 36 |
| Increase/(decrease) in bills of exchange | (1) | 4 | (2) | 3 |
| (Increase)/decrease in current securities | 1 | 1 | 1 | 0 |
| Proceeds from non-controlling interest to equity | 0 | 15 | 0 | 15 |
| Proceeds from capital increases | 878 | 0 | 0 | 0 |
| Payment of ThyssenKrupp AG dividend | 0 | (62) | 0 | 0 |
| Profit attributable to non-controlling interest | (23) | (54) | (4) | (22) |
| Expenditures for acquisitions of shares of already consolidated companies | (3) | (1) | (3) | 0 |
| Other financing activities | 36 | (360) | (5) | 6 |
| Cash flows from financing activities – continuing operations | (361) | 277 | (1,398) | (94) |
| Cash flows from financing activities – discontinued operations | 0 | 0 | 0 | 0 |
| Cash flows from financing activities – total | (361) | 277 | (1,398) | (94) |
| Net increase/(decrease) in cash and cash equivalents – total | (244) | (38) | (1,467) | 163 |
| Effect of exchange rate changes on cash and cash equivalents – total | (21) | 41 | 30 | (23) |
| Cash and cash equivalents at beginning of reporting period – total | 3,874 | 4,040 | 5,046 | 3,903 |
| Cash and cash equivalents at end of reporting period – total | 3,609 | 4,043 | 3,609 | 4,043 |
| [thereof cash and cash equivalents within disposal groups] | [9] | [11] | [9] | [11] |
| [thereof cash and cash equivalents within discontinued operations] | [–] | [–] | [–] | [–] |
| | | | | |
| Additional information regarding cash flows of continuing operations from interest, dividends and income taxes which are included in operating cash flows: | | | | |
| Interest received | 100 | 95 | 29 | 24 |
| Interest paid | (418) | (340) | (150) | (36) |
| Dividends received | 55 | 115 | 51 | 14 |
| Income taxes paid | (281) | (206) | (73) | (66) |

See accompanying selected notes.
[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

# ThyssenKrupp AG — Selected notes

### Corporate information

ThyssenKrupp Aktiengesellschaft (“ThyssenKrupp AG” or “Company”) is a publicly traded corporation domiciled in Duisburg and Essen in Germany. The condensed interim consolidated financial statements of ThyssenKrupp AG and subsidiaries, collectively the “Group”, for the period from October 1, 2014 to June 30, 2015, were authorized for issue in accordance with a resolution of the Executive Board on August 10, 2015.

### Basis of presentation

The accompanying Group’s condensed interim consolidated financial statements have been prepared in accordance with section 37x para. 3 of the German Securities Trading Act (WpHG) and International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information effective within the European Union. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

The accompanying Group’s condensed interim consolidated financial statements have been reviewed. In the opinion of Management, the interim financial statements include all adjustments of a normal and recurring nature considered necessary for a fair presentation of results for interim periods. Results of the period ended June 30, 2015, are not necessarily indicative for future results.

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

The accounting principles and practices as applied in the condensed interim consolidated financial statements correspond to those pertaining to the most recent annual consolidated financial statements with the exception of the recently adopted accounting standards. A detailed description of the accounting policies is published in the notes to the consolidated financial statements of our annual report 2013/2014.

### Recently adopted accounting standards

In fiscal year 2014/2015, ThyssenKrupp adopted the following standards, interpretations and amendments to already existing standards:

In May 2011 the IASB issued three new standards dealing with various aspects of interests in entities: IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements” and IFRS 12 “Disclosure of Interests in Other Entities”. At the same time it issued amended versions of IAS 27 “Separate Financial Statements” (2011) and IAS 28 “Investments in Associates and Joint Ventures” (2011). The new and amended standards are applicable retrospectively for fiscal years beginning on or after January 1, 2013. In the context of the endorsement, the IASB defers the mandatory retrospective effective date for fiscal years beginning on or after January 1, 2014; the option of an earlier adoption has not been used by ThyssenKrupp.

IFRS 10 introduces a single definition for the concept of control for all entities, thus creating a standard basis for determining whether a parent-subsidiary relationship exists and should be included in the scope of consolidation. The standard contains comprehensive guidance for determining whether control exists. It completely replaces SIC-12 “Consolidation – Special Purpose Entities” and partly replaces IAS 27 “Consolidated and Separate Financial Statements”. The adoption of IFRS 10 has not significantly changed the scope of consolidation.

IFRS 11 prescribes the accounting for circumstances in which an entity exercises joint control of a joint venture or joint operation. The new standard replaces IAS 31 “Interests in Joint Ventures” and SIC-13 “Jointly Controlled Entities – Non-Monetary Contributions by Venturers”. The retrospective adoption of IFRS 11 implies that the joint arrangement Hüttenwerke Krupp Mannesmann GmbH (HKM) previously accounted for using the equity method of accounting is no longer considered to be a joint venture but a joint operation. This resulted in including the assets and liabilities as well as the related income and expense on a pro rata basis in the Group’s consolidated financial statements.

The retrospective adoption of IFRS 11 impacted the consolidated financial statements as presented below:

**IFRS 11 – Consolidated statement of financial position**

| | Oct. 01, 2013 | | | Sept. 30, 2014 | | | June 30, 2014 | | |
|---|---|---|---|---|---|---|---|---|---|
| Assets million € | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment |
| Intangible assets | 4,206 | 13 | 4,219 | 4,308 | 6 | 4,314 | 4,199 | 7 | 4,206 |
| Property, plant and equipment | 7,484 | 317 | 7,801 | 8,308 | 411 | 8,719 | 7,909 | 410 | 8,319 |
| Investment property | 287 | 0 | 287 | 283 | 0 | 283 | 288 | 0 | 288 |
| Investments accounted for using the equity method | 949 | (231) | 718 | 639 | (240) | 399 | 612 | (236) | 376 |
| Other financial assets | 1,019 | (6) | 1,013 | 57 | (6) | 51 | 55 | (6) | 49 |
| Other non-financial assets | 335 | 0 | 335 | 442 | 0 | 442 | 449 | 0 | 449 |
| Deferred tax assets | 1,662 | 0 | 1,662 | 1,775 | 0 | 1,775 | 1,500 | 0 | 1,500 |
| Total non-current assets | 15,942 | 93 | 16,035 | 15,812 | 171 | 15,983 | 15,012 | 175 | 15,187 |
| Inventories, net | 6,351 | 157 | 6,508 | 7,420 | 109 | 7,529 | 7,864 | 110 | 7,974 |
| Trade accounts receivable | 4,956 | (41) | 4,915 | 5,782 | 26 | 5,808 | 5,711 | 32 | 5,743 |
| Other financial assets | 500 | 18 | 518 | 384 | 15 | 399 | 320 | 4 | 324 |
| Other non-financial assets | 2,069 | 4 | 2,073 | 2,452 | 13 | 2,465 | 2,531 | 17 | 2,548 |
| Current income tax assets | 123 | 1 | 124 | 174 | 0 | 174 | 203 | 0 | 203 |
| Cash and cash equivalents | 3,813 | 45 | 3,858 | 3,979 | 51 | 4,030 | 3,511 | 89 | 3,600 |
| Assets held for sale | 1,543 | 0 | 1,543 | 42 | 0 | 42 | 112 | 0 | 112 |
| Total current assets | 19,355 | 184 | 19,539 | 20,233 | 214 | 20,447 | 20,252 | 252 | 20,504 |
| Total assets | 35,297 | 277 | 35,574 | 36,045 | 385 | 36,430 | 35,264 | 427 | 35,691 |

