Insights
Global challenges, global opportunities

Annual Report

06—07

ThyssenKrupp

Shaping our own future. Reaching a new level. Generating sustainable growth. These are the goals we have set ourselves for the future, building on our present success.

Global mega-trends will have a profound impact on wide areas of the global community, and on our business. They harbor risks, but they also offer opportunities – opportunities we intend to exploit.

With this in mind, our Annual Report aims to provide you with insights into the potential offered by ThyssenKrupp's innovation and problem-solving skills. And by our ability to transform major global challenges into intelligent solutions and thus open up new areas of business. For all of us.

Insights

Global challenges, global opportunities

The Group in figures
ThyssenKrupp in brief
ThyssenKrupp worldwide
Financial dates

ThyssenKrupp compact

Annual Report

06 — 07

06 — 07

		2005/2006	2006/2007	Change
Order intake	million €	50,782	54,605	3,823
Sales	million €	47,125	51,723	4,598
EBITDA	million €	4,700	5,254	554
EBIT	million €	3,044	3,728	684
Earnings before taxes (EBT)	million €	2,623	3,330	707
Net income	million €	1,704	2,190	486
Earnings per share	€	3.24	4.30	1.06
Distribution	million €	489	635*	146
Dividend per share	€	1.00	1.30*	0.30
ROCE	%	17.9	20.7	2.8
ThyssenKrupp Value Added (TKVA)	million €	1,510	2,108	598
Operating cash flows	million €	3,467	2,220	(1,247)
Cash flows from disposals	million €	344	673	329
Cash flows from investments	million €	(2,040)	(2,997)	(957)
Free cash flow	million €	1,771	(104)	(1,875)
Net financial receivables	million €	747	223	(524)
Total equity	million €	8,927	10,447	1,520
Gearing	%	(8.4)	(2.1)	6.3
Employees (September 30)		187,586	191,350	3,764
Germany		84,052	84,999	947
Abroad		103,534	106,351	2,817

* Proposal to Annual General Meeting

STEEL

Steel

Stainless

CAPITAL GOODS

Technologies

SERVICES

Elevator

Services

We have more than 191,000 skilled and committed employees around the world working in the areas of Steel, Capital Goods and Services to provide innovative solutions for sustainable progress. In our five segments – Steel, Stainless, Technologies, Elevator and Services – we are facing up to the global challenges and turning risks into opportunities. Our high-performance materials, plants, components and systems offer answers to many future questions, both commercial and technical.

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SALES	EMPLOYEES	THYSSENKRUPP BEST PROJECTS
Worldwide	Worldwide	Worldwide
€51.7 billion	**191,350**	**6,298**
100%	**100%**	**100%**
Europe	Europe	Europe
€36.4 billion	**130,255**	**4,450**
70%	**68%**	**71%**
Germany	Germany	Germany
€18.5 billion	**84,999**	**2,942**
36%	**44%**	**47%**

As an international group, we speak many languages: more than half of our employees and two thirds of our customers are located outside Germany. Key locations are to be found above all in our neighboring European countries. But we also see significant opportunities in North America, Asia and the emerging nations of other regions. Dynamism, performance and a willingness to improve on tried and tested solutions are features characterizing the work of our 2,400 plants and branches around the world.
For example, our ThyssenKrupp best value enhancement program has now produced 6,300 projects with many new ideas to strengthen the Group's potential.

DATES 2008/2009

January 18, 2008	**Annual General Meeting**
January 21, 2008	**Payment of dividend for the 2006/2007 fiscal year**
February 13, 2008	**Interim report 1st quarter 2007/2008 (October to December)** **Conference call with analysts and investors**
May 14, 2008	**Interim report 2nd quarter 2007/2008 (January to March)**
May 16, 2008	**Analysts' and investors' conference**
August 14, 2008	**Interim report 3rd quarter 2007/2008 (April to June)** **Conference call with analysts and investors**
November 28, 2008	**Annual press conference** **Analysts' and investors' conference**
January 23, 2009	**Annual General Meeting**

Important dates can also be found in our online financial calendar:
www.thyssenkrupp.com/en/investor/finanzkalender.html
If you'd like to be kept up-to-date with news about ThyssenKrupp, subscribe to our newsletter at www.thyssenkrupp.com/en/newsletter/index.html

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www.thyssenkrupp.com

ThyssenKrupp AG

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Dear Stockholders,

The past fiscal year was the most successful in the history of your Company. ThyssenKrupp delivered another outstanding performance, with all key performance indicators at a new record high. Compared with the very good figures of the previous year, sales increased by 10 % to € 51.7 billion and pre-tax income by 27 % to € 3.3 billion, while ThyssenKrupp Value Added was 40 % higher at € 2.1 billion. We want you, the Company's stockholders, to share appropriately in this success: In January 2008, the Executive Board and Supervisory Board will propose to the Annual General Meeting the payment of a dividend of € 1.30 per share. That represents a 30 % increase compared with last year.

Review of record year 2006 / 2007

It is said that success has many fathers, and that is certainly true at ThyssenKrupp. Steel, Stainless, Technologies and Services all reported their highest ever earnings in 2006 / 2007. Elevator delivered a good operating performance but had to pay a fine of € 480 million imposed by the EU Commission in February 2007 for alleged anti-competitive behavior in the market for elevators and escalators. As well as making the most of the favorable market situation in their key regions, the segments reaped the benefits of internal programs to enhance performance, productivity and efficiency, especially the Groupwide value enhancement program ThyssenKrupp best. All five segments improved their global market positions, in part significantly, and expanded their business in the year under review. The basis for this is the wide range of products and services which have three things in common – they offer high quality and advanced technology and are tailored to customers' requirements.

Our success in 2006 / 2007 is also reflected in the performance of ThyssenKrupp's stock: Gaining 68 % in the course of the fiscal year, it significantly outperformed the DAX and DJ STOXX.

This Annual Report contains detailed information on the business situation and the main events in the reporting period, our plans for the future, our innovative capabilities and our employees. I hope that not only the content of the report but also the new design and magazine supplement meet with your approval.

In this letter I would like to address two questions relating to the future which I am sure also occupy your thoughts: What are ThyssenKrupp's goals for the next few years and how do we intend to achieve them?

Mid- and long-term prospects for ThyssenKrupp

Against the background of the strategies we have in place and the economic forecasts, we have reviewed and kept you informed of our mid- and longer-term targets. In the medium term, by around 2010, we aim to achieve sales of € 60 billion; our sustainable goal for earnings before taxes and major nonrecurring items is € 4 billion. Over the longer term, by around 2012, we plan sales of € 65 billion and earnings before taxes and major nonrecurring items of € 4.5 to 5.0 billion. Our central performance indicator, ThyssenKrupp Value Added, is expected to reach € 2.5 billion in the medium term and € 3.0 billion in the longer term.

ThyssenKrupp will achieve these targets as a focused conglomerate supported by three pillars: Steel, Capital Goods, and Services. These three key areas of activity, to which the Group's five segments are allocated, are the basis of our business model; they also stand for the past and future success of our Company.

Strategies for success

With many of our products and services we now occupy leading positions in the global market; we will further improve these positions in the coming years in all key regions.

In the Steel and Stainless segments, our strategy is focused on organic growth. A total of almost € 7 billion is being invested primarily in a new slab production plant in Brazil, a new production and distribution location in the USA, and the optimization of capacities at our integrated steel mill in Duisburg. The central element of the new complex in the USA will be a hot strip mill, which will be used jointly by Steel and Stainless. In addition, Steel is investing in cold-rolling and coating facilities, while Stainless plans to build an electric-furnace meltshop and its own cold-rolling capacities. These measures will enable us to exploit our growth opportunities in the key markets of North America and Europe. We will further cement our leading international position as a producer of high-quality carbon and stainless steel flat products.

The Technologies, Elevator and Services segments are pursuing a combined strategy: organic growth plus acquisitions. The technology-based plant and component manufacturers combined in the Technologies segment see opportunities in the growth sectors climate, environment, infrastructure and mobility, for which the segment already delivers tailored solutions based on intelligent technologies. Mobility is also a key focus for the Elevator segment. Growth opportunities have been identified chiefly in Asia and Eastern Europe, and Elevator will concentrate in particular on service activities. The Services segment's growth strategy is focused on materials and industrial services in particular in the key regions of Eastern Europe and the Middle East.

This Annual Report provides more information about our strategic focus and key investment projects. ThyssenKrupp completed the "Divest 33+" program in 2005 and is now on a sustained and profitable growth course. An investment volume of up to € 20 billion has been earmarked for this, of which over € 5 billion has already been used in the past two years. These investments will play a major role in ensuring that we achieve our long-term sales and earnings targets. Anyone who has observed ThyssenKrupp for any length of time knows that our plans are always ambitious and always have a solid financial basis. This situation will not change in the future.

Our employees – the key to success

The most important investments are those we make in our employees and their innovative capabilities. That's why year in, year out, we train young people well in excess of our own needs. We constantly expand the range of further training courses for employees, promote creativity through the Groupwide Ideas Contest, and systematically

facilitate knowledge transfer. The ThyssenKrupp Academy began work in the year under review and now offers more than 20 tailored programs for top executives. Fostering young talent for the future is another matter close to our hearts. To this end we carry out many activities aimed at firing young people's enthusiasm for technology and innovation from an early age and attracting them to technical and scientific careers. In May 2008 the third ThyssenKrupp Ideas Park will be held – this time in Stuttgart – and you are all very welcome to attend.

All our business activities are characterized by a common theme – responsibility for the Company and its future. This also means showing responsibility towards our customers – by supplying optimum products and services, towards our employees – by providing attractive jobs with good prospects, and towards society as a whole – by being a good corporate citizen. Central to all this is of course our responsibility towards you, our stockholders. We want to ensure your investment in ThyssenKrupp remains profitable on a sustained basis so as to justify the confidence you place in us. Stay with the Company – the future of ThyssenKrupp is worth it.

Yours sincerely,

Dr.-Ing. Ekkehard D. Schulz
Chairman of the Executive Board
Düsseldorf, November 2007

06 — 07

Magazine for the 2006 – 2007 Annual Report
of ThyssenKrupp AG

—

Front cover pocket

Insights

—

Major global challenges require solutions. In our magazine you can find out about the solutions ThyssenKrupp has already developed and the innovations we are working on for the future. You'll find it in the front cover pocket.

Resources

—

Many resources are in great demand throughout the world. The most attractive of them are already scarce and expensive. What can we do to use raw materials more efficiently? And how can we replace missing resources?

Read more in the magazine on pages 06 — 25

Climate

—

Our climate is changing. The reasons are many and various. Reason enough to think about ways to protect it. What ideas do we have to protect the climate today? And what will we be doing tomorrow?

Read more in the magazine on pages 26 — 47

Mobility

—

Individual mobility drives the modern economy. But as traffic grows, so too do the problems. How are we responding to the challenges of mobility? And what can we do to make transportation systems environmentally compatible?

Read more in the magazine on pages 48 — 65

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The accounting of the ThyssenKrupp Group is based on International Financial Reporting Standards (IFRS).
This annual report was published to coincide with the Company's Annual Press Conference on December 04, 2007.

Our actions are shaped to a significant degree by the major global challenges we face. These challenges are highlighted on the reverse of the section dividers of this annual report and will accompany us every day of the new fiscal year.