| | Oct. 01, 2013 | | | Sept. 30, 2014 | | | June 30, 2014 | | |
|---|---|---|---|---|---|---|---|---|---|
| Equity and Liabilities million € | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment |
| Capital stock | 1,317 | 0 | 1,317 | 1,449 | 0 | 1,449 | 1,449 | 0 | 1,449 |
| Additional paid in capital | 4,684 | 0 | 4,684 | 5,434 | 0 | 5,434 | 5,434 | 0 | 5,434 |
| Retained earnings | (3,816) | 0 | (3,816) | (4,144) | 2 | (4,142) | (3,937) | 0 | (3,937) |
| Cumulative other comprehensive income | 58 | 0 | 58 | 242 | 0 | 242 | (21) | 0 | (21) |
| Equity attributable to ThyssenKrupp AG's stockholders | 2,243 | 0 | 2,243 | 2,981 | 2 | 2,983 | 2,925 | 0 | 2,925 |
| Non-controlling interest | 269 | (1) | 268 | 218 | (2) | 216 | 248 | (1) | 247 |
| Total equity | 2,512 | (1) | 2,511 | 3,199 | 0 | 3,199 | 3,173 | (1) | 3,172 |
| Accrued pension and similar obligations | 7,348 | 136 | 7,484 | 7,354 | 136 | 7,490 | 7,118 | 132 | 7,250 |
| Provisions for other employee benefits | 270 | 11 | 281 | 357 | 11 | 368 | 334 | 11 | 345 |
| Other provisions | 676 | 1 | 677 | 741 | 7 | 748 | 732 | 5 | 737 |
| Deferred tax liabilities | 52 | 2 | 54 | 49 | 6 | 55 | 63 | 3 | 66 |
| Financial debt | 6,955 | 120 | 7,075 | 6,477 | 174 | 6,651 | 6,455 | 188 | 6,643 |
| Other financial liabilities | 3 | 0 | 3 | 3 | 0 | 3 | 4 | 0 | 4 |
| Other non-financial liabilities | 1 | 0 | 1 | 5 | (1) | 4 | 2 | 0 | 2 |
| Total non-current liabilities | 15,305 | 270 | 15,575 | 14,986 | 333 | 15,319 | 14,708 | 339 | 15,047 |
| Provisions for employee benefits | 298 | 0 | 298 | 311 | 0 | 311 | 251 | 0 | 251 |
| Other provisions | 1,363 | 6 | 1,369 | 1,195 | 2 | 1,197 | 1,028 | 7 | 1,035 |
| Current income tax liablilities | 234 | 1 | 235 | 193 | 1 | 194 | 238 | 0 | 238 |
| Financial debt | 1,911 | 119 | 2,030 | 1,005 | 66 | 1,071 | 1,190 | 22 | 1,212 |
| Trade accounts payable | 3,713 | 52 | 3,765 | 4,925 | 11 | 4,936 | 4,518 | 5 | 4,523 |
| Other financial liabilities | 1,241 | (212) | 1,029 | 1,379 | (49) | 1,330 | 1,020 | 20 | 1,040 |
| Other non-financial liabilities | 8,455 | 42 | 8,497 | 8,841 | 21 | 8,862 | 9,014 | 35 | 9,049 |
| Liabilities associated with assets held for sale | 265 | 0 | 265 | 11 | 0 | 11 | 124 | 0 | 124 |
| Total current liabilities | 17,480 | 8 | 17,488 | 17,860 | 52 | 17,912 | 17,383 | 89 | 17,472 |
| Total liabilities | 32,785 | 278 | 33,063 | 32,846 | 385 | 33,231 | 32,091 | 428 | 32,519 |
| Total equity and liabilities | 35,297 | 277 | 35,574 | 36,045 | 385 | 36,430 | 35,264 | 427 | 35,691 |

**IFRS 11 – Consolidated statement of income**

| | 9 months ended June 30, 2014 | | | 3rd quarter ended June 30, 2014 | | |
|---|---|---|---|---|---|---|
| million €, earnings per share in € | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment |
| Net sales | 30,146 | (69) | 30,077 | 10,742 | (22) | 10,720 |
| Cost of sales | (25,512) | 96 | (25,416) | (9,094) | 32 | (9,062) |
| Gross profit | 4,634 | 27 | 4,661 | 1,648 | 10 | 1,658 |
| | | | | | | |
| Research and development cost | (207) | (1) | (208) | (70) | 0 | (70) |
| Selling expenses | (2,083) | (3) | (2,086) | (711) | (1) | (712) |
| General and administrative expenses | (1,634) | (19) | (1,653) | (554) | (6) | (560) |
| Other income | 139 | 8 | 147 | 51 | 2 | 53 |
| Other expenses | (111) | (1) | (112) | (24) | (1) | (25) |
| Other gains/(losses) | 309 | (3) | 306 | 14 | (1) | 13 |
| Income/(loss) from operations | 1,047 | 8 | 1,055 | 354 | 3 | 357 |
| | | | | | | |
| Income/(expense) from companies accounted for using the equity method | (8) | 1 | (7) | 9 | 0 | 9 |
| Finance income | 692 | 2 | 694 | 130 | 1 | 131 |
| Finance expenses | (1,430) | (11) | (1,441) | (331) | (4) | (335) |
| Financial income/(expense), net | (746) | (8) | (754) | (192) | (3) | (195) |
| | | | | | | |
| Income/(loss) before income taxes | 301 | 0 | 301 | 162 | 0 | 162 |
| | | | | | | |
| Income tax (expense)/income | (243) | 0 | (243) | (119) | 0 | (119) |
| Income/(loss) from continuing operations (net of tax) | 58 | 0 | 58 | 43 | 0 | 43 |
| | | | | | | |
| Discontinued operations (net of tax) | 184 | 0 | 184 | (1) | 0 | (1) |
| Net income/(loss) | 242 | 0 | 242 | 42 | 0 | 42 |
| | | | | | | |
| **Attributable to:** | | | | | | |
| ThyssenKrupp AG's stockholders | 243 | 1 | 244 | 39 | 1 | 40 |
| Non-controlling interest | (1) | (1) | (2) | 3 | (1) | 2 |
| Net income/(loss) | 242 | 0 | 242 | 42 | 0 | 42 |
| | | | | | | |
| **Basic and diluted earnings per share** | | | | | | |
| Income/(loss) from continuing operations (attributable to ThyssenKrupp AG's stockholders) | 0.11 | 0.00 | 0.11 | 0.07 | 0.00 | 0.07 |
| Net income/(loss) (attributable to ThyssenKrupp AG's stockholders) | 0.44 | 0.00 | 0.44 | 0.07 | 0.00 | 0.07 |

**IFRS 11 – Consolidated statement of comprehensive income**

| | 9 months ended June 30, 2014 | | | 3rd quarter ended June 30, 2014 | | |
|---|---|---|---|---|---|---|
| million € | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment |
| Net income/(loss) | 242 | 0 | 242 | 42 | 0 | 42 |
| **Items of other comprehensive income that will not be reclassified to profit or loss in future periods:** | | | | | | |
| Other comprehensive income from remeasurements of pensions and similar obligations | | | | | | |
| Change | (515) | 3 | (512) | (226) | 0 | (226) |
| Tax effect | 155 | 0 | 155 | 69 | 0 | 69 |
| Other comprehensive income from remeasurements of pensions and similar obligations, net | (360) | 3 | (357) | (157) | 0 | (157) |
| Share of unrealized gains/(losses) of investments accounted for using the equity-method | 3 | (3) | 0 | 0 | 0 | 0 |
| Subtotal of items of other comprehensive income that will not be reclassified to profit or loss in future periods: | (357) | 0 | (357) | (157) | 0 | (157) |
| **Items of other comprehensive income that will be reclassified to profit or loss in future periods:** | | | | | | |
| Foreign currency translation adjustment | | | | | | |
| Change in unrealized gains/(losses), net | (24) | 0 | (24) | 97 | 0 | 97 |
| Net realized (gains)/losses | (73) | 0 | (73) | 0 | 0 | 0 |
| Net unrealized gains/(losses) | (97) | 0 | (97) | 97 | 0 | 97 |
| Unrealized gains/(losses) from available-for-sale financial assets | | | | | | |
| Change in unrealized gains/(losses), net | 5 | 0 | 5 | 4 | 0 | 4 |
| Net realized (gains)/losses | 0 | 0 | 0 | 0 | 0 | 0 |
| Tax effect | (2) | 0 | (2) | (2) | 0 | (2) |
| Net unrealized gains/(losses) | 3 | 0 | 3 | 2 | 0 | 2 |
| Unrealized (losses)/gains on derivative financial instruments | | | | | | |
| Change in unrealized gains/(losses), net | 31 | 3 | 34 | 22 | 1 | 23 |
| Net realized (gains)/losses | (1) | 0 | (1) | (1) | 1 | 0 |
| Tax effect | (8) | 0 | (8) | (12) | 0 | (12) |
| Net unrealized gains/(losses) | 22 | 3 | 25 | 9 | 2 | 11 |
| Share of unrealized gains/(losses) of investments accounted for using the equity-method | (4) | (3) | (7) | 3 | (2) | 1 |
| Subtotal of items of other comprehensive income that will be reclassified to profit or loss in future periods: | (76) | 0 | (76) | 111 | 0 | 111 |
| Other comprehensive income | (433) | 0 | (433) | (46) | 0 | (46) |
| Total comprehensive income | (191) | 0 | (191) | (4) | 0 | (4) |
| | | | | | | |
| **Attributable to:** | | | | | | |
| ThyssenKrupp AG's stockholders | (193) | 1 | (192) | (14) | 1 | (13) |
| Non-controlling interest | 2 | (1) | 1 | 10 | (1) | 9 |
| | | | | | | |
| **Total comprehensive income attributable to ThyssenKrupp AG's stockholders refers to:** | | | | | | |
| Continuing operations | (377) | 1 | (376) | (13) | 1 | (12) |
| Discontinued operations | 184 | 0 | 184 | (1) | 0 | (1) |

**IFRS 11 – Consolidated statement of cash flows**

| | 9 months ended June 30, 2014 | | | 3rd quarter ended June 30, 2014 | | |
|---|---|---|---|---|---|---|
| million € | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment | Before IFRS 11 adjustment | IFRS 11 adjustment | After IFRS 11 adjustment |
| Net income/(loss) | 242 | 0 | 242 | 42 | 0 | 42 |
| Adjustments to reconcile net income/(loss) to operating cash flows: | | | | | | |
| Discontinued operations (net of tax) | (184) | 0 | (184) | 1 | 0 | 1 |
| Deferred income taxes, net | 9 | (1) | 8 | 15 | 0 | 15 |
| Depreciation, amortization and impairment of non-current assets | 828 | 32 | 860 | 287 | 12 | 299 |
| Reversals of impairment losses of non-current assets | (3) | 0 | (3) | (1) | 0 | (1) |
| (Income)/loss from companies accounted for using the equity method, net of dividends received | 8 | (1) | 7 | (9) | 0 | (9) |
| (Gain)/loss on disposal of non-current assets, net | (324) | 2 | (322) | 1 | 0 | 1 |
| Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes: | | | | | | |
| - inventories | (612) | 47 | (565) | (115) | 27 | (88) |
| - trade accounts receivable | (503) | (72) | (575) | (59) | 35 | (24) |
| - accrued pension and similar obligations | (169) | 4 | (165) | (35) | 0 | (35) |
| - other provisions | (125) | 5 | (120) | 63 | 0 | 63 |
| - trade accounts payable | 178 | (48) | 130 | (129) | 40 | (89) |
| - other assets/liabilities not related to investing or financing activities | 487 | 32 | 519 | (20) | (1) | (21) |
| Operating cash flows – continuing operations | (168) | 0 | (168) | 41 | 113 | 154 |
| Operating cash flows – discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating cash flows – total | (168) | 0 | (168) | 41 | 113 | 154 |
| Purchase of investments accounted for using the equity method and non-current financial assets | (2) | 0 | (2) | (2) | 0 | (2) |
| Expenditures for acquisitions of consolidated companies net of cash acquired | 30 | 0 | 30 | 37 | (1) | 36 |
| Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property | (656) | (104) | (760) | (241) | (18) | (259) |
| Capital expenditures for intangible assets (inclusive of advance payments) | (44) | (1) | (45) | (14) | 0 | (14) |
| Proceeds from disposals of investments accounted for using the equity method and non-current financial assets | 46 | 1 | 47 | 0 | 1 | 1 |
| Proceeds from disposals of previously consolidated companies net of cash disposed | 1,268 | 0 | 1,268 | 14 | 0 | 14 |
| Cash and cash equivalents disposed of due to loss of control over companies consolidated so far but not sold | (279) | 0 | (279) | 0 | 0 | 0 |
| Proceeds from disposals of property, plant and equipment and investment property | 24 | 1 | 25 | (1) | 1 | 0 |
| Proceeds from disposals of intangible assets | 1 | 0 | 1 | 1 | 0 | 1 |
| Cash flows from investing activities – continuing operations | 388 | (103) | 285 | (206) | (17) | (223) |
| Cash flows from investing activities – discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash flows from investing activities – total | 388 | (103) | 285 | (206) | (17) | (223) |
| Proceeds from issuance of bonds | 1,250 | 0 | 1,250 | 0 | 0 | 0 |
| Repayment of bonds | (1,000) | 0 | (1,000) | (1,000) | 0 | (1,000) |
| Proceeds from liabilities to financial institutions | 1,080 | 76 | 1,156 | 469 | (13) | 456 |
| Repayments of liabilities to financial institutions | (2,313) | 0 | (2,313) | (668) | 0 | (668) |
| Proceeds from/(repayments on) notes payable and other loans | (237) | (105) | (342) | (171) | (2) | (173) |
| Increase/(decrease) in bills of exchange | (1) | 0 | (1) | (2) | 0 | (2) |
| (Increase)/decrease in current securities | 1 | 0 | 1 | 1 | 0 | 1 |
| Proceeds from capital increases | 878 | 0 | 878 | 0 | 0 | 0 |
| Profit attributable to non-controlling interest | (24) | 1 | (23) | (4) | 0 | (4) |
| Expenditures for acquisitions of shares of already consolidated companies | (3) | 0 | (3) | (3) | 0 | (3) |
| Other financing activities | (139) | 175 | 36 | (6) | 1 | (5) |
| Cash flows from financing activities – continuing operations | (508) | 147 | (361) | (1,384) | (14) | (1,398) |
| Cash flows from financing activities – discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash flows from financing activities – total | (508) | 147 | (361) | (1,384) | (14) | (1,398) |
| Net increase/(decrease) in cash and cash equivalents – total | (288) | 44 | (244) | (1,549) | 82 | (1,467) |
| Effect of exchange rate changes on cash and cash equivalents – total | (21) | 0 | (21) | 30 | 0 | 30 |
| Cash and cash equivalents at beginning of reporting period – total | 3,829 | 45 | 3,874 | 5,039 | 7 | 5,046 |
| Cash and cash equivalents at end of reporting period – total | 3,520 | 89 | 3,609 | 3,520 | 89 | 3,609 |
| [thereof cash and cash equivalents within disposal groups] | [9] | 0 | [9] | [9] | 0 | [9] |
| [thereof cash and cash equivalents within discontinued operations] | [—] | 0 | [—] | [—] | 0 | [—] |
| | | | | | | |
| Additional information regarding cash flows of continuing operations from interest, dividends and income taxes which are included in operating cash flows: | | | | | | |
| Interest received | 100 | 0 | 100 | 29 | 0 | 29 |
| Interest paid | (415) | (3) | (418) | (149) | (1) | (150) |
| Dividends received | 55 | 0 | 55 | 51 | 0 | 51 |
| Income taxes paid | (281) | 0 | (281) | (73) | 0 | (73) |

IFRS 12 combines in one standard all disclosure requirements for interests in other entities, including interests in subsidiaries, associates, joint arrangements and structured entities. The new standard replaces the previous disclosure requirements in IAS 27 “Consolidated and Separate Financial Statements”, IAS 28 “Investments in Associates”, IAS 31 “Interests in Joint Ventures” and SIC-12 “Consolidation – Special Purpose Entities”. The adoption of IFRS 12 will extend significantly the Group’s fiscal year-end disclosures.

The amended IAS 27 now focuses solely on accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when separate financial statements according to IFRS are presented. This has no impact on the Group’s consolidated financial statements.

The amended IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This has no material impact on the Group’s consolidated financial statements.

In December 2011 the IASB issued an amendment to IAS 32 “Financial Instruments: Presentation” which clarifies the requirements for offsetting financial assets and financial liabilities to eliminate existing inconsistencies in current practice. The amendment is compulsory for fiscal years beginning on or after January 1, 2014 and shall be applied retrospectively; the option of an earlier adoption has not been used by ThyssenKrupp. The adoption of the amendment does not have a material impact on the Group’s consolidated financial statements.

In June 2012 the IASB issued “Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance” Amendments to IFRS 10, IFRS 11 and IFRS 12. The amendments clarify the transition guidance and provides transition reliefs for the before mentioned Standards. Such as IFRS 10, IFRS 11 and IFRS 12, the amendments are effective for fiscal years beginning on or after January 1, 2013. In the context of the endorsement, the IASB defers the mandatory effective date to fiscal years beginning on or after January 1, 2014; the option of an earlier adoption has not been used by ThyssenKrupp.