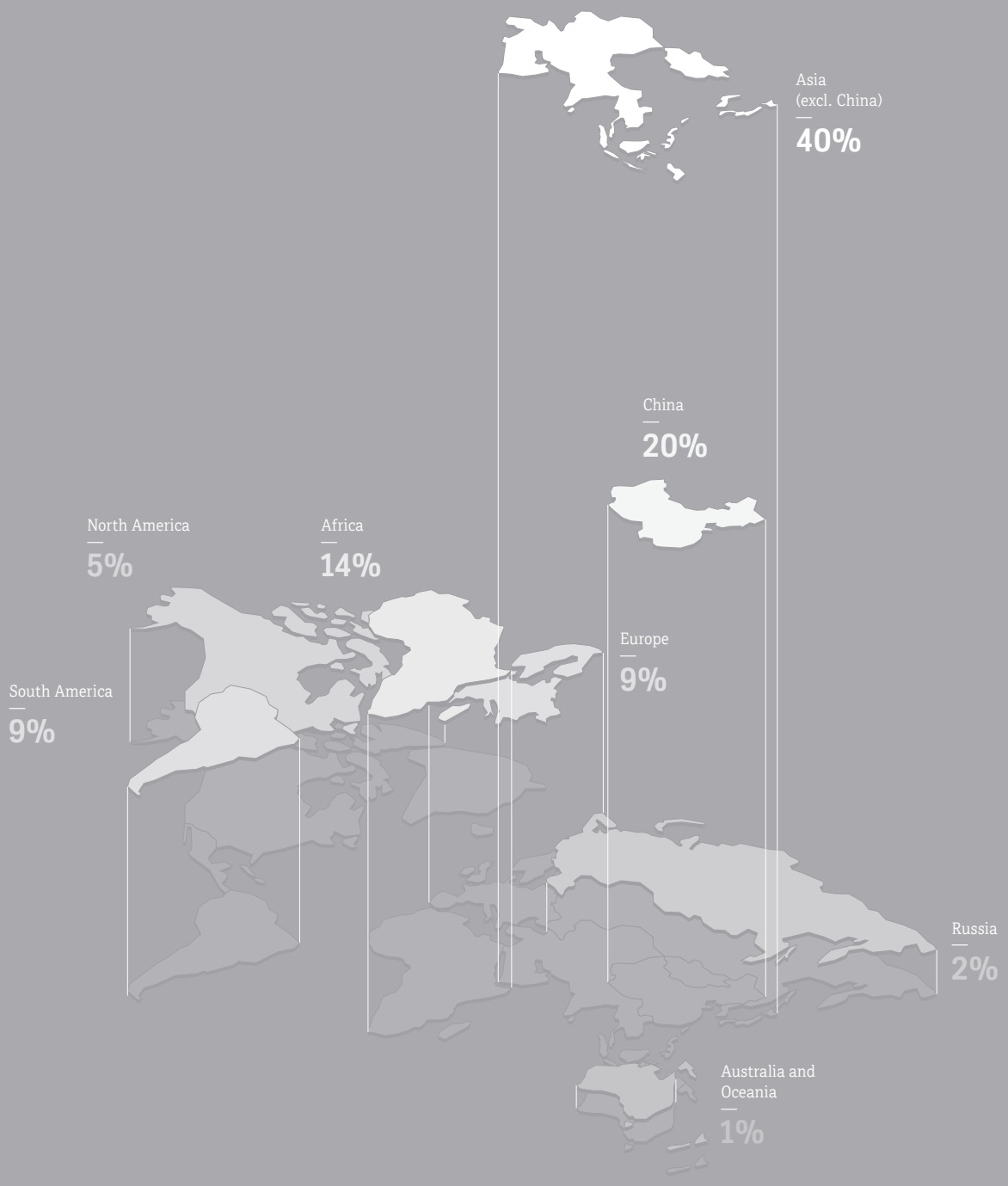
To our stockholders

The Executive Board and Supervisory Board of ThyssenKrupp AG work together closely in an atmosphere of trust. Their joint goal is to secure the future of the Group and increase its value. On the following pages you can read more about the composition and work of both bodies, our corporate governance practices and the performance of our stock in the past fiscal year. We also comment on our responsibility to society.

Executive Board and Supervisory Board — **Page 13** Report by the Supervisory Board — **Page 18** Corporate Governance at ThyssenKrupp — **Page 24** ThyssenKrupp stock — **Page 35** Responsibility to society — **Page 40**

6.6 billion people.
How can they all get what they need?

Find out more in the magazine in the front cover of this Annual Report.



SHARE OF WORLD POPULATION in %

Executive Board and Supervisory Board

Under Germany's two-tier corporate governance system, stock corporations have two boards with clearly separated functions: The executive board is responsible for managing the company, while the role of the supervisory board is to oversee and advise the executive board.

The following pages provide information on the composition of the two boards at ThyssenKrupp AG, the responsibilities of the individual Executive Board members and the committees formed by the Supervisory Board.

EXECUTIVE BOARD

from left

Dr.-Ing. Ekkehard D. Schulz

Chairman, born 1941, Executive Board Member since 1991, appointed until January 23, 2009, responsible for Corporate Communications and Strategy, Energy and Environment, Internal Auditing, Legal and Compliance, Management Development and Top Executives, Technology

Dr. Ulrich Middelmann

Vice Chairman, born 1945, Executive Board Member since 1992, appointed until September 30, 2010, responsible for Corporate Accounting and Financial Reporting, Controlling, Corporate Finance, Investor Relations, Materials Management, Mergers & Acquisitions, Taxes and Customs, and for Risk and Insurance Services

At December 1, 2007






from top left to bottom right

Dr. Olaf Berlien
also Executive Board Chairman of ThyssenKrupp Technologies AG, born 1962, Executive Board Member since 2002, appointed until March 31, 2012, responsible for the Technologies segment

Edwin Eichler
also Executive Board Chairman of ThyssenKrupp Elevator AG and ThyssenKrupp Services AG, born 1958, Executive Board Member since 2002, appointed until September 30, 2012, responsible for the Elevator and Services segments

Jürgen H. Fechter
also Executive Board Chairman of ThyssenKrupp Stainless AG, born 1962, Executive Board Member since 2005, appointed until September 30, 2013, responsible for the Stainless segment

Dr.-Ing. Karl-Ulrich Köhler
also Executive Board Chairman of ThyssenKrupp Steel AG, born 1956, Executive Board Member since 2005, appointed until September 30, 2013, responsible for the Steel segment

Ralph Labonte
also Executive Board Member of ThyssenKrupp Technologies AG, born 1953, Executive Board Member since 2003, appointed until December 31, 2012, responsible for Corporate Human Resources, Information Management, and for Services and Real Estate

Dr.-Ing. Wolfram Mörsdorf
also Executive Board Vice Chairman of ThyssenKrupp Technologies AG, born 1948, Executive Board Member since 2004, appointed until April 14, 2009

Dr. A. Stefan Kirsten resigned from the Executive Board at the close of November 30, 2006.

SUPERVISORY BOARD

Prof. Dr. h.c. mult. Berthold Beitz, Essen	Honorary Chairman, Chairman of the Board of Trustees of the Alfried Krupp von Bohlen und Halbach Foundation
Prof. Dr. Günter Vogelsang, Düsseldorf	Honorary Chairman
Dr. Gerhard Cromme, Essen	Chairman, former Chairman of the Executive Board of ThyssenKrupp AG
Bertin Eichler, Frankfurt/Main	Vice Chairman, Member of the Executive Committee of the IG Metall trade union
Markus Bistram, Dinslaken	Trade union secretary at the Düsseldorf branch office of IG Metall
Theo Frielinghaus, Ahlen (since January 04, 2007)	Engineering technician, Chairman of the Works Council of Polysius AG
Heinrich Hentschel, Emden	Technical clerk/Hydrostatics, Member of the Works Council of Nordseewerke GmbH
Prof. Jürgen Hubbert, Sindelfingen	Former Member of the Executive Board of DaimlerChrysler AG
Klaus Ix, Siek	Fitter, Chairman of the Works Council of ThyssenKrupp Fahrtreppen GmbH
Hüseyin Kavvesoglu, Maxdorf	Foreman, Chairman of the Works Council Union ThyssenKrupp Services
Dr. Martin Kohlhaussen, Bad Homburg	Chairman of the Supervisory Board of Commerzbank AG
Dr. Heinz Kriwet, Düsseldorf	Former Chairman of the Executive Board of Thyssen AG
Dr.-Ing. Klaus T. Müller, Dortmund	Team coordinator, quality management and process technology at ThyssenKrupp Steel AG
Prof. Dr. Bernhard Pellens, Bochum	Professor of Business Studies and International Accounting, Ruhr University Bochum
Dr. Heinrich v. Pierer, Erlangen	Former Chairman of the Supervisory Board of Siemens AG
Dr. Kersten v. Schenck, Bad Homburg	Attorney and notary public
Peter Scherrer, Brussels	General secretary of the European Metalworkers' Federation

At December 1, 2007

Thomas Schlenz, Duisburg	Shift foreman, Chairman of the Group Works Council of ThyssenKrupp AG
Dr. Henning Schulte-Noelle, Munich	Chairman of the Supervisory Board of Allianz SE
Wilhelm Segerath, Duisburg	Automotive bodymaker, Chairman of the General Works Council of ThyssenKrupp Steel AG and Chairman of the Works Council Union ThyssenKrupp Steel
Christian Streiff, Paris	President of PSA Peugeot Citroën S.A.
Gerold Vogel, Hagen (until December 31, 2006)	Fitter, Chairman of the European Works Council of ThyssenKrupp AG
Prof. Dr. Gang Wan, Shanghai	Minister of Science and Technology of the People's Republic of China

SUPERVISORY BOARD COMMITTEES

Executive Committee	Dr. Gerhard Cromme (Chairman), Bertin Eichler, Thomas Schlenz, Dr. Henning Schulte-Noelle
Mediation Committee under Art. 27 par. 3 Codetermination Act	Dr. Gerhard Cromme (Chairman), Bertin Eichler, Thomas Schlenz, Dr. Henning Schulte-Noelle
Personnel Committee	Dr. Gerhard Cromme (Chairman), Bertin Eichler, Thomas Schlenz, Dr. Henning Schulte-Noelle
Audit Committee	Dr. Martin Kohlhaussen (Chairman), Dr. Gerhard Cromme, Klaus Ix, Hüseyin Kavvesoglu, Prof. Dr. Bernhard Pellens, Thomas Schlenz
Strategy, Finance and Investment Committee	Dr. Gerhard Cromme (Chairman), Markus Bistram, Bertin Eichler, Theo Frielinghaus, Dr. Heinz Kriwet, Dr. Heinrich v. Pierer, Dr. Kersten v. Schenck, Wilhelm Segerath
Nomination Committee	Dr. Gerhard Cromme (Chairman), Dr. Martin Kohlhaussen, Dr. Henning Schulte-Noelle

Report by the Supervisory Board

In this report the Supervisory Board gives an account of its activities in the 2006/2007 fiscal year and describes its ongoing dialogue with the Executive Board, the main subjects of discussions at the full Supervisory Board meetings, the work of the committees and the audit of the financial statements.

Dr. Gerhard Cromme

Chairman of the Supervisory Board

The Executive Board and Supervisory Board agreed the Company's strategic alignment.

In the 2006/2007 fiscal year, the Supervisory Board continued to perform the functions for which it is responsible according to statutory provisions and the Articles of Association with the utmost care. We regularly advised the Executive Board on the management of the Company and supervised the conduct of business. The Supervisory Board was directly involved from an early stage in all decisions of fundamental significance for the Company. In written and verbal reports, the Executive Board furnished us with regular, up-to-date and comprehensive information on all relevant issues of corporate planning and strategy, business progress, and the state of the Group. We paid particular attention to the risk situation, risk management and the ThyssenKrupp compliance program. Where the actual course of business deviated from plans and targets, this was explained to the Supervisory Board in detail and examined by us on the basis of the documents presented. The Executive Board agreed the Company's strategic alignment with us. All events of importance to the Company were discussed in detail by the Supervisory Board Executive Committee (Praesidium) and the full Supervisory Board on the basis of reports by the Executive Board.

Where required by statutory provisions and the Articles of Association, the Supervisory Board voted on the reports and resolution proposals of the Executive Board after detailed examination and discussion. In addition to the intensive work carried out by the Supervisory Board and the committees,

I and other Supervisory Board members were personally in regular contact with the Executive Board outside the meetings and were kept informed about the current business situation and key business transactions. In separate meetings I discussed the perspectives and future strategic focus of the individual Group segments with the Executive Board.

Four Supervisory Board meetings were held in fiscal 2006/2007. Between meetings, the Executive Board informed us immediately and in detail by means of written reports about events of importance for assessing the current situation and further developments and for the management of the Company. In the event of urgent transactions, the Supervisory Board passed resolutions by written vote where necessary. Conflicts of interest of Executive Board and Supervisory Board members, which must be disclosed to the Supervisory Board immediately and reported to the Annual General Meeting, did not occur.

Efficient work in the Supervisory Board committees

The Supervisory Board has formed a total of six committees, most recently the nomination committee in September 2007.

To enhance the efficiency of its work, The Supervisory Board has set up a total of six committees which prepare the resolutions of the Supervisory Board as well as the issues to be dealt with at the full meetings. Where legally permissible, in individual cases decision-making powers of the Supervisory Board were delegated to committees. This delegation of work has proved extremely valuable in practice. All committees are chaired by the Supervisory Board Chairman, with the exception of the Audit Committee. The chairmen of the committees reported regularly and in detail on the meetings and the work of the committees in the full-session meetings. The compositions of the individual committees are shown on page 17.

The Executive Committee (Praesidium) met five times in the reporting period. Between meetings, I discussed projects of particular importance to the Group with the members of the Executive Committee. The main subjects of discussion were the steel mill project in Brazil and the building of a new joint plant for the Steel and Stainless segments in the USA. The Executive Committee also dealt with the payment of the fine imposed by the EU Commission on account of competition-law infringements in the Elevator segment. It discussed the consequences to be drawn from this and the Group's compliance program. Other subjects were the implementation of the German Corporate Governance Code, the preparation of the efficiency review of the Supervisory Board and a new Supervisory Board compensation structure. Detailed information on Supervisory Board compensation is provided in the compensation report on pages 32–34.

The Personnel Committee, which is responsible for the employment contracts and compensation of the Executive Board members and for other Executive Board matters, met four times. Key subjects of discussion were the renewal of Executive Board employment contracts, the compensation system and the amount of compensation paid to the Executive Board, the acceptance of external directorships by Executive Board members and the retention of a law firm to which a member of the Supervisory Board belongs. In its meeting on May 11, 2007 the Personnel Committee approved a revised bonus system for the Executive Board which was also discussed at the ensuing full-session meeting.

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

The Audit Committee likewise met four times. Its work focused in particular on the parent-company and consolidated financial statements, the audit reports, as well as the further development of the risk management system and the ThyssenKrupp compliance program. The Audit Committee discussed the interim reports to be published in the presence of the auditors. Furthermore, it obtained the statement of independence from the auditors required under Section 7.2.1 of the German Corporate Governance Code, awarded the audit engagement, and determined the audit priority areas and the auditors' fee. Further subjects discussed were the antitrust investigations by the EU Commission in the Elevator segment and the fine imposed in this connection, a report by Corporate Internal Auditing about its internal auditing work, and a routine report on litigation in the Group. The auditors participated in all four Audit Committee meetings and reported in detail on all findings and occurrences in the course of the audit of the annual financial statements and the audit review of the quarterly financial statements which were of significance to the work of the Supervisory Board.

The Strategy, Finance and Investment Committee met twice in the reporting period. It dealt with the international focus and strategic development of the Group and the individual segments and with corporate and investment planning, and prepared the relevant resolutions of the Supervisory Board. It also discussed in detail the building of the steel mill in Brazil as well as the future strategy of the Steel and Stainless segments in the NAFTA market and the associated planned building of a new plant in the USA.

The Nomination Committee, which was formed for the first time in September 2007 and will propose suitable candidates to the Supervisory Board for proposal to the Annual General Meeting when new elections are due, did not meet in the reporting period.

Wide spectrum of topics again discussed in the full Supervisory Board meetings

The new steel mill in Brazil and the NAFTA strategy of Steel and Stainless were frequent topics of discussion in the Supervisory Board.

The development of sales, earnings and employment in the Group and the individual segments, the financial situation and all major investment and disposal projects were the subject of regular deliberations at the full-session meetings. In several meetings we discussed the steel mill project in Brazil, the future alignment of the Steel and Stainless segments in the NAFTA region, the administrative fine proceedings of the EU Commission in connection with infringement of competition law in the Elevator segment, and Executive Board matters.

At the beginning of November 2006, the Supervisory Board approved by written procedure, on the basis of extensive documentation, the sale of the chassis and suspension business of ThyssenKrupp Automotive in North America to Martinrea.

In the meeting on November 30, 2006 we focused on the parent-company and consolidated financial statements for the year ended September 30, 2006 and the corporate plan for fiscal 2006/2007. On the basis of a detailed report by the Executive Board we also discussed the strategic development of the Group, focusing in particular on the steel mill project in Brazil, the NAFTA strategy of the Steel and Stainless segments, and an assessment of the chances of acquiring the Canadian steel manufacturer Dofasco. In this connection, the Supervisory Board also discussed the consequences for ThyssenKrupp of the continued consolidation on the world steel market. Against the background of the major investment projects, we also dealt in detail with the financial latitude available, the Group's rating situation and the safeguarding of dividend continuity. Another key subject in this meeting was

Again in 2006/2007 the Supervisory Board reviewed the efficiency of its work.

the antitrust investigation by the EU Commission in the Elevator segment and the measures taken by the Executive Board in this connection. In preparation for the Annual General Meeting in January 2007, we discussed with the Executive Board the creation of authorized capital as well as the creation of a designation right for the Alfried Krupp von Bohlen und Halbach Foundation in connection with future appointments to the Supervisory Board. Furthermore, we discussed the compensation system for the Executive Board and obtained a detailed progress report on the new ThyssenKrupp Quarter in Essen. In the absence of the Executive Board, the Supervisory Board dealt with the efficiency review of the Supervisory Board which had previously been prepared by the Executive Committee. A key issue here was the new compensation system for the Supervisory Board, information on which is contained in the compensation report below.

In the meeting on January 19, 2007 – immediately before the Annual General Meeting – the Executive Board reported mainly on the current situation of the Group. The meeting also served to prepare for the ensuing stockholders' meeting. In addition, we approved an investment program for the expansion of the Waupaca foundry in America. Furthermore, the Executive Board presented its deliberations on the disposal of a real estate package including the current headquarters building in Düsseldorf. We approved the disposal on conclusion of the negotiations in March 2007 by written procedure on the basis of extensive documentation.

We used the meeting on May 11, 2007 mainly to discuss the Group's strategic development with the Executive Board. On the basis of detailed documents, the Supervisory Board approved the construction of a new joint steel mill for the Steel and Stainless segments in the USA, aimed at enhancing our market position in the NAFTA region. In the same meeting we approved the investment plan for the 2007/2008 fiscal year and the financing thereof and discussed with the Executive Board the effects on ThyssenKrupp of the corporate tax reform planned by the German government. Following a detailed presentation, we discussed the ThyssenKrupp compliance program and the measures for its continued development with the Executive Board. In consultation with the Supervisory Board, the compliance program was reviewed by a law firm. The review found that it meets the legal requirements and best practice standards. Further, we dealt in this meeting with the modified bonus system for the Executive Board, under which part of the bonuses paid to the segment executive board chairmen will be linked to their segment's EBT and ROCE from fiscal year 2006/2007. In addition, we approved the sale of the 33.33% shareholding in the Aventec group in Mexico, which is active in automotive body stampings, to the co-shareholders Hirotec and Sumitomo.

Items on the agenda for the Supervisory Board meeting on September 05, 2007 included the report by the Executive Board on the situation of the Group and a progress report on the building of the new steel mill in the USA. A detailed presentation gave us a deeper insight into the development and future alignment of the Elevator segment, which we discussed with the Executive Board. Furthermore, the Supervisory Board gave its approval for the disposal of the shareholding in RAG AG to the RAG Foundation and for the acquisition of the steel trading company Ferostav in Slovakia by the Services segment. In addition, in accordance with the German Corporate Governance Code as amended on June 14, 2007, the Supervisory Board resolved an amendment of the Rules of Procedure for the Executive Board, the Supervisory Board and the Audit Committee and formed a Nomination Committee.

High corporate governance standards maintained

The Supervisory Board continuously monitored the further development of corporate governance standards. The Executive Board – also on behalf of the Supervisory Board – reports on corporate governance at ThyssenKrupp in the corporate governance report on pages 24–34 in accordance with section 3.10 of the German Corporate Governance Code. In the Supervisory Board meeting on September 05, 2007 we discussed the implementation of the Code at ThyssenKrupp in depth with the Executive Board. We focused in particular on the amendments to the Code made by the Government Commission on the German Corporate Governance Code in its meeting on June 14, 2007. On October 01, 2007 the Executive Board and Supervisory Board issued an updated Declaration of Conformity according to Art. 161 of the Stock Corporation Act (AktG) and made it permanently available to stockholders on the Company website. ThyssenKrupp AG complies with all recommendations of the Code as amended on June 14, 2007, published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger) on July 20, 2007.

Detailed discussion of the audit of the parent-company and consolidated financial statements

The parent-company and the consolidated financial statements received an unqualified audit opinion.

The parent-company financial statements for the period October 01, 2006 to September 30, 2007, prepared by the Executive Board in accordance with HGB (German GAAP) rules, and the management report of ThyssenKrupp AG were audited by KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Berlin. The audit contract had been awarded by the Audit Committee of the Supervisory Board in accordance with the resolution of the Annual General Meeting on January 19, 2007. The auditors issued an unqualified audit opinion.

The consolidated financial statements of ThyssenKrupp AG were prepared on the basis of IFRS in accordance with Art. 315a HGB. The consolidated financial statements and the management report on the Group were also given an unqualified audit opinion.

The Audit Committee had selected the following key audit areas for the reporting period: The hedging of raw material and commodity supplies through suitable derivatives, the sale and assignment of inventories, as well as the internal controls in selected areas and their effectiveness against corruption risks. The reports on this as well as the other audit reports and financial statement documentation were sent to all Supervisory Board members in good time. They were discussed at length in the Audit Committee meeting on November 16, 2007 and in the Supervisory Board meeting on November 30, 2007. At both meetings, the auditors took part in the discussion of the parent-company and consolidated financial statements. They reported on the main results of the audits and were available to the Supervisory Board to answer questions and provide supplementary information.

Following our own examination of the parent-company financial statements, the consolidated financial statements, the management report and the management report on the Group, we approved the result of the audit and, in the meeting on November 30, 2007, on the recommendation of the Audit Committee approved the parent-company and consolidated financial statements. The parent-company financial statements are thus adopted. We concurred with the proposal of the Executive Board for the appropriation of net income.

Changes in the composition of the Supervisory Board and Executive Board

In the year under review, there was one change in the composition of the Supervisory Board of ThyssenKrupp AG: Mr. Gerold Vogel stepped down from the Supervisory Board at the close of December 31, 2006. By court ruling effective January 04, 2007, Mr. Theo Frielinghaus was appointed to the Supervisory Board as his successor. Mr. Frielinghaus also succeeds Mr. Vogel as a member of the Strategy, Finance and Investment Committee. The Supervisory Board thanks Mr. Vogel for his constructive and expert contributions and for the good and trustful cooperation. Also on the Strategy, Finance and Investment Committee, Mr. Markus Bistram took over from Mr. Peter Scherrer as from January 19, 2007.

The appointments of several Executive Board members were extended in 2006 and 2007.

In its meeting in November 2006, the Supervisory Board extended the appointment of Mr. Edwin Eichler as member of the Executive Board of ThyssenKrupp AG until September 30, 2012. In the January 2007 meeting, the appointment of Mr. Ralph Labonte as Executive Board member and labor director was extended until December 31, 2012, and in the May 2007 meeting the appointment of Dr. Ulrich Middelmann as Executive Board member and Executive Board Vice Chairman was extended until September 30, 2010. In the November 2007 meeting the Supervisory Board extended the appointments of Mr. Jürgen H. Fechter and Dr.-Ing. Karl-Ulrich Köhler, in each case until September 30, 2013.

At the close of November 30, 2006 Dr. A. Stefan Kirsten left the Company at his own request. The Supervisory Board thanks Dr. Kirsten for his successful work for the Group. Dr. Kirsten's functions were allocated to Dr. Middelmann with the exception of information management, which was assigned to Mr. Labonte.