In October 2012 the IASB issued “Investment Entities” as amendments to IFRS 10, IFRS 12 and IAS 27 regarding the accounting of investment entities. The amendments define investment entities and provide an exception to the general consolidation requirements of subsidiaries in IFRS 10; instead of consolidating those subsidiaries are measured at fair value through profit or loss. In addition the amendments set out disclosure requirements for investment entities. The amendments are effective for fiscal years beginning on or after January 1, 2014, the option of an earlier adoption has not been used by ThyssenKrupp. The amendments do not have any relevance for the Group’s consolidated financial statements.

In May 2013 the IASB issued IFRIC 21 “Levies”, an interpretation of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. The interpretation determines the accounting for levies imposed by governments, other than income taxes according to IAS 12, and clarifies in particular when an entity should recognize a liability to pay a levy. The interpretation is effective for fiscal years beginning on or after January 1, 2014, the option of an earlier adoption has not been used by ThyssenKrupp. The interpretation does not have a material impact on the Group’s consolidated financial statements.

In May 2013 the IASB issued “Recoverable Amount for Disclosures for Non-Financial Assets (Amendments to IAS 36)” that address changes of the disclosure requirements of IAS 36. The amendments realize the IASB’s original intention that the scope of the disclosures is limited to the recoverable amount of non-financial assets for which an impairment loss has been recognized or reversed during the period if that amount is based on fair value less costs of disposal. In addition the disclosure requirements have been amended when the recoverable amount is based on fair value less costs of disposal. The amendments are effective retrospectively for fiscal years beginning on or after January 1, 2014, the option of an earlier adoption has not been used by ThyssenKrupp. The amendments do not have a material impact on the Group’s consolidated financial statements.

In June 2013 the IASB issued “Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)” that amends IAS 39 Financial Instruments. The amendments allow hedge accounting to continue in a situation where a derivative, which has been designed as a hedging instrument, is novated to effect clearing with a central counterparty as a result of law or regulation, if specific conditions are met. The amendments are effective retrospectively for fiscal years beginning on or after January 1, 2014, the option of an earlier adoption has not been used by ThyssenKrupp. The amendments do not have a material impact on the Group’s consolidated financial statements.

### Recently issued accounting standards

In fiscal year 2014/2015, the following standards, interpretations and amendments to already existing standards have been issued which must still be endorsed by the EU before they can be adopted:

In December 2014 the IASB issued amendments to IAS 1 “Presentation of Financial Statements”. The amendments mainly include clarifications regarding the judgment of materiality of disclosures, explanations how to aggregate and disaggregate line items of the balance sheet and the statement of comprehensive income, the order of the notes and the disclosure of significant accounting policies. The amendments are to be applied for fiscal years beginning on or after January 1, 2016; earlier application is permitted. The EU has not yet endorsed the amendments. Currently, Management expects the amendments – if endorsed by the EU in the current version – to have an impact on the Group’s presentation of the notes.

In December 2014 the IASB issued amendments to “Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)”. The amendments clarify the application of the consolidation exception of IFRS 10 for investment entities and their subsidiaries that meet the definition of an investment entity. Amendments were also made to IFRS 12 to clarify that also an investment entity that measures all its subsidiaries at fair value has to apply IFRS 12. IAS 28 will also be amended by the application of the equity method by a non-investment entity investor to an investment entity investee. The amendments are to be applied for fiscal years beginning on or after January 1, 2016; earlier application is permitted. The EU has not yet endorsed the amendments. Currently, Management does not expect the amendments – if endorsed by the EU in the current version – to have any relevance for ThyssenKrupp.

## 01 Acquisitions and disposals

In the 9 months ended June 30, 2015, the Group consolidated the electrolysis joint venture ThyssenKrupp Uhde Chlorine Engineers for the first time and acquired additional smaller 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:

**Acquisitions 9 months ended June 30, 2015**

| million € | |
|---|---|
| Goodwill | 48 |
| Other intangible assets | 38 |
| Property, plant and equipment | 9 |
| Investments accounted for using the equity method | (7) |
| Deferred tax assets | 17 |
| Inventories | 28 |
| Trade accounts receivable | 43 |
| Other current financial assets | 4 |
| Other current non-financial assets | 4 |
| Current income tax assets | 1 |
| Cash and cash equivalents | 56 |
| Total assets acquired | 241 |
| Accrued pension and similar obligations | 1 |
| Deferred tax liabilities | 25 |
| Other non-current non-financial liabilities | 2 |
| Other current provisions | 4 |
| Current income tax liablilities | 1 |
| Current financial debt | 6 |
| Trade accounts payable | 36 |
| Other current financial liabilities | 3 |
| Other current non-financial liabilities | 39 |
| Total liabilities assumed | 117 |
| Net assets acquired | 124 |
| Non-controlling interest | 14 |
| Purchase prices | 110 |
| thereof: paid in cash and cash equivalents | 39 |
| thereof: paid in equity instruments | 56 |

In addition, in the 9 months ended June 30, 2015, the Group sold companies as part of the portfolio optimization that are, 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:

**Disposals 9 months ended June 30, 2015**

| million € | |
|---|---|
| Goodwill | 28 |
| Other intangible assets | 1 |
| Property, plant and equipment | 11 |
| Inventories | 3 |
| Trade accounts receivable | 70 |
| Other current financial assets | 3 |
| Other current non-financial assets | 27 |
| Current income tax assets | 4 |
| Cash and cash equivalents | 13 |
| Total assets disposed of | 160 |
| Accrued pension and similar obligations | 6 |
| Other non-current provisions | 3 |
| Deferred tax liabilities | 5 |
| Other current provisions | 1 |
| Current income tax liablilities | 2 |
| Current financial debt | 40 |
| Trade accounts payable | 5 |
| Other current non-financial liabilities | 28 |
| Total liabilities disposed of | 90 |
| Net assets disposed of | 70 |
| Cumulative other comprehensive income | 18 |
| Non-controlling interest | (8) |
| Gain/(loss) resulting from the disposals | (9) |
| Selling prices | 71 |
| thereof: received in cash and cash equivalents | 62 |

## 02 Discontinued operations and disposal groups

As part of the portfolio optimization program of the concept for the further strategic development in May 2011, the Group has initiated the sale of several businesses. With the exemption of the former Stainless Global business area and the income and expenses incurred after the disposal but directly related to the disposal of Stainless Global, these transactions have not met the requirements of IFRS 5 for a presentation. Therefore, income 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 the balance sheet date of the respective reporting period, the assets and liabilities of the disposal groups have been disclosed separately in the consolidated balance sheet of the reporting period in the line items “assets held for sale” and “liabilities associated with assets held for sale”.

The former Stainless Global business area met the criteria for presentation as a discontinued operation from September 30, 2011 until completion of the combination with the Finish company Outokumpu (OTK) on December 28, 2012. Therefore, for the Stainless Global business area all income and expenses until December 28, 2012 as well as income and expenses incurred after the disposal but directly related to the disposal are presented separately in the consolidated statement of income in the line item “Discontinued operations (net of tax)”.

### Disposal groups

In the 2nd quarter ended March 31, 2015 the disposal of the VDM group has been initiated. VDM is a specialist supplier of high-quality stainless steel products. In the context of the initiated disposal an impairment loss of €21 million on intangible assets and of €153 million on property, plant and equipment was recognized in cost of sales resulting from the write-down of the assets to fair value less costs to sell. At the same time a deferred tax asset of €55 million was recognized. A contract for the sale of the VDM group was concluded on April 17, 2015. As of June 30, 2015 the closing of the sale was still subject to approval by the competent antitrust authorities.

The assets and liabilities of the disposal group VDM group as of June 30, 2015 are presented in the following table:

**Disposal group VDM group**

| million € | June 30, 2015 |
|---|---|
| Other intangible assets | 3 |
| Property, plant and equipment | 23 |
| Other non-financial assets | 9 |
| Deferred tax assets | 58 |
| Inventories | 421 |
| Trade accounts receivable | 115 |
| Other current financial assets | 9 |
| Other current non-financial assets | 12 |
| Current income tax assets | 2 |
| Cash and cash equivalents | 4 |
| Assets held for sale | 656 |
| Accrued pension and similar obligations | 104 |
| Provisions for other non-current employee benefits | 9 |
| Other non-current provisions | 14 |
| Deferred tax liabilities | 28 |
| Non-current financial debt | 1 |
| Provisions for current employee benefits | 2 |
| Other current provisions | 15 |
| Current income tax liabilities | 2 |
| Trade accounts payable | 135 |
| Other current financial liabilities | 11 |
| Other current non-financial liabilities | 24 |
| Liabilities associated with assets held for sale | 345 |

In September 2012 the disposal of the ThyssenKrupp Tailored Blanks group has been initiated in the Steel Europe business area. Tailored Blanks is supplier of body systems to the auto industry which produces tailored steel blanks. After the approval has been given by the responsible regulatory authorities, with the exemption of the Changchun companies the sale to the Chinese steel producer Wuhan Iron and Steel Corporation (WISCO) was completed as of July 31, 2013.