The Supervisory Board thanks the executive and management boards, the employees and employee representatives of all Group subsidiaries and expresses its appreciation for their successful work in the past fiscal year.

The Supervisory Board

Dr. Gerhard Cromme
Chairman
Düsseldorf, November 30, 2007

Corporate Governance at ThyssenKrupp

ThyssenKrupp has always attached great importance to responsible and transparent corporate governance aimed at creating value on a sustainable basis. Our Company complies with all the recommendations of the German Corporate Governance Code, including the Code amendments resolved by the Government Commission on the German Corporate Governance Code on June 14, 2007. In the reporting period a key area of corporate governance activities was the further development of the ThyssenKrupp compliance program.

CORPORATE GOVERNANCE REPORT

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

ThyssenKrupp has always been guided by internationally and nationally recognized standards of good and responsible corporate management. We regard corporate governance as an issue which embraces all areas of the Group. We aim to justify on a sustained basis the trust placed in us by investors, financial markets, business partners, employees and the general public and to continuously further develop corporate governance in the Group. We are convinced that good corporate governance is an essential element of the Company's success.

Detailed information on corporate governance at ThyssenKrupp is also available on our website. The current Declaration of Conformity and previous Declarations of Conformity can also be accessed from the website.

Unqualified Declaration of Conformity again

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

On October 01, 2007 the Executive Board and Supervisory Board issued the statutory Declaration of Conformity in accordance with Art. 161 of the Stock Corporation Act (AktG), stating that ThyssenKrupp complies with all the recommendations of the German Corporate Governance Code as amended on June 14, 2007.

Beyond this, with one exception, ThyssenKrupp also complies with the suggestions of the Code, including the new provisions introduced in the Code on June 14, 2007 on the so-called severance payment cap. ThyssenKrupp will comply with these suggestions when concluding and renewing Executive Board contracts. The only suggestion we continue not to implement is that in section 5.4.6 of the Code on the election and re-election of Supervisory Board members at different dates and for different periods of office. In the interests of the continuity of Supervisory Board work, we consider it expedient to stick to a common period of office, especially for the stockholder representatives.

At our exchange-listed subsidiary Eisen- und Hüttenwerke AG, the German Corporate Governance Code is implemented taking into account the particularities of its membership in the Group. Variances are set out in the company's Declaration of Conformity of September 19, 2007.

Services and internet information for our stockholders

Stockholders, analysts, stockholder associations, the media and interested members of the public are kept regularly informed about important recurring dates, such as the date of the Annual General Meeting, by a financial calendar which is published in the Annual Report, the quarterly reports and on the Company's website. As part of our investor relations activities, we hold regular meetings with analysts and institutional investors. In addition to the annual analysts' conferences on the annual financial statements and half-year financial statements, conference calls for analysts are organized to coincide with the publication of the interim reports on the 1st and 3rd quarters. All the presentations we prepare for these events and also for roadshows and investors' meetings are accessible on the internet. The venues and dates of roadshows and investors' meetings are also available online.

The Annual General Meeting of ThyssenKrupp is organized and conducted in such a way as to ensure all stockholders receive all the information they need quickly and efficiently before and during the meeting. We also aim to make it easier for them to register for the Annual General Meeting and exercise their rights. Ahead of the Annual General Meeting, stockholders therefore receive detailed information on the past fiscal year and the individual agenda items for the meeting in the Annual Report and the invitation to the meeting. All documents and information on the Annual General Meeting as well as the Annual Report are also available on our website. Other information is made available on our website seven days before and during the Annual General Meeting. We also publish the attendance figure and voting results directly after the Annual General Meeting. This promotes and simplifies the exchange of information between us and our stockholders on all matters relating to the Annual General Meeting.

The Annual General Meeting is broadcast in full on the internet for anyone interested to view.

Stockholders unable to attend the Annual General Meeting can view it on the internet in full. Stockholders can exercise their voting rights in person or by proxy, for which they can authorize a representative of their choice or a company-nominated proxy acting on their instructions. Proxy voting instructions can also be issued in advance and during the meeting up to the end of the general debate by electronic media.

Close cooperation between Executive Board and Supervisory Board

The Executive Board and Supervisory Board work closely together in the interest of the Company. Their joint goal is to increase the value of the enterprise on a sustainable basis. To ensure independent advice and supervision of the Executive Board, the Supervisory Board comprises no more than two former Executive Board members. The Executive Board provides the Supervisory Board with regular detailed updates on all issues of relevance to the Company related to planning, business development, the risk situation and the risk management system. These updates explain and give reasons for variances between the actual course of business and the Company's plans and targets. The Executive Board's reports also include the subject of compliance, i.e. the measures in place at ThyssenKrupp to ensure compliance with statutory provisions and the Group's internal policies. Under the Articles of Association, important business transactions are subject to Supervisory Board approval. For more details, please turn to the Report by the Supervisory Board on pages 18–23.

The Company has taken out directors and officers (D&O) liability insurance with an appropriate deductible for the members of ThyssenKrupp AG's Executive and Supervisory Boards.

Again this year, the only case of a consultancy or other service contract between members of the Supervisory Board and the Company related to Dr. v. Schenck, who is both a member of our Company's Supervisory Board and a partner in the international law firm Clifford Chance. Insofar as this law firm acted in a legal advisory capacity for the Company during the reporting period, the engagement was approved by the Supervisory Board Personnel Committee. Conflicts of interest of Executive or Supervisory Board members, which must be disclosed immediately to the Supervisory Board, did not occur.

The period of office of the stockholder representatives on the Supervisory Board ends at the close of the Annual General Meeting which resolves on discharging the Supervisory Board from responsibility for fiscal 2008/2009. The period of office of the employee representatives ends at the close of the Annual General Meeting which resolves on discharging the Supervisory Board from responsibility for fiscal 2007/2008.

Responsible risk management

Good corporate governance involves dealing responsibly with risks. The Executive Board ensures that an appropriate risk management and risk control system is in place in the Company. The systematic risk management activities performed as part of our value-based Group management approach identify and assess risks at an early stage and optimize risk exposure. The Executive Board keeps the Supervisory Board informed about existing risks and their development. The risk management system is continuously evolved and adapted to changing conditions. For more details, please turn to the Risk Management section on pages 113–119.

Compliance as a key management duty of the Executive Board

Compliance, in the sense of measures to ensure adherence to statutory provisions and internal Company policies, is a key management duty at ThyssenKrupp. A compliance program was introduced directly after the merger of Thyssen and Krupp in 1999. It has been regularly reviewed and revised as necessary ever since. The Groupwide compliance activities focus on antitrust law and anticorruption policies.

The Executive Board's compliance commitment signifies zero tolerance of antitrust violations and corruption.

In April 2007 the Executive Board of ThyssenKrupp AG unequivocally reiterated its rejection of antitrust violations and corruption in the ThyssenKrupp Compliance Commitment. Antitrust violations and corruption will not be tolerated and will result in sanctions against the persons concerned. All employees are requested to cooperate actively in their areas of responsibility in implementing the compliance program. The compliance commitment is supplemented by various Group policy statements and publications which explain the underlying statutory provisions in more detail.

The segments are responsible for implementing the compliance program. Their legal and compliance departments hold regular training sessions to inform employees about the relevant statutory provisions and internal policies and are available to answer individual questions. Classroom training sessions are supplemented by a Groupwide interactive e-learning program, which around 20,000 employees have taken part in to date.

To supplement the compliance program we also introduced a whistleblower hotline in the reporting period which is operated by a law firm appointed by us.

The Group set up a whistleblower hotline in 2007 – toll-free for all employees worldwide.

The whistleblower hotline is available to employees of the Group to report possible infringements of laws or policies, in particular antitrust violations and corruption, at ThyssenKrupp companies. The hotline can be contacted from anywhere in the world and is toll-free for employees. Information can be submitted by telephone or e-mail. Contact data are available on our website.

Further compliance measures relate to capital market law and compliance with the corresponding Group policy. To supplement the prohibition of insider dealing under Art. 15a of the Securities Trading Law (WpHG), an insider policy sets out principles for dealing with inside information and ensures the requisite transparency. The Group has a long-established clearing office for ad hoc disclosures in which representatives of various specialist departments carry out assessments to identify any matters subject to ad hoc reporting requirements, with a view to ensuring potential inside information is handled in compliance with the law. All persons with access to inside information are entered in an insider register.

Active and transparent communications

To maximize transparency and ensure equal opportunities for everyone, the aim of our corporate communications is to make the same information available to all target groups at the same time. Stockholders and potential investors have access to the latest news and developments at the Group on our website. All press and stock exchange (ad hoc) announcements made by ThyssenKrupp AG are published online. The Company's Articles of Association and the Rules of Procedure for the Executive Board, Supervisory Board and Audit Committee can also be viewed on our website, as can the annual report, interim reports and details of how ThyssenKrupp is implementing the recommendations and suggestions of the German Corporate Governance Code. All stockholders and interested readers can subscribe to an electronic newsletter which reports news from the Group.

According to Art. 15a of the Securities Trading Law (WpHG) the members of the Executive Board and Supervisory Board of ThyssenKrupp AG are obligated to disclose the purchase and sale of ThyssenKrupp shares and related financial instruments. This also applies to specific employees with management duties and parties closely related to them. At September 30, 2007 ThyssenKrupp AG had received two notifications for the reporting period which are published on our website. These state that Dr. Ulrich Middelmann and Dr.-Ing. Ekkehard D. Schulz purchased shares as follows:

DIRECTORS' DEALINGS 2006/2007

Name	Date Place	Function	Type of transaction	Volume	Price in €	Total volume in €
Dr. Ulrich Middelmann	01-22-2007 Düsseldorf	Executive Board member	Purchase	7,140	34.99	249,853.77
Dr.-Ing. Ekkehard D. Schulz	08-10-2007 Xetra	Executive Board member	Purchase	13,450	37.22	500,586.84

At September 30, 2007 the total volume of shares in ThyssenKrupp AG held by all Executive and Supervisory Board members was less than 1% of the shares issued by the Company. There were therefore no cases of share ownership subject to disclosure under section 6.6 of the German Corporate Governance Code at this date.

The other directorships held by Executive and Supervisory Board members are listed on pages 219–221. Details of related party transactions are given in the Notes to the Consolidated Financial Statements on page 182.

Financial-statement audit by KPMG

The auditors have wide-ranging duties to inform the Supervisory Board and the Audit Committee.

Since fiscal year 2005/2006 accounting at ThyssenKrupp has been based on the International Financial Reporting Standards (IFRS). For the reporting period we again agreed with the auditors KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Berlin that the Chairman of the Audit Committee would be informed immediately of any possible grounds for exclusion or bias arising during the audit insofar as they are not immediately eliminated, and that the auditors would report immediately on any findings and occurrences during the audit which have a significant bearing on the duties of the Supervisory Board. It was also agreed that the auditors would inform the Supervisory Board or make a note in the audit report of any facts ascertained during their examination which are inconsistent with the Declaration of Conformity issued under Art. 161 Stock Corporation Act (AktG) by the Executive Board and Supervisory Board.

Focus on good corporate governance to continue

Compliance with the principles of good corporate governance will continue to be a central management duty for us in the current fiscal year. We will continue to be guided by the rules of the German Corporate Governance Code and will implement the Code accordingly. This also applies to the Code's most recent rules adopted in June 2007 on the severance payment cap and the nomination committee, which was established by the Supervisory Board of ThyssenKrupp AG in September 2007. The Executive Board and Supervisory Board will continue their close cooperation based on trust and will jointly discuss all major business transactions. We will offer our stockholders the usual facilities for authorizing proxies and exercising their voting rights for the Annual General Meeting on January 18, 2008, and we will transmit the meeting live on the internet. The implementation of our Groupwide compliance program on antitrust law and combating corruption is likewise an ongoing management duty which we will systematically pursue.

COMPENSATION REPORT

The following Compensation Report forms part of the management report on the Group, see page 48.

Performance-based compensation for Executive Board

The overall compensation paid to Executive Board members consists of a number of compensation components. These are fixed compensation, a bonus, a long-term incentive component as well as additional benefits and pension plans.

The structure of this compensation system is discussed and regularly reviewed by the Supervisory Board at the proposal of the Personnel Committee. Determining the compensation of individual Executive Board members is the duty of the Personnel Committee, which decides on appropriate compensation.

Compensation is based in particular on the duties of the individual Executive Board member, his/her personal performance and that of the Executive Board as well as on the business situation, success and prospects of the Company relative to its peers.

In the future, when Executive Board contracts are concluded or renewed the following is to be included in the contract: If an Executive Board member's activity is terminated prematurely without cause, payments to him/her shall not exceed the value of two years' compensation including benefits. Executive Board contracts at ThyssenKrupp do not contain a promise of payments in the event of premature termination of their Executive Board activity resulting from a change of control.

Compensation for Executive Board members comprises non-performance-related and performance-related components. The non-performance-related components are the fixed compensation, additional benefits and pension plans, while the performance-related components are the bonus and the long-term incentive components.

The basic non-performance-related fixed compensation is paid out as a monthly salary. It is reviewed every three years among other things on the basis of the general salary trend in the Group. The Executive Board members also receive additional non-cash benefits mainly comprising the tax value of real property, related incidental costs, insurance premiums and the use of Company cars for private purposes. The Executive Board members are responsible for paying tax on these additional benefits as compensation components. In principle they are available in the same way to all Executive Board members; they vary in amount according to the personal situation of the individual member. As in the previous year, no loans or advance payments were granted to members of the Executive Board in the year under review.

The bonus paid to Executive Board members depends on the development of EBT and ROCE.

The first component of performance-related compensation is the bonus. The bonus amount is based equally on the development of EBT (earnings before taxes) and ROCE (return on capital employed). From fiscal year 2006/2007 part of the bonus paid to the chairmen of the segment holding company executive boards will depend on their segment's key indicators (EBT, ROCE). This means that the bonus as a performance incentive is linked to the performance indicators used in the Group and also takes into account the performance of the segments. In addition to their bonus, Executive Board members receive a variable compensation component with a long-term incentive effect under the Mid Term Incentive plan (MTI). The bonus system and MTI plan are based on a policy which was issued by the Supervisory Board Personnel Committee in 2002 and modified in 2007.

Overall compensation to active members of the Executive Board for their work in fiscal 2006/2007 was €25.4 million (prior year: €23.1 million).

The compensation includes the stock rights granted to the Executive Board members under the 5th installment of the MTI at the beginning of January 2007. The stock rights are disclosed at their value at grant date, calculated in accordance with the requirements for international accounting. The number of stock rights issued under the MTI is adjusted at the end of a three-year performance period on the basis of a comparison of the average ThyssenKrupp Value Added (TKVA) over the three-year performance period – starting from October 01 of the fiscal year in which the stock rights were awarded – with the average TKVA of the previous three fiscal years. For every €50 million change in TKVA, the number of stock rights changes by 10%. More information on TKVA can be found on pages 54–58. At the end of a performance period the stock rights awarded are paid out on the basis of the average price of ThyssenKrupp shares in the first three months after the end of the performance period.

The following table shows the breakdown of compensation for the individual Executive Board members in the 2006/2007 fiscal year. The prior-year figures are shown in brackets:

EXECUTIVE BOARD COMPENSATION 2006/2007 in €000's

	Annual income			MTI rights granted in fiscal year		Total		Pension	
	Fixed salary	Additional benefits	Bonus	Number	Value at grant date		Expense from share-based compensation	Annual pension when payable (as at September 30, 2007)	Allocation to pension accrual in fiscal year
Dr.-Ing. Ekkehard D. Schulz, Chairman	875 [875]	160 [138]	2,711 [2,186]	8,278 [14,430]	276 [283]	4,022 [3,482]	3,789 [2,350]	569 [569]	568 [504]
Dr. Ulrich Middelmann Vice Chairman	663 [663]	176 [166]	2,054 [1,656]	6,271 [10,864]	209 [213]	3,102 [2,698]	2,871 [1,781]	398 [398]	952 [839]
Dr. Olaf Berlien	530 [530]	101 [91]	1,723 [1,325]	5,017 [8,691]	167 [171]	2,521 [2,117]	2,297 [1,425]	265 [159]	319 [185]
Edwin Eichler	530 [530]	87 [77]	1,743 [1,325]	5,017 [8,691]	167 [171]	2,527 [2,103]	2,297 [1,425]	159 [159]	436 [268]
Gary Elliott *	409 [530]	36 [84]	1,141 [1,325]	— [8,691]	— [171]	1,586 [2,110]	1,642 [1,155]	212 [212]	489 [645]
Jürgen H. Fechter	530 [530]	106 [97]	1,743 [1,325]	5,017 [8,691]	167 [171]	2,546 [2,123]	1,595 [886]	159 [159]	303 [180]
Dr. A. Stefan Kirsten **	442 [530]	60 [82]	1,369 [1,325]	— [8,691]	— [171]	1,871 [2,108]	2,102 [1,425]	159 [159]	363 [218]
Dr.-Ing. Karl-Ulrich Köhler	530 [530]	95 [94]	1,743 [1,325]	5,017 [8,691]	167 [171]	2,535 [2,120]	1,837 [1,155]	159 [159]	351 [236]
Ralph Labonte	530 [530]	100 [90]	1,643 [1,325]	5,017 [8,691]	167 [171]	2,440 [2,116]	2,297 [1,425]	159 [159]	454 [318]
Dr.-Ing. Wolfram Mörsdorf	530 [530]	106 [92]	1,479 [1,325]	5,017 [8,691]	167 [171]	2,282 [2,118]	2,259 [1,145]	265 [265]	555 [362]
Total	**5,569** **[5,778]**	**1,027** **[1,011]**	**17,349** **[14,442]**	**44,651** **[94,822]**	**1,487** **[1,864]**	**25,432** **[23,095]**	**22,986** **[14,172]**	**2,504** **[2,398]**	**4,790** **[3,755]**

* Appointment ended July 8, 2007 ** Appointment ended July 31, 2007

The increase in bonuses against the previous year is attributable to the considerable improvement in EBT and ROCE in the past fiscal year: EBT rose from €2,623 million to €3,330 million and ROCE from 17.9% to 20.7%.

The above table also provides details of the Executive Board members' pensions. Pensions are paid to former Executive Board members who have reached the normal age limit of currently 60 years, become permanently incapacitated for work or whose employment contract taking into account other income has been prematurely terminated or not renewed. The pension of an Executive Board member is based on a percentage of the final fixed salary component he/she received prior to termination of his/her employment contract. This percentage increases with the duration of the Executive Board member's appointment. In general it is 30% from the start of the first five-year period of appointment, 50% from the start of the second and 60% from the start of the third. The pension

of the Executive Board Chairman is 65%. Under a no longer valid agreement, two Executive Board members continue to receive a chauffeur-driven car and specific insurance benefits for a period of five years after entering into retirement on account of their having served on the Executive Board for over ten years. Current pensions are adjusted annually in line with the consumer price index. Under the surviving dependants' benefits plan, a widow receives 60% of the pension (previously 75%) and each dependant child (generally up to the age of 18, maximum age 27 years) 20%, up to a maximum of 100% of the pension amount. For these future pension entitlements the Company recognizes pension accruals on the basis of IFRS. In the year under review, allocations to the pension accruals for active Executive Board members amounted to €4,790,000 (prior year: €3,755,000). This amount comprises service costs of €2,818,000 (prior year: €2,110,000) and interest costs in the amount of €1,972,000 (prior year: €1,645,000).

No further payments have been promised to any Executive Board members in the event that they leave their post. No members of the Executive Board received payments or corresponding promises from third parties in connection with their Executive Board positions in the past fiscal year.

The MTI, the 2nd installment of which was paid out in fiscal year 2006/2007, replaced the Long Term Management Incentive plan (LTMI) which expired at the beginning of 2006. The value of the 2nd installment of the MTI was based on the increase in the average TKVA in the three fiscal years 2000/2001 - 2002/2003 against the average TKVA of the three-year performance period 2003/2004 - 2005/2006. On the basis of the significant increase in average TKVA from €(291) million to €1,026 million in the performance period, and the increase in the share price from €14.24 at the grant date to €29.90 at the end of the three-year performance period the Executive Board members received the following payments under the 2nd installment of the MTI. For the purpose of comparison, the share-based compensation payments of the previous year are shown in brackets: Dr. Schulz €1,889,000 [€1,508,000], Dr. Middelmann €1,431,000 [€1,142,000], Dr. Berlien, Mr. Eichler, Dr. Kirsten and Mr. Labonte €1,145,000 [€914,000] each, Dr. Mörsdorf €859,000 [€168,000], Mr. Elliott and Dr. Köhler €763,000 [€251,000] each, and Mr. Fechter €477,000 [€209,000]. Under the 3rd to 5th installments of the MTI the Executive Board members also have a total of 231,908 stock rights which have been awarded but are not yet payable.

Total compensation paid to former members of the Executive Board and their surviving dependants amounted to €15.1 million (prior year: €15.5 million). In accordance with IFRS an amount of €157.8 million (prior year: €157.8 million) was accrued for pension obligations benefiting former Executive Board members and their surviving dependants.

Share-based compensation for further executives

The discount share purchase plan was issued again in 2006/2007 for selected executive employees.

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

Beginning with the 2nd installment of the MTI, which was issued in 2004, the group of employees eligible to receive stock rights was expanded on modified terms to include the executive board members of the segment holding companies and other selected executive employees. The MTI for this group of beneficiaries resulted in expense of €46.5 million in the reporting period (prior year: €30.2 million).

For fiscal year 2006/2007 the Executive Board of ThyssenKrupp AG again resolved to offer selected executive employees who are not beneficiaries of the MTI a compensation instrument in the form of the discount share purchase plan. On expiry of a specified performance period, beneficiaries are offered the chance to purchase ThyssenKrupp shares up to a fixed euro amount at a discount, which is paid by the employer. The remaining amount is the contribution to be paid by participants. The discount amount depends on the (Group) TKVA over the performance period and can be up to 80%. The shares are purchased by participants on the stock market after expiry of the performance period. These shares are subject to a three-year blocking period.

With the discount share purchase plan, the variable compensation related to each company's performance has been expanded to include a Group-related element which integrates the central performance indicator TKVA in the incentive system. The aim of the share- and value-based compensation component is to promote concentration on the Group's targets and strengthen executives' identity with the Group.

In the reporting period the discount share purchase plan resulted in expense of €12.6 million (prior year: €2.7 million). The Executive Board of ThyssenKrupp AG will take a new decision on whether to reissue the plan in fiscal 2007/2008.

New Supervisory Board compensation structure in the Articles of Association

The current compensation rules for the Supervisory Board were resolved in the 2007 Annual General Meeting.

The compensation of the Supervisory Board is determined by the Annual General Meeting and is regulated in Art. 14 of the Articles of Association. It is based on the duties and responsibilities of the Supervisory Board members and on the situation and performance of the Group. The current compensation arrangement was resolved in the Annual General Meeting on January 19, 2007 with effect for the reporting period.

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

The Chairman receives three times the above fixed compensation, bonus and long-term performance-based component, and the Vice Chairman double these amounts. In accordance with the German Corporate Governance Code, chairmanship and membership of the Supervisory Board committees are compensated separately. Supervisory Board members who only serve on the Supervisory Board for part of the fiscal year receive a proportionally reduced compensation amount. If a Supervisory Board member does not attend a meeting of the Supervisory Board or a committee meeting, his/her compensation is reduced proportionally. In view of the fact that the Nomination Committee was only formed in September 2007 and did not meet in the reporting period, by mutual agreement no compensation will be paid to the members of this committee.