The assets and liabilities of the Changchun companies in China which are still part of the disposal group as of June 30, 2015 are presented in the following table:

**Disposal group Tailored Blanks China**

| million € | June 30, 2015 |
|---|---|
| Property, plant and equipment | 12 |
| Inventories | 7 |
| Trade accounts receivable | 12 |
| Other current non-financial assets | 1 |
| Cash and cash equivalents | 7 |
| Assets held for sale | 39 |
| Current financial debt | 4 |
| Trade accounts payable | 6 |
| Other current financial liabilities | 4 |
| Liabilities associated with assets held for sale | 14 |

### Discontinued operation former Stainless Global business area

The following table includes income and expense incurred after the disposal but directly related to the disposal of the former Stainless Global business area that classified as a discontinued operation. The expense incurred in the 9 months ended June 30, 2015 results from compensation payments in connection with personnel measures. The income recognized in the 9 months ended June 30, 2014 mainly reflected the income from the reversal of provisions after there was no longer an obligation to offset any negative financial consequences for OTK under merger control requirements.

**Discontinued operation Stainless Global**

| million € | 9 months ended June 30, 2014 | 9 months ended June 30, 2015 | 3rd quarter ended June 30, 2014 | 3rd quarter ended June 30, 2015 |
|---|---|---|---|---|
| Net sales | 0 | 0 | 0 | 0 |
| Other income | 0 | 0 | 0 | 0 |
| Expenses | 184 | (6) | (1) | 0 |
| Ordinary income/(loss) from discontinued operations (before taxes) | 184 | (6) | (1) | 0 |
| Income tax (expense)/income | 0 | 0 | 0 | 0 |
| Ordinary income/(loss) from discontinued operations (net of tax) | 184 | (6) | (1) | 0 |
| Gain/(loss) recognized on disposal of discontinued operations (before taxes) | 0 | 0 | 0 | 0 |
| Income tax (expense)/income | — | — | — | — |
| Gain/(loss) recognized on disposal of discontinued operations (net of tax) | 0 | 0 | 0 | 0 |
| Discontinued operations (net of tax) | 184 | (6) | (1) | 0 |
| thereof: | | | | |
| ThyssenKrupp AG's stockholders | 184 | (6) | (1) | 0 |
| Non-controlling interest | 0 | 0 | 0 | 0 |

# 03 Share-based compensation

### Management incentive plans

In the 2nd quarter ended March 31, 2015, the 2nd installment of the long-term management incentive plan (LTI) was settled in cash with 19.86€ per stock right resulting in a total payment of €21.9 million. At the same the members of the Executive Board of ThyssenKrupp AG were granted stock rights of the 5th installment of the LTI. In the 3rd quarter ended June 30, 2015 it was decided to grant stock rights of the 5th installment of the LTI to additional executive employees. In the 9 months ended June 30, 2015, the Group recorded expenses of €60.4 million (9 months ended June 30, 2014: €59.6 million) from the obligations of the LTI; thereof €22.8 million applied to the 3rd quarter ended June 30, 2015 (3rd quarter ended June 30, 2014: €22.2 million).

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 the respective fiscal year and 55% of the additional bonus granted depending on the economic situation will be obligatorily converted into ThyssenKrupp AG stock rights to be paid out after a three-year lock-up period based on the average ThyssenKrupp share price in the 4th quarter of the 3rd fiscal year. In the 3rd quarter of 2010/2011 the structure of the variable compensation for additional executive employees was modified. 20% of the performance bonus granted for the respective fiscal year will be obligatorily converted into ThyssenKrupp AG stock rights to be paid out after a three-year lock-up period based on the average ThyssenKrupp share price in the 4th quarter of the 3rd fiscal year. Beginning with fiscal year 2014/2015, the compensation system of the Executive Board members of ThyssenKrupp AG has been adjusted in such a way that stock rights are no longer granted for a portion of the performance bonus and of the additional bonus. This compensation item resulted in expenses of €3.3 million in the 9 months ended June 30, 2015 (9 months ended June 30, 2014: €5.4 million) and in an income of €0.1 million in the 3rd quarter ended June 30, 2015 (3rd quarter ended June 30, 2014: expense of €0.5 million); in the 1st half year of 2014/2015 the stock rights granted in 2010/2011 were settled with a payment of €2.3 million.

# 04 Accrued pension and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of accrued pension and health care obligations was performed as of June 30, 2015, taking into account these effects.

**Accrued pensions and similar obligations**

| million € | Sept. 30, 2014 [1]) | June 30, 2015 |
|---|---|---|
| Accrued pension liability | 7,288 | 7,642 |
| Accrued postretirement obligations other than pensions | 10 | 11 |
| Other accrued pension-related obligations | 192 | 181 |
| Reclassification due to the presentation as liabilities associated with assets held for sale | 0 | (104) |
| Total | 7,490 | 7,730 |

[1]) Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

The Group applied the following weighted average assumptions to determine pension obligations:

**Weighted-average assumptions**

| | Sept. 30, 2014 | | | June 30, 2015 | | |
|---|---|---|---|---|---|---|
| in % | Germany | Outside Germany | Total | Germany | Outside Germany | Total |
| Discount rate for accrued pension liability | 2.60 | 3.28 | 2.78 | 2.40 | 3.31 | 2.64 |

The net periodic pension cost is as follows:

**Net periodic pension cost**

| | 9 months ended June 30, 2014 [1] | | | 9 months ended June 30, 2015 | | | 3rd quarter ended June 30, 2014 [1] | | | 3rd quarter ended June 30, 2015 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| million € | Germany | Outside Germany | Total | Germany | Outside Germany | Total | Germany | Outside Germany | Total | Germany | Outside Germany | Total |
| Service cost | 69 | 22 | 91 | 88 | 29 | 117 | 23 | 8 | 31 | 30 | 10 | 40 |
| Net interest cost | 155 | 7 | 162 | 130 | 8 | 138 | 51 | 2 | 53 | 44 | 2 | 46 |
| Administration cost | 0 | 4 | 4 | 0 | 5 | 5 | 0 | 1 | 1 | 0 | 2 | 2 |
| Net periodic pension cost | 224 | 33 | 257 | 218 | 42 | 260 | 74 | 11 | 85 | 74 | 14 | 88 |

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards“).

## 05 Total equity

Through resolution of the Annual General Meeting of January 30, 2015, the Executive Board of ThyssenKrupp AG is authorized until January 29, 2020 to acquire treasury shares up to a total of 10% of the capital stock at the time of the resolution or – if lower – at the time the authorization is exercised and use them for the purposes expressly stated in the authorization resolution and for all legally permissible purposes. The Executive Board is authorized under certain circumstances to exclude shareholders’ tender rights when purchasing treasury shares or subscription rights when using treasury shares. The resolution also includes authorization to use equity derivatives (put or call options or a combination of both) in connection with the purchase of treasury shares and to exclude tender and subscription rights. The Supervisory Board of ThyssenKrupp AG may determine that measures of the Executive Board under these shareholder resolutions are subject to its approval.

## 06 Issuance of a dual-tranche bond and prolongation of a syndicated credit line

On February 18, 2015 ThyssenKrupp AG issued a dual-tranche bond with a total volume of €1.35 billion, documented under the company’s €10 billion debt issuance program. The bond was issued in two tranches, the first with a maturity of five years and nine months and the second with a maturity of ten years. The five years and nine months tranche has a volume of €750 million. It carries a coupon of 1.75% p.a. at an issue price of 99.328%. The ten years tranche has a volume of €600 million. It carries a coupon of 2.5% p.a. at an issue price of 98.818%. With the transaction ThyssenKrupp AG made use of the good market environment, extended its maturity profile and strengthened the capital market share in its financing mix.

In addition, in March 2015 ThyssenKrupp extended its €2.0 billion syndicated credit line by a year; the facility therefore now has a term to March 28, 2018 and was unused as of the balance sheet date.