On the basis of the proposed dividend, members of the Supervisory Board will receive total compensation, including meeting attendance fees, of €3.4 million (prior year: €2.7 million). The individual Supervisory Board members will receive the amounts listed in the following table. The corresponding amounts for the previous year are shown in brackets:

SUPERVISORY BOARD COMPENSATION 2006/2007 in €

	Fixed compensation	Bonus*	Long-term compensation component	Compensation for committee work	Meeting attendance fees	Total
Dr. Gerhard Cromme, Chairman	150,000 [48,000]	108,000 [153,000]	95,780 [90,780]	117,927 [97,260]	7,500 [7,000]	479,207 [396,040]
Bertin Eichler, Vice Chairman	100,000 [32,000]	72,000 [102,000]	63,853 [54,226]	88,445 [70,584]	5,500 [5,000]	329,798 [263,810]
Markus Bistram	50,000 [16,000]	36,000 [51,000]	25,658 [14,219]	19,502 [—]	2,500 [2,000]	133,660 [83,219]
Wolfgang Boczek (until November 30, 2005)	— [2,674]	— [8,523]	— [21,867]	— [8,266]	— [1,000]	— [42,330]
Theo Frielinghaus (from January 04, 2007)	36,986 [—]	26,630 [—]	7,872 [—]	16,879 [—]	2,000 [—]	90,367 [—]
Heinrich Hentschel	50,000 [16,000]	36,000 [51,000]	31,927 [27,113]	— [—]	2,000 [2,000]	119,927 [96,113]
Prof. Jürgen Hubbert	50,000 [16,000]	36,000 [51,000]	28,661 [17,063]	— [—]	2,000 [2,000]	116,661 [86,063]
Klaus Ix	50,000 [16,000]	36,000 [51,000]	31,927 [30,260]	29,482 [24,315]	4,000 [4,000]	151,409 [125,575]
Hüseyin Kavvesoglu	50,000 [16,000]	36,000 [51,000]	31,927 [27,113]	27,025 [23,528]	3,500 [4,000]	148,452 [121,641]
Dr. Martin Kohlhaussen	45,833 [14,667]	33,000 [46,750]	29,266 [27,738]	58,963 [44,578]	3,500 [3,000]	170,562 [136,733]
Dr. Heinz Kriwet	50,000 [16,000]	36,000 [51,000]	31,927 [30,260]	29,482 [24,315]	3,000 [3,000]	150,409 [124,575]
Dr.-Ing. Klaus T. Müller	50,000 [16,000]	36,000 [51,000]	31,927 [27,113]	— [—]	2,000 [2,000]	119,927 [96,113]
Prof. Dr. Bernhard Pellens	50,000 [16,000]	36,000 [51,000]	28,661 [17,063]	28,665 [21,016]	4,000 [4,000]	147,326 [109,079]
Dr. Heinrich v. Pierer	50,000 [16,000]	36,000 [51,000]	28,661 [17,063]	28,665 [21,016]	3,000 [3,000]	146,326 [108,079]
Dr. Kersten v. Schenck	50,000 [16,000]	36,000 [51,000]	31,927 [25,207]	29,482 [23,052]	3,000 [3,000]	150,409 [118,259]
Peter Scherrer	50,000 [16,000]	36,000 [51,000]	31,927 [30,260]	8,966 [20,263]	2,500 [2,500]	129,393 [120,023]
Thomas Schlenz	50,000 [16,000]	36,000 [51,000]	31,927 [30,260]	88,445 [72,945]	6,500 [6,000]	212,872 [176,205]
Dr. Henning Schulte-Noelle	50,000 [14,667]	36,000 [46,750]	31,927 [27,738]	58,963 [44,578]	4,500 [3,000]	181,390 [136,733]
Wilhelm Segerath	50,000 [16,000]	36,000 [51,000]	31,927 [30,260]	29,482 [24,315]	3,000 [3,000]	150,409 [124,575]
Christian Streiff	45,833 [16,000]	33,000 [51,000]	26,273 [17,063]	— [—]	1,500 [2,000]	106,606 [86,063]
Gerold Vogel (until December 31, 2006)	12,603 [11,879]	9,074 [37,866]	10,584 [7,482]	2,033 [13,040]	1,000 [2,000]	35,294 [72,267]
Prof. Dr. Gang Wan	41,667 [16,000]	30,000 [51,000]	23,884 [17,063]	— [—]	1,000 [2,000]	96,551 [86,063]
Total	**1,132,922 [363,887]**	**815,704 [1,159,889]**	**688,423 [587,211]**	**662,406 [533,071]**	**67,500 [65,500]**	**3,366,955 [2,709,558]**

* Prior-year figures taking into consideration the limitation in anticipation of the planned new system of Supervisory Board compensation

Members of the Supervisory Board of ThyssenKrupp AG will additionally receive fixed compensation of €150,075 (prior year: €152,691) for supervisory board directorships at Group subsidiaries in fiscal 2006/2007. The individual members of the Supervisory Board will receive the amounts shown in the following table:

COMPENSATION FROM SUPERVISORY BOARD DIRECTORSHIPS WITHIN THE GROUP in €

	2005/2006	2006/2007
Markus Bistram	25,000	21,904
Wolfgang Boczek (until November 30, 2005)	4,178	–
Theo Frielinghaus (from January 04, 2007)	–	27,000
Klaus Ix	31,486	31,500
Hüseyin Kavvesoglu	34,000	34,000
Thomas Schlenz	30,000	30,000
Wilhelm Segerath	5,753	–
Gerold Vogel (until December 31, 2006)	22,274	5,671
Total	**152,691**	**150,075**

As in the prior year, the Supervisory Board members received no loans or advance payments in 2006/2007.

Beyond this, with one exception, as in the previous year Supervisory Board members received no further compensation or benefits in the reporting year for personal services rendered, in particular advisory and mediatory services. The international law firm Clifford Chance, one of whose partners is Supervisory Board member Dr. v. Schenck, received a total of €333,556 (prior year: €32,676) for consultancy services for subsidiaries of ThyssenKrupp in the past fiscal year. As in the previous year, no loans or advance payments were granted to members of the Supervisory Board, nor were any guarantees or other commitments entered into in favor of Supervisory Board members.

Former Supervisory Board members who left the Supervisory Board prior to October 01, 2006, receive a proportion of the long-term compensation component in the total amount of €29,567 (prior year: €97,793) for the time they served on the Supervisory Board. The breakdown is shown in the following table:

LONG-TERM COMPENSATION COMPONENT in €
for former supervisory board members who resigned before October 01 of the respective fiscal year

	2005/2006	2006/2007
Dieter Schulte, Vice Chairman (until January 23, 2004)	6,350	–
Dr. Karl-Hermann Baumann (until January 21, 2005)	13,225	3,295
Wolfgang Boczek (until November 30, 2005)	–	12,421
Carl-L. von Boehm-Bezing (until January 21, 2005)	13,225	3,295
Udo Externbrink (until January 23, 2004)	3,175	–
Herbert Funk (until January 23, 2004)	3,175	–
Dr. Klaus Götte (until March 31, 2004)	5,053	–
Reinhard Kuhlmann (until January 21, 2005)	13,225	3,295
Dr. Mohamad-Mehdi Navab-Motlagh (until January 21, 2005)	13,225	3,295
Dr. Friedel Neuber (died October 23, 2004)	10,740	671
Ernst-Otto Tetau (until January 23, 2004)	3,175	–
Bernhard Walter (until January 21, 2005)	13,225	3,295
Total	**97,793**	**29,567**

ThyssenKrupp stock

With a gain of 68%, ThyssenKrupp's stock once again gave stockholders cause for cheer in fiscal 2006/2007. By way of comparison, the DAX and DJ STOXX indices improved by 31% and 14% respectively. At the end of the fiscal year, market capitalization amounted to around €23 billion. This section provides detailed information on our investor relations activities and in particular ThyssenKrupp's stock and the stockholder structure.

KEY DATA OF THYSSENKRUPP STOCK

		2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
Capital stock	million €	1,317	1,317	1,317	1,317	1,317
Number of shares (total)	million shares	514.5	514.5	514.5	514.5	514.5
Stock exchange value end September	million €	5,927	8,072	8,936	13,670	22,977
Closing price end September	€	11.52	15.69	17.37	26.57	44.66
High	€	13.62	17.67	17.39	29.09	46.14
Low	€	7.01	11.55	13.89	16.62	26.19
Dividend per share	€	0.50	0.60	0.80 [1]	1.00	1.30 [2]
Dividend total	million €	249	299	412 [1]	489	635 [2]
Dividend yield	%	4.3	3.8	4.6	3.8	2.9
EPS	€	1.09	1.81	2.08	3.24	4.30
Number of shares [3]	million shares	507.7	498	498.6	507.7	488.8
Trading volume (daily average)	million shares	2.8	2.5	3.3	4.5	3.8

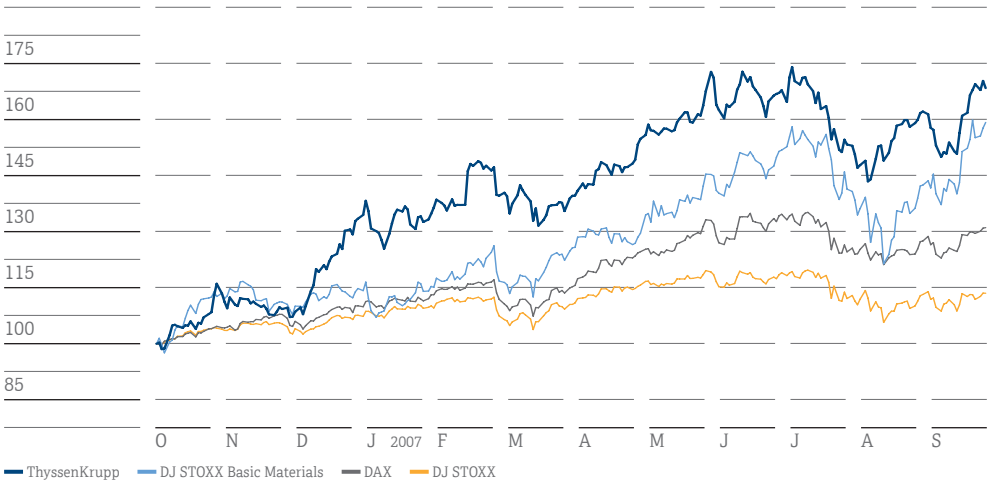
[1] incl. special dividend of €0.10 [2] proposal to Annual General Meeting [3] weighted average of outstanding shares

Outstanding stock performance reflects Company's performance

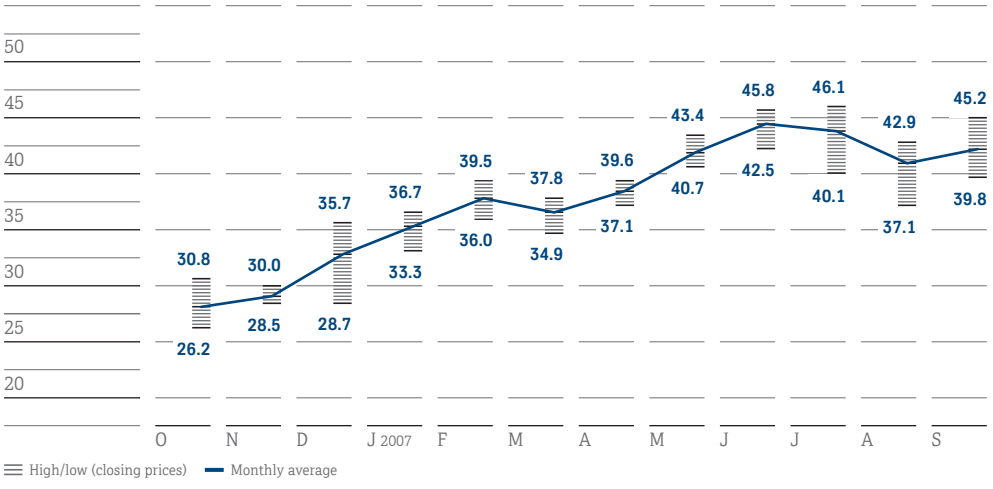
ThyssenKrupp stock reached an all-time high of €46.14 in July 2007.

The further improvement in earning power and lively demand for ThyssenKrupp products and services were reflected in the performance of ThyssenKrupp's stock in fiscal 2006/2007. It gained almost 70%, closing at €44.66 on September 28, 2007. The stock significantly outperformed the DAX and DJ STOXX reference indices. In July 2007, shortly before the real estate crisis began in the USA, the share price reached an all-time high of €46.14. Further details of the stock's performance are shown in the following charts.