## 07 Contingencies including pending lawsuits and claims for damages

### Guarantees

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

**Contingencies**

| million € | Maximum potential amount of future payments as of June 30, 2015 | Provision as of June 30, 2015 |
|---|---|---|
| Advance payment bonds | 211 | 1 |
| Performance bonds | 134 | 3 |
| Third party credit guarantee | 1 | 0 |
| Residual value guarantees | 61 | 2 |
| Other guarantees | 26 | 0 |
| Total | 433 | 6 |

The terms of those guarantees depend on the type of guarantee and may range from three months to ten years (e.g. rental payment guarantees). The basis for possible payments under the guarantees is always the non-performance of the principal debtor under a contractual agreement, e.g. late delivery, delivery of non-conforming goods under a contract or non-performance with respect to the warranted quality or default under a loan agreement.

All guarantees 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, the third party is generally requested to provide additional collateral in a corresponding amount.

### Commitments and other contingencies

Due to the high volatility of iron ore prices, in the Steel Europe and Steel Americas business areas the existing long-term iron ore and iron ore pellets supply contracts are measured for the entire contract period at the iron ore prices applying as of the respective balance sheet date. Compared to September 30, 2014, the purchasing commitments decreased by €3.2 billion to €5.9 billion.

There have been no material changes to the other contingencies since the end of the last fiscal year.

### Pending lawsuits and claims for damages

Former stockholders of Thyssen and of Krupp have petitioned per Art. 305 UmwG (Reorganization Act, before amendment) 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 favor of the petitioners, the Court would require settlement to be made via an additional cash payment plus interest. The additional payment 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 court-appointed merger auditor, and differs only insignificantly from the value ratio determined by the expert appointed by the Düsseldorf Regional Court.

Various companies, in particular public transport authorities, have filed court or mainly out-of-court claims for damages as potential injured parties in connection with the rail cartel. ThyssenKrupp has recognized provisions for risks in connection with the claims for damages.

Claims for damages have been filed against ThyssenKrupp AG and companies of the ThyssenKrupp Group in connection with the elevator cartel. ThyssenKrupp has recognized provisions for risks in connection with the claims for damages.

On December 11, 2014 the German Federal Cartel Office closed its anti-trust investigation in the “auto steel” sector due to a lack of evidence. The proceedings were initiated at the end of February 2013 with searches of three companies in the steel sector, including ThyssenKrupp. The authority was investigating the suspicion of price fixing in the delivery of certain steel products to the German automotive industry in a period dating back to 1998. In its press release on the closure of the investigation, the Federal Cartel Office emphasized ThyssenKrupp’s cooperation in the proceedings.

In connection with the majority interest previously held by the Industrial Solutions business area in the Greek shipyard Hellenic Shipyards (HSY) and the construction of submarines for the Greek Navy, the Greek government has filed legal and arbitration actions to claim compensation of €2.1 billion and reimbursement of a €115 million installment payment from ThyssenKrupp Industrial Solutions AG and ThyssenKrupp Marine Systems GmbH as well as from HSY and the current majority shareholder of HSY. To date the Greek government has concretized claims only in a double-digit million euro amount, relating exclusively to its contact with HSY. The claims asserted against the ThyssenKrupp companies appear unfounded. All contractual obligations of ThyssenKrupp Marine Systems and other ThyssenKrupp companies vis-à-vis the Greek government have been fulfilled since 2010.

Recipients of company pensions from various Group companies have filed court and out-of-court claims for an increase in future pension payments and back payments for the past after the total or partial failure by Group companies to adjust company pensions in accordance with § 16 Company Pensions Act (BetrAVG) due to their difficult financial situation. Sufficient provisions were made for risks from the possible failure to adjust company pensions.

In addition further legal and arbitration actions and official investigations and proceedings as well as claims have been filed against ThyssenKrupp companies or may be initiated or filed in the future. They include for example legal, arbitration and out-of-court disputes as well as official investigations in connection with the construction, tax concessions granted, and operation of the Brazilian steel plant, which could lead to payment of damages and fines or tax charges. Disputes in connection with the acquisition or disposal of companies or company units which may lead to partial repayment of the purchase price or to the payment of damages or to tax charges. Furthermore, damage claims may be payable to contractual partners, customers, consortium partners and subcontractors under performance contracts. Predicting the progress and results of lawsuits involves considerable difficulties and uncertainties. This means that lawsuits, official investigations and proceedings as well as claims not disclosed separately could also individually or together with other legal disputes, official investigations and proceedings as well as claims have a negative and also potentially major future impact on the Group’s net assets, financial position and results of operations. However, at present ThyssenKrupp does not expect pending lawsuits, official investigations and proceedings as well as claims not explained separately in this section to have a major negative impact on the Group’s net assets, financial position and results of operations.

## 08 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.

**Financial instruments as of Sept. 30, 2014 [1)]**

| | | Measurement in accordance with IAS 39 | | | Measurement in accordance with IAS 17 | |
|---|---|---|---|---|---|---|
| million € | Carrying amount on balance sheet Sept. 30, 2014 | (Amortized) cost | Fair value recognized in profit or loss | Fair value recognized in equity | Amortized cost | Fair value Sept. 30, 2014 |
| Trade accounts receivable, net (excluding finance lease) | 5,758 | 5,758 | | | | 5,758 |
| Loans and receivables | | 5,758 | | | | 5,758 |
| Finance lease receivables | 50 | | | | 50 | 50 |
| Other financial assets | 450 | 347 | 62 | 41 | | 450 |
| Loans and receivables | | 329 | | | | 329 |
| Available-for-sale financial assets | | 18 | | 17 | | 35 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | | | 62 | | | 62 |
| Derivatives that qualify for hedge accounting | | | 0 | 24 | | 24 |
| Cash and cash equivalents | 4,030 | 4,030 | | | | 4,030 |
| Loans and receivables | | 4,030 | | | | 4,030 |
| Total of financial assets | 10,288 | | | | | |
| thereof by measurement categories of IAS 39: | | | | | | |
| Loans and receivables | 10,117 | 10,117 | | | | 10,117 |
| Available-for-sale financial assets | 35 | 18 | | 17 | | 35 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | 62 | | 62 | | | 62 |
| | | | | | | |
| Financial debt (excluding finance lease) | 7,663 | 7,663 | | | | 8,091 |
| Financial liabilities measured at amortized cost | | 7,663 | | | | 8,091 |
| Finance lease liabilities | 59 | | | | 59 | 59 |
| Trade accounts payable | 4,936 | 4,936 | | | | 4,936 |
| Financial liabilities measured at amortized cost | | 4,936 | | | | 4,936 |
| Other financial liabilities | 1,333 | 889 | 280 | 164 | | 1,333 |
| Financial liabilities measured at amortized cost | | 889 | | | | 889 |
| Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading) | | | 280 | | | 280 |
| Derivatives that qualify for hedge accounting | | | 0 | 164 | | 164 |
| Total of financial liabilities | 13,991 | | | | | |
| thereof by measurement categories of IAS 39: | | | | | | |
| Financial liabilities measured at amortized cost | 13,488 | 13,488 | | | | 13,916 |
| Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading) | 280 | | 280 | | | 280 |

[1)] Figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards“).

**Financial instruments as of June 30, 2015**

| | | Measurement in accordance with IAS 39 | | | Measurement in accordance with IAS 17 | |
|---|---|---|---|---|---|---|
| million € | Carrying amount on balance sheet June 30, 2015 | (Amortized) cost | Fair value recognized in profit or loss | Fair value recognized in equity | Amortized cost | Fair value June 30, 2015 |
| Trade accounts receivable, net (excluding finance lease) | 6,078 | 6,078 | | | | 6,078 |
| Loans and receivables | | 6,078 | | | | 6,078 |
| Finance lease receivables | 49 | | | | 49 | 49 |
| Other financial assets | 384 | 263 | 83 | 38 | | 384 |
| Loans and receivables | | 245 | | | | 245 |
| Available-for-sale financial assets | | 18 | | 18 | | 36 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | | | 83 | | | 83 |
| Derivatives that qualify for hedge accounting | | | 0 | 20 | | 20 |
| Cash and cash equivalents | 4,032 | 4,032 | | | | 4,032 |
| Loans and receivables | | 4,032 | | | | 4,032 |
| Total of financial assets | 10,543 | | | | | |
| thereof by measurement categories of IAS 39: | | | | | | |
| Loans and receivables | 10,355 | 10,355 | | | | 10,355 |
| Available-for-sale financial assets | 36 | 18 | | 18 | | 36 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | 83 | | 83 | | | 83 |
| | | | | | | |
| Financial debt (excluding finance lease) | 8,386 | 8,386 | | | | 8,649 |
| Financial liabilities measured at amortized cost | | 8,386 | | | | 8,649 |
| Finance lease liabilities | 46 | | | | 46 | 46 |
| Trade accounts payable | 5,080 | 5,080 | | | | 5,080 |
| Financial liabilities measured at amortized cost | | 5,080 | | | | 5,080 |
| Other financial liabilities | 1,156 | 704 | 296 | 156 | | 1,156 |
| Financial liabilities measured at amortized cost | | 704 | | | | 704 |
| Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading) | | | 296 | | | 296 |
| Derivatives that qualify for hedge accounting | | | 0 | 156 | | 156 |
| Total of financial liabilities | 14,668 | | | | | |
| thereof by measurement categories of IAS 39: | | | | | | |
| Financial liabilities measured at amortized cost | 14,170 | 14,170 | | | | 14,433 |
| Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading) | 296 | | 296 | | | 296 |