PERFORMANCE OF THYSSENKRUPP STOCK IN COMPARISON indexed, Sept. 29, 2006 to Sept. 28, 2007, in %

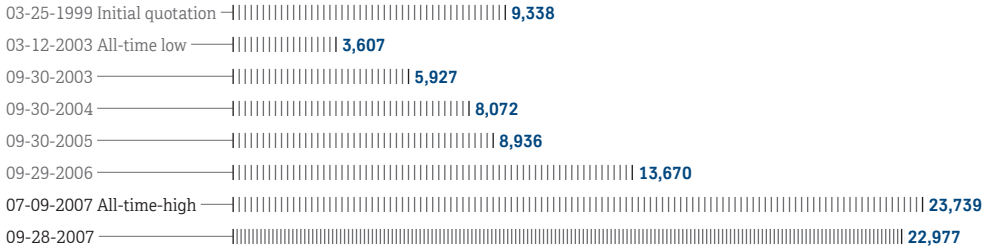


HIGHS AND LOWS OF THYSSENKRUPP STOCK in €



Market capitalization increased significantly against the previous year by €9.3 billion to around €23.0 billion.

MARKET CAPITALIZATION OF THYSSENKRUPP AG in million €



On average 3.8 million ThyssenKrupp shares were traded daily in 2006/2007.

Liquidity in ThyssenKrupp stock remained very high in fiscal 2006/2007. The average daily volume was 3.8 million shares. Around 1 billion shares were traded on the German stock exchanges including the Xetra trading system. Trading in ThyssenKrupp stock accounted for around 2% of the total trading volume of the 30 DAX stocks.

The way investors perceive a stock is influenced by liquidity and also by inclusion in relevant indices. ThyssenKrupp's stock is included in a number of major indices, also at international level, namely the DAX 30, the DJ STOXX, the DJ Germany Titans, the DJ Industrial Goods & Services Titans 30, the FT EuroTop 300 and various MSCI indices.

THYSSENKRUPP STOCK MASTER DATA

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

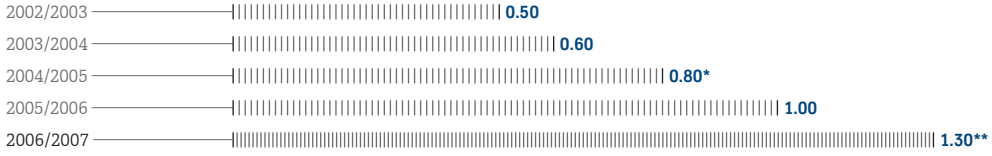
Earnings per share €4.30

Earnings per share (EPS) is calculated by dividing the net income attributable to the stockholders of ThyssenKrupp AG by the weighted average of shares outstanding in the fiscal year. In the year under review, the number of shares outstanding averaged 488.8 million.

Dividend proposal of €1.30 per share

A proposal will be submitted to the Annual General Meeting on January 18, 2008 to pay a dividend of €1.30 per share for fiscal 2006/2007. Based on the stock price of €44.66 on September 28, 2007, the dividend yield is 2.9%. The payout ratio is 30.2% of the net income attributable to the stockholders of ThyssenKrupp AG.

THYSSENKRUPP AG DIVIDEND PAYMENT in €



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

Capital stock unchanged

The capital stock remains unchanged at €1,317,091,952.64 and consists of 514,489,044 no-par value bearer shares. The right of stockholders to certification of their shares is excluded under the Company's Articles of Association. Under Art. 20 of the Articles of Association of ThyssenKrupp AG, each share grants one vote.

Employee share program firmly established

In April 2007 around 82,000 employees in Germany had a fifth opportunity to acquire ThyssenKrupp shares on special terms. With a participation rate of 56%, the program once again met with a very good response. The level of participation, which was even higher than the year before, reflects the employees' confidence in the performance of ThyssenKrupp's stock. Employees in the rest of Europe are also regularly included in employee share programs, e.g. in France, the United Kingdom and Spain.

Stockholder base significantly broadened in the USA

Around 15% of ThyssenKrupp stockholders are based in the USA.

Our latest analysis of the stockholder structure shows that our stockholder base in the USA has widened further, not least as a result of increased efforts to persuade investors of ThyssenKrupp's strengths and growth prospects. In fiscal 2006/2007 the proportion of stockholders based in the USA increased from 10% to 15%. Our stockholder base in Europe is very stable. The countries with the highest percentage of ThyssenKrupp shares are traditionally Germany, the United Kingdom, France, Switzerland and the Netherlands. From our regular analyses of the stockholder structure we gain important information which we use among other things to further optimize the regional focus of our investor relations activities.

A further finding of the latest analysis showed that the share of institutional investors increased again from around 35% to 42%. The Investor Relations team will expand its activities in the future to meet the additional information requirements resulting from this.

The largest stockholder is the Alfried Krupp von Bohlen und Halbach Foundation, Essen; according to its notification of December 21, 2006 it holds 25.1% of the voting rights of ThyssenKrupp AG.

ThyssenKrupp AG also holds treasury shares amounting to 5% (rounded up) of the capital stock. ThyssenKrupp AG has no rights in respect of these shares.

The free float, which is generally taken into account in the weighting of ThyssenKrupp's stock in stock indices, is 74.9% of the capital stock.

Investor relations: continuity and transparency

We further optimized our investor relations program in 2006/2007; the focus was on targeted enhancements to our well-established activities.

Held for the third time, the ThyssenKrupp field day gave analysts and institutional investors detailed insights into our day-to-day operations. This year's event centered on the Services segment with its Eastern Europe strategy; participants were taken to the service center in Poland, which plays a key role in this strategy.

The stockholders' letter "#750.000 compact" became further established as a medium for people interested in the performance of ThyssenKrupp's stock. Issued once a quarter, the stockholders' letter presents information on all relevant developments and events in connection with the Group and our stock.

Investor targeting was an important focus of our investor relations activities in the reporting year.

We also expanded our relations with institutional investors under an investor targeting program. The aim is to further strengthen our penetration of the leading financial centers and at the same time attract investors at new financial centers. The targeting program has identified Norway, Finland and Portugal as new target markets. To systematize investor relations, we have set up an extensive database which is kept regularly updated.

Our multiple award winning website provides our target groups with a high degree of transparency of all investor relations activities. Financial reports, presentations and publications are available online and for downloading. Analysts' and investors' meetings, conference calls, the Annual Press Conference and Annual General Meeting are available in video or audio format and can in some cases be downloaded and played on standard MP3 players. There are also detailed sections on corporate governance and the Annual General Meeting.

If you would like to contact the ThyssenKrupp Investor Relations team or find out about dates in the 2007/2008 financial calendar, turn to the last page of this Annual Report or visit our website at www.thyssenkrupp.com.

Responsibility to society

It is part of our tradition that we not only see ThyssenKrupp as a business enterprise but are also aware of the obligations a major industrial group has in our society. ThyssenKrupp supports a number of projects in schools and education, art and culture as well as in the humanitarian field. At the same time we focus on promoting dialogue on technology across all areas of society and all age groups.

Commitment as corporate citizen

We are expanding our presence worldwide and meeting the economic challenges of the future with innovative and flexible solutions. This involves increasing responsibility to society, which is why we are focusing more strongly on social and cultural issues. Since we operate within society, we take on responsibility in areas well beyond our direct fields of business. Where it is expedient, where there are links with our traditions or our business, we support non-profit institutions, projects and initiatives. In this, we are guided by criteria based on the Group's understanding of value and responsibility.

For many years ThyssenKrupp has supported social and humanitarian projects, culture, education and sport.

ThyssenKrupp regards itself as a responsible corporate citizen and actively brings its efforts to bear in various areas. We provide recurring support in particular to regions in which the Group operates. This is reflected in the wide range of projects we support – be it in culture, education and sport or in social, charitable and humanitarian activities. We focus not only on providing financial support to create a basis for sustainable development but also on cooperating in initiatives with other partners. With our activities we want to make a positive contribution to society, which is why we are particularly committed to supporting young people. The Company expressly welcomes the voluntary work carried out by our employees as it is the key to a properly functioning social environment.

Support for Initiativkreis Ruhrgebiet

We mainly support initiatives and projects aimed at strengthening regions with which the Group has traditional links or where we have business operations. For instance, for many years we have been providing financial and moral support to the Initiativkreis Ruhrgebiet, a body which is dedicated to promoting the image of the Ruhr. It carries out projects which provide important impetus for the now well-advanced structural transformation and enhance the region's reputation. We unconditionally support the goal of safeguarding and enriching the future of this key European region and its people over the long term – by generating new impetus, promoting investment and supporting science, sport and culture. Each year we sponsor a stand-out concert event as part of the Ruhr Piano Festival created by Initiativkreis Ruhrgebiet.

Commitment to sporting and cultural activities at the Group's locations

A rich cultural program for the people who live in the Rhine-Ruhr region is a matter particularly close to our hearts. The Group is therefore involved in numerous projects and provides both financial and moral support. This helps bring attractive events to areas close to ThyssenKrupp's major locations. We are convinced that our commitment to the region's cultural life also has a positive effect on working life at ThyssenKrupp by promoting imagination, inquisitiveness and open-mindedness. For example, we support the philharmonic orchestras in Essen and Duisburg, the Deutsche Oper am Rhein opera company and the Düsseldorf Schauspielhaus theater.

In sport we mainly promote selected competitions and small sports clubs close to our locations. In addition, we have for many years supported the annual Rhine-Ruhr Marathon and the international rowing regatta in Duisburg.

Apprentices carry out voluntary work

Young people from all apprenticeship schemes at ThyssenKrupp Nirosta regularly contribute to social projects in association with the Krefeld Volunteer Center. This allows them to use the skills and knowledge they have gained to provide help where it is needed most. ThyssenKrupp Nirosta supports them by allowing them time off work when necessary. These projects give the young people the chance to prove their reliability and act independently.

Focus on areas important for the future: innovation and education

In particular in innovation and education, areas of decisive importance for the future, the Group's extensive activities have a far-reaching effect on society. We are firmly convinced that education is the key to securing the future of Germany and making the next generation fit for the global market.

Besides seven German universities, our close partners include Tongji University in Shanghai.

ThyssenKrupp cooperates intensively with numerous universities in Germany and abroad to help promote the dialogue between education, research and industry. We are currently collaborating particularly closely with seven partner universities in Germany. In extensive partnership programs with Aachen Technical University, Ruhr University Bochum, Dortmund Technical University, Dresden Technical University, Freiberg Technical University, Hamburg-Harburg Technical University and Berlin Technical University, joint projects are pursued and resources utilized to benefit both the partner universities and ThyssenKrupp. In addition, we finance individual university chairs, for example at Tongji University in Shanghai. We also fund fellowships to promote the further development of the ESMT European School of Management and Technology, of which ThyssenKrupp is a founding member. We also provide ongoing support through our long-standing membership of the academic funding association Stifterverband für die Deutsche Wissenschaft.

With the backing of other industrial partners, ThyssenKrupp and the Ruhr University Bochum established the legal framework for a joint institute for new materials under a cooperation agreement in March 2007. The Max-Planck-Institut für Eisenforschung (iron research institute) and Aachen Techncial University are also involved. Unique in Europe, the "Interdisciplinary Centre for Advanced

Materials Simulation" based at the Ruhr University Bochum will start work in full at the beginning of 2008. In addition to research work, the institute, which will have three endowed professorships, will extend the syllabus of Bochum University with a new course in material simulation. Turn to page 99 for more details.

In October 2006 the Blohm + Voss shipyard organized a contest as part of the ThyssenKrupp Technologies Engineering Competition with the aim of providing technically-minded students with an initial insight into the work of a project engineer. Eight teams from the universities of Aachen, Berlin, Bochum, Braunschweig, Dresden, Hamburg, Munich and Karlsruhe entered. They were required to solve a real-life engineering problem in eight hours. Their solutions were then presented to a panel of judges comprising representatives of ThyssenKrupp Technologies and the universities. The winning team received a fellowship. Further non-cash prizes were also awarded. ThyssenKrupp Technologies also awards fellowships to support a combined "global engineering program" for outstanding international students run by the Northern Institute of Technology in association with the Technical University of Hamburg-Harburg. The program combines a masters degree in engineering sciences with an MBA in technology management.