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 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, equity instruments 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:

**Fair value hierarchy as of Sept. 30, 2014 [1]**

| million € | Balance as of Sept. 30, 2014 | 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) | 62 | 0 | 62 | 0 |
| Derivatives that qualify for hedge accounting | 0 | 0 | 0 | 0 |
| Fair value recognized in equity | | | | |
| Available-for-sale financial assets | 17 | 14 | 3 | 0 |
| Derivatives that qualify for hedge accounting | 24 | 0 | 24 | 0 |
| Total | 103 | 14 | 89 | 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) | 280 | 0 | 181 | 99 |
| Derivatives that qualify for hedge accounting | 0 | 0 | 0 | 0 |
| Fair value recognized in equity | | | | |
| Derivatives that qualify for hedge accounting | 164 | 0 | 164 | 0 |
| Total | 444 | 0 | 345 | 99 |

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

**Fair value hierarchy as of June 30, 2015**

| million € | Balance as of June 30, 2015 | 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) | 83 | 0 | 83 | 0 |
| Derivatives that qualify for hedge accounting | 0 | 0 | 0 | 0 |
| Fair value recognized in equity | | | | |
| Available-for-sale financial assets | 18 | 16 | 2 | 0 |
| Derivatives that qualify for hedge accounting | 20 | 0 | 20 | 0 |
| Total | 121 | 16 | 105 | 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) | 296 | 0 | 171 | 125 |
| Derivatives that qualify for hedge accounting | 0 | 0 | 0 | 0 |
| Fair value recognized in equity | | | | |
| Derivatives that qualify for hedge accounting | 156 | 0 | 156 | 0 |
| Total | 452 | 0 | 327 | 125 |

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 the reconciliation of level 3 financial instruments:

**Reconciliation level 3 financial instruments in million €**

| | |
|---|---|
| Balance as of Sept. 30, 2014 (asset/(liability)) | (99) |
| Changes recognized through profit or loss | (26) |
| Balance as of June 30, 2015 (asset/(liability)) | (125) |

The financial liability, which is based on individual valuation parameters and recognized at fair value, comprises a freight derivative which was valued according to the contractually agreed minimum volume on the basis of recognized hedge models taking into account the market data prevailing at the closing date. The resulting income effect is recognized in the consolidated statement of income under "Other expenses" and "Other income", respectively.

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

**Derivative financial instruments**

| million € | Notional amount Sept. 30, 2014 [1] | Carrying amount Sept. 30, 2014 [1] | Notional amount June 30, 2015 | Carrying amount June 30, 2015 |
|---|---|---|---|---|
| **Assets** | | | | |
| Foreign currency derivatives that do not qualify for hedge accounting | 721 | 22 | 1,730 | 28 |
| Foreign currency derivatives qualifying as cash flow hedges | 367 | 22 | 221 | 12 |
| Embedded derivatives | 100 | 4 | 37 | 2 |
| Interest rate derivatives qualifying as cash flow hedges [2] | 0 | 0 | 456 | 7 |
| Commodity derivatives that do not qualify for hedge accounting | 435 | 36 | 516 | 53 |
| Commodity derivatives qualifying as cash flow hedges | 26 | 2 | 32 | 1 |
| Total | 1,649 | 86 | 2,992 | 103 |
| | | | | |
| **Liabilities** | | | | |
| Foreign currency derivatives that do not qualify for hedge accounting | 3,185 | 130 | 2,559 | 127 |
| Foreign currency derivatives qualifying as cash flow hedges | 272 | 16 | 444 | 34 |
| Embedded derivatives | 98 | 5 | 101 | 4 |
| Interest rate derivatives qualifying as cash flow hedges [2] | 1,556 | 107 | 1,041 | 83 |
| Commodity derivatives that do not qualify for hedge accounting [3] | 625 | 145 | 596 | 165 |
| Commodity derivatives qualifying as cash flow hedges | 199 | 41 | 203 | 39 |
| Total | 5,935 | 444 | 4,944 | 452 |

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").
[2] Inclusive of cross currency swaps
[3] Inclusive of cargo derivatives

## 09 Segment reporting

In fiscal year 2014/2015 the definitions of EBIT and adjusted EBIT have been modified with regard to the treatment of capitalized borrowing costs in that way that depreciation of capitalized borrowing costs is no longer reversed. In addition, EBIT at business area level, especially at business areas with long-term construction contracts, is no longer increased by an imputed earnings contribution derived from net advance payments surpluses and the interest and financing effects attainable with them. The figures for the prior-year period have been adjusted accordingly.

Segment information for the 9 months ended June 30, 2014 and June 30, 2015 as well as for the 3rd quarter ended June 30, 2014 and June 30, 2015 is as follows:

**Segment information**

| million € | Components Technology | Elevator Technology | Industrial Solutions | Materials Services | Steel Europe | Steel Americas | Corporate | Stainless Global [2] | Consolidation | Group |
|---|---|---|---|---|---|---|---|---|---|---|
| 9 months ended June 30, 2014 [1] | | | | | | | | | | |
| Net sales | 4,581 | 4,631 | 4,418 | 9,451 | 5,482 | 1,476 | 38 | — | 0 | 30,077 |
| Internal sales within the Group | 5 | 3 | 48 | 388 | 1,180 | 38 | 88 | — | (1,750) | 0 |
| Total sales | 4,586 | 4,634 | 4,466 | 9,839 | 6,662 | 1,514 | 126 | — | (1,750) | 30,077 |
| EBIT | 187 | 418 | 316 | 123 | 164 | 118 | (454) | 184 | 6 | 1,062 |
| Adjusted EBIT | 207 | 472 | 320 | 148 | 185 | (34) | (359) | 0 | 6 | 945 |
| 9 months ended June 30, 2015 | | | | | | | | | | |
| External sales | 5,082 | 5,247 | 4,569 | 10,743 | 5,378 | 1,165 | 33 | — | 0 | 32,217 |
| Internal sales within the Group | 5 | 2 | 15 | 250 | 1,154 | 231 | 106 | — | (1,763) | 0 |
| Total sales | 5,087 | 5,249 | 4,584 | 10,993 | 6,532 | 1,396 | 139 | — | (1,763) | 32,217 |
| EBIT | 227 | 533 | 304 | (62) | 343 | (57) | (312) | (6) | 3 | 973 |
| Adjusted EBIT | 241 | 557 | 297 | 140 | 358 | (45) | (291) | 0 | 4 | 1,261 |
| 3rd quarter ended June 30, 2014 [1] | | | | | | | | | | |
| External sales | 1,601 | 1,608 | 1,552 | 3,701 | 1,835 | 411 | 12 | — | 0 | 10,720 |
| Internal sales within the Group | 2 | 1 | 33 | 79 | 384 | 30 | 30 | — | (559) | 0 |
| Total sales | 1,603 | 1,609 | 1,585 | 3,780 | 2,219 | 441 | 42 | — | (559) | 10,720 |
| EBIT | 66 | 165 | 111 | 44 | 91 | 4 | (139) | (1) | 3 | 344 |
| Adjusted EBIT | 69 | 173 | 112 | 58 | 103 | 12 | (137) | 0 | 4 | 394 |
| 3rd quarter ended June 30, 2015 | | | | | | | | | | |
| External sales | 1,756 | 1,875 | 1,571 | 3,703 | 1,891 | 374 | 8 | — | 0 | 11,178 |
| Internal sales within the Group | 2 | 1 | 3 | 75 | 396 | 67 | 38 | — | (582) | 0 |
| Total sales | 1,758 | 1,876 | 1,574 | 3,778 | 2,287 | 441 | 46 | — | (582) | 11,178 |
| EBIT | 81 | 199 | 101 | 89 | 150 | (27) | (98) | 0 | (2) | 493 |
| Adjusted EBIT | 91 | 211 | 96 | 89 | 166 | (25) | (90) | 0 | 1 | 539 |

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards“) and the definition change.
[2] Discontinued operation

Adjusted EBIT as well as operating EBIT reconcile to EBT from continuing operations as presented in the consolidated statement of income as following:

**Reconciliation of EBIT to EBT**

| million € | 9 months ended June 30, 2014 [1] | 9 months ended June 30, 2015 | 3rd quarter ended June 30, 2014 [1] | 3rd quarter ended June 30, 2015 |
|---|---|---|---|---|
| Adjusted EBIT as presented in segment reporting | 945 | 1,261 | 394 | 539 |
| Special items | 117 | (288) | (50) | (46) |
| EBIT as presented in segment reporting | 1,062 | 973 | 344 | 493 |
| + Non-operating income/(expense) from companies accounted for using the equity method | (52) | 0 | 0 | 0 |
| + Finance income | 694 | 1,055 | 131 | 209 |
| - Finance expense | (1,441) | (1,465) | (335) | (348) |
| - Items of finance income assigned to EBIT based on economic classification | (27) | (31) | 7 | (1) |
| + Items of finance expense assigned to EBIT based on economic classification | 249 | 33 | 14 | 3 |
| EBT - Group | 485 | 565 | 161 | 356 |
| - EBT of Stainless Global | (184) | 6 | 1 | 0 |
| EBT from continuing operations as presented in the statement of income | 301 | 571 | 162 | 356 |

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards“) and the definition change.

## 10 Cost of sales

Cost of sales for the 9 months ended June 30, 2015, includes write-downs of inventories of €25 million which mainly relate to the Materials Services and Steel Americas business areas. As of September 30, 2014, write-downs amounted to €75 million. In the 9 months ended June 30, 2014, cost of sales includes write-downs of inventories of €93 million which mainly related to the Steel Americas, Components Technology and Materials Services business areas.

Furthermore, cost of sales includes €6 million restructuring expense which relates mostly to the Components Technology business area. In the 9 months ended June 30, 2014 restructuring expense amounted to €64 million which mainly related to the Elevator Technology and Steel Europe business areas.

## 11 Income/(expense) from companies accounted for using the equity method

In the 9 months ended June 30, 2014, the line item included expenses of €52 million incurred in the 1st half ended March 31, 2014 resulting from the investment in OTK accounted for using the equity method; these expenses comprised the pro rata losses of OTK from October 1, 2013 to November 29, 2013 and the measurement at fair value.

## 12 Earnings per share

Basic earnings per share is calculated as follows:

**Earnings per share**

| | 9 months ended June 30, 2014[1] | | 9 months ended June 30, 2015 | | 3rd quarter ended June 30, 2014[1] | | 3rd quarter ended June 30, 2015 | |
|---|---|---|---|---|---|---|---|---|
| | Total amount in million € | Earnings per share in € | Total amount in million € | Earnings per share in € | Total amount in million € | Earnings per share in € | Total amount in million € | Earnings per share in € |
| Income/(loss) from continuing operations (net of tax) (attributable to ThyssenKrupp AG's stockholders) | 60 | 0.11 | 303 | 0.53 | 40 | 0.07 | 199 | 0.35 |
| Income/(loss) from discontinued operations (net of tax) (attributable to ThyssenKrupp AG's stockholders) | 184 | 0.33 | (6) | (0.01) | 0 | 0.00 | 0 | 0.00 |
| Income/(loss) (attributable to ThyssenKrupp AG's stockholders) | 244 | 0.44 | 297 | 0.52 | 40 | 0.07 | 199 | 0.35 |
| | | | | | | | | |
| Weighted average shares | 554,123,755 | | 565,937,947 | | 565,937,947 | | 565,937,947 | |

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards") and the definition change.

### 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 issued, sold or reacquired during the period have been weighted for the portion of the period that they were outstanding.

As a result of the capital increase carried out at the beginning of December 2013, the weighted average number of shares increased in the 9 months ended June 30, 2015 compared to the 9 months ended June 30, 2014.

There were no dilutive securities in the periods presented.

## 13 Additional information to 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 consolidated statement of financial position taking into account the cash and cash equivalents attributable to the disposal groups inclusive of discontinued operations. As of June 30, 2015 cash and cash equivalents of €56 million result from the joint operation HKM.

### Non-cash investing activities

In the 9 months ended June 30, 2015, the acquisition and first-time consolidation of companies created an increase in non-current assets of €84 million (9 months ended June 30, 2014: €694 million). In the 3rd quarter ended June 30, 2015 these increases amounted to €55 million (3rd quarter ended June 30, 2014: €(35) million).

The non-cash addition of assets under finance leases in the 9 months ended June 30, 2015 amounted to €2 million (9 months ended June 30, 2014: €7 million) and in the 3rd quarter ended June 30, 2015 to €0 million (3rd quarter ended June 30, 2014: €2 million).

In connection with the second construction stage of the “ThyssenKrupp Quarter” located in Essen, there was a non-cash addition of property, plant and equipment of €44 million in the 9 months ended June 30, 2014 and of €8 million in the 3rd quarter ended June 30, 2014.

### Non-cash financing activities

In the 9 months ended June 30, 2015, the acquisition and first-time consolidation of companies resulted in an increase in gross financial debt of €6 million (9 months ended June 30, 2014: €313 million). In the in the 3rd quarter ended June 30, 2014 these increases amounted to €6 million (3rd quarter ended June 30, 2014: €0 million).

In connection with the second construction stage of the “ThyssenKrupp Quarter” located in Essen, there was a non-cash increase in financial debt of €44 million in the 9 months ended June 30, 2014 and of €8 million in the 3rd quarter ended June 30, 2014.

## 14 Subsequent events

As of July 31, 2015 the disposal of the VDM group was consummated.

Essen, August 10, 2015
ThyssenKrupp AG

The Executive Board

Hiesinger

Burkhard Kaufmann Kerkhoff

# Review report

**To ThyssenKrupp AG, Duisburg and Essen**

We have reviewed the condensed consolidated interim financial statements - comprising statement of financial position, the statement of income and statement of comprehensive income, the statement of changes in equity, the statement of cash flows and selected explanatory notes – and the interim group management report of ThyssenKrupp AG, Duisburg and Essen, for the period from October 1, 2014, to June 30, 2015, which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 WpHG ("Wertpapierhandelsgesetz" German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additional observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Essen, August 12, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Norbert Winkeljohann (German Public Auditor)

Volker Linke (German Public Auditor)

# Report by the Supervisory Board Audit Committee

The interim report for the first 9 months of the 2014/2015 fiscal year (October 2014 to June 2015) and the review report by the Group's financial statement auditors were presented to the Audit Committee of the Supervisory Board in its meeting on August 12, 2015 and explained by the Executive Board. The auditors were available to provide additional information. The Audit Committee approved the interim report.

Essen, August 12, 2015

Chairman of the Audit Committee

Prof. Dr. Bernhard Pellens

# Contact and 2015/2016 financial calendar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**2015/2016 financial calendar**

**November 19, 2015**
Publication of the 2014/2015 Annual Report
Annual press conference
Analysts' and investors' conference

**January 29, 2016**
Annual General Meeting

**February 12, 2016**
Interim report
1st quarter 2015/2016 (October to December)
Conference call with analysts and investors

**May 10, 2016**
Interim report
1st half 2015/2016 (October to March)
Conference call with analysts and investors

**August 11, 2016**
Interim report
9 months 2015/2016 (October to June)
Conference call with analysts and investors

**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.

**Rounding differences and rates of change**
Percentages and figures in this report may include rounding differences. The signs used to indicate rates of change are based on economic aspects: Improvements are indicated by a plus (+) sign, deteriorations are shown in brackets ( ). Very high positive and negative rates of change (≥500% or ≤(100)%) are indicated by ++ and −− respectively.

German and English versions of the interim report can be downloaded from the internet at www.thyssenkrupp.com.

In the event of variances, the German version shall take precedence over the English translation.

For technical reasons there may be variances between the accounting documents contained in this report and those published in the Federal Gazette.

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