Discover future technology

Firing people's enthusiasm for technology is the chief objective of many of our activities. Technology is made by people for people with the aim of benefiting people. For this Germany needs people with the curiosity and courage to make changes.

ThyssenKrupp's activities in education and technology are combined in the "Discover future technology" initiative. Against the background of an increasing shortage of young people entering technical professions, the initiative is designed to promote dialogue on technology across all areas of society and all age groups. Together with numerous partners from industry, politics, science and the media, we hope to generate impetus for the future with this initiative. The aim is to attract young people to technical apprenticeships or engineering degrees. They need to discover that education is the key to a positive future. A highlight of the initiative is the Ideas Park.

The third ThyssenKrupp Ideas Park will be held in Stuttgart from May 17 to 25, 2008.

Above all the Ideas Park gives families with children the chance to discover technical innovations and develop their own ideas for the future. So far around 260,000 visitors have come to the Ideas Park – around 20,000 people on each day of the event. This makes it probably the most popular non-commercial technology event in Germany, attracting visitors from all regions. The next Ideas Park will be held in Stuttgart in May 2008. On an exhibition and activity area of some 40,000 m^2, more than 150 interactive exhibits will give visitors an informative and entertaining insight into the world of technology. Entry will again be free to allow as many families as possible to attend.

Aim of support: qualified young employees

ThyssenKrupp continues to support Formula Student Germany, an international design competition for students. The students taking part in Formula Student Germany already have a passion for technology. As well as developing a racing car, this program gives them the opportunity to practice

interdisciplinary cooperation with people from different fields. This allows them to gain practical experience before leaving university and strengthen their non-academic skills such as practical and joined-up thinking and life-long learning as well as social and methodology competences. Together with a good education, these factors play an important role in career development. Motorsport is an ideal medium for this because the car is an attractive product and the auto industry and its suppliers are an important economic factor in Germany.

ThyssenKrupp supports the student design competition Formula Student Germany.

As well as fostering enthusiasm for technology, ThyssenKrupp also supports Formula Student Germany for purely practical reasons. The Group recruits some 500 university graduates each year, around 75% of them have degrees in engineering, e.g. mechanical, electrical or industrial engineering. For this reason we seek contact with students on selected degree courses from an early stage in their studies – be it at careers fairs, via university partnerships, through the ThyssenKrupp study support program or via Formula Student Germany.

Substantial funding is also allocated to several initiatives which promote the technology and innovation dialogue in Germany and facilitate knowledge sharing. These include for example the "People with ideas" program and the German President's award for technology and innovation (German Future Prize).

We also support the "Knowledge Factory" initiative launched as an open platform to allow companies to impart knowledge to young people and share know-how with young entrepreneurs. ThyssenKrupp was one of the founding members of the Knowledge Factory, which is involved in education projects as well as initiatives for business startups and young entrepreneurs throughout Germany on behalf of its member companies. In the framework of these activities to secure Germany's future as a business location, the "Learning through research – experiencing technology" project was launched in association with the Partner für Schule NRW foundation (partners for schools in North Rhine-Westphalia). This project promotes the sustained integration of technology into the school curriculum and the establishment of a firm place for technology in the timetable. The aim is to carefully foster children's natural inquisitiveness and instinctive thirst for knowledge and discovery from primary school age and to fire their enthusiasm for scientific and technical subjects. A central result of the project will be the "Bridge" experiment kit for use in schools. By conducting their own experiments with the kit, children discover that science and technology can be fun. In recognition of its interdisciplinary approach and the fact that it represents a successful cooperation between partners from schools, science, politics and industry, the "Learning through research – experiencing technology" project received an award from a panel of judges including the German Minister for Education and Research, Dr. Annette Schavan.

The nationwide youth science competition "Jugend forscht", which we have supported for many decades at four locations, was held for the 42nd time in early 2007. In the competition, children and young people test their knowledge and their creative approach to science and technology in various scientific disciplines. For us the competition is an important element of our activities to foster and inspire young people.

Under partnership agreements with various universities, we fund study support programs and provide internships and dissertation placements. In addition the Group has for many years provided training programs for young people well in excess of its own needs. We would like to help as many young people as possible gain access to the labor market because we see this as part of our responsibility to society.

The "Opportunity" project aims to open up new opportunities for people from disadvantaged backgrounds. The "Opportunity" project was launched by ThyssenKrupp Steel back in 2003 in cooperation with the Duisburg labor agency and Duisburger Werkkiste e.V. It helps improve the job prospects of applicants who do not meet the standard requirements for apprentices. Since the initiative was launched, 71 of the 82 participants have been accepted for apprenticeships.

More information on ThyssenKrupp's personnel and social policy is provided on pages 107–112.

Networking and knowledge sharing

The rapid pace of technical development in an increasingly networked world requires active and constructive participation in initiatives that act as catalysts between government, business and science. ThyssenKrupp is a member of numerous organizations and associations which promote an exchange of views on economic, technical and other socially relevant issues. For example, we support the "Germany – Land of Ideas" initiative (Deutschland – Land der Ideen e.V.) under the patronage of the German President, aimed at promoting Germany's image as a positive, innovative and future-oriented country.

We have also provided support for many years to acatech, the council for engineering sciences run by the Union of German Academies of Science and Humanities. The council conducts an intensive dialogue on forward-looking technologies and their significance for sustainable growth, with contributions from science, business, government and society.

Sustainability and Corporate Social Responsibility

Sustainability in the interest of future generations is a central theme of all our actions.

ThyssenKrupp is expressly committed to the goals of sustainable development in the interest of future generations. This is due to our awareness that industry, with its innovation and investment power, bears a special responsibility for sustainable development. This is one of the reasons why we are a member of the initiative "econsense – Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e.V." (German industry forum for sustainable development), a grouping of globally active German enterprises and organizations set up to address the issues of Corporate Social Responsibility (CSR) and Sustainability.

In a communication entitled "Implementing the partnership for growth and jobs: Making Europe a pole of excellence on CSR", the European Commission initiated a "European Alliance for Corporate Social Responsibility" in 2006. This is an alliance of European enterprises and business organizations; ThyssenKrupp is one of now more than 150 organizations supporting this alliance. Our joint goal is to promote partnerships for CSR and the exchange of experience in this field.

Management report on the group

2006/2007 was the most successful year in the history of your Company. All key figures reached new record levels. For example, sales were up by 10% from the prior year to €51.7 billion, earnings before taxes by 27% to €3.3 billion and TKVA by 40% to €2.1 billion. You can find more information on our business performance, business management and strategic goals in the following management report.

Business areas and organizational structure — **Page 47** Business management – goals and strategy — **Page 52**
Group review — **Page 61** Segment review — **Page 77** Financial position — **Page 93** Innovations — **Page 98** Employees — **Page 107**
Risk report — **Page 113** Subsequent events, opportunities and outlook — **Page 120**

3.5 billion people live in cities.
How do we cover their raw material needs?

Find out more in the magazine in the front cover of this Annual Report.

THE WORLD'S BIGGEST METROPOLISES Population in million

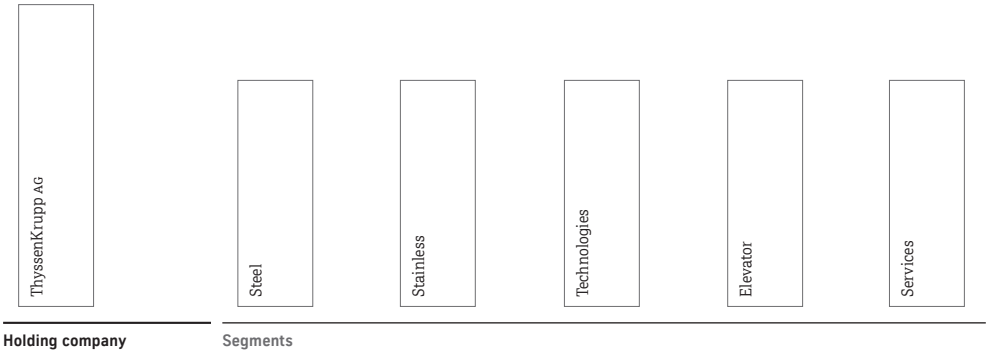
Business areas and organizational structure

Distinct capabilities, a lean organization and a management structure that permits fast and customer-oriented decisions – these factors contributed to the success of ThyssenKrupp in 2006/2007.

CAPABILITIES

ThyssenKrupp's actions are driven by customers' wishes for innovative products and services. At our plants and branches in over 70 countries, more than 191,000 employees work in the areas Steel, Capital Goods and Services to find high-quality and economically sound solutions that meet the challenges of the constantly changing markets. Our five segments – Steel, Stainless, Technologies, Elevator and Services – are among the world's leading suppliers of products and services in their markets.

COMPANY STRUCTURE



ORGANIZATIONAL STRUCTURE

Our Group is run on a decentralized basis so that decisions are made as close to the market and customers as possible. The segments, each led by a segment holding company, enjoy wide-ranging independence for all market-facing activities, while corporate strategy, portfolio management, risk management and financing are tasks for the parent company ThyssenKrupp AG. In addition, the holding company is the Group's interface to the wider business environment, in particular the capital market and the stockholders.

Founded in 1999, ThyssenKrupp AG is a stock corporation under German law. Under its Articles of Association it is dual domiciled in Duisburg and Essen, though most of its head office functions are located in Düsseldorf. From 2009 the offices will be relocated to the ThyssenKrupp Quarter, the new headquarters currently being built in Essen. A progress report on the building work can be found on page 54. ThyssenKrupp has its own Group representative offices in Berlin, Brussels and 34 other locations throughout the world. With their knowledge of the local markets, they are important contacts for our customers and Group subsidiaries.

The new head office, the ThyssenKrupp Quarter, is currently being built in Essen.

ThyssenKrupp AG owns, directly or indirectly, almost 900 companies and equity interests, which are listed on pages 191–214. The Group has more than 2,400 production sites, offices and service bases, two thirds of them located outside Germany. The largest of our almost 1,300 locations is Duisburg, with over 18,000 employees.

MANAGEMENT RESPONSIBILITIES IN THE GROUP

In parallel with the portfolio optimization, we have further developed the Group's management structure in recent years. On the Executive Board of ThyssenKrupp AG, which is responsible for the management of the Group, members responsible for segments and corporate functions are represented on an equal footing. In addition, the Executive Board members are responsible for specific regions based on the principle that the chief executives of the segments which have the strongest commercial involvement in a region take responsibility for that region in addition to their responsibility for segment operations.

High potentials are given more demanding tasks and greater responsibility.

At all management levels our goal is to achieve a creative mix of internal and external, young and experienced, German and international managers. Young executives are systematically trained to take on senior roles. High potentials are given increased responsibility, which may involve switching between individual segments or between segments and corporate departments.

COMPENSATION REPORT

The Compensation Report is contained in the Corporate Governance Report on pages 28–34 and forms part of the management report on the Group.

DISCLOSURE OF TAKEOVER PROVISIONS

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

Composition of capital stock

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

Shareholdings exceeding 10% of the voting rights

There is one direct shareholding in the Company which exceeds 10% of the voting rights: In accordance with the statutory requirements, the Alfried Krupp von Bohlen und Halbach Foundation, Essen informed us on December 21, 2006 that at that date it held around 25.10% of the voting rights of ThyssenKrupp AG.

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

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

Authorization of the Executive Board to issue shares

The capital stock may be increased by up to €500 million by the issue of new shares.

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

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

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

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

The Company is authorized until July 18, 2008 to purchase treasury stock up to a total of 10% of the capital stock.

Authorization of the Executive Board to repurchase stock

By resolution of the Annual General Meeting of January 19, 2007 the Company was authorized until July 18, 2008 to repurchase treasury stock up to a total of 10% of the current capital stock of €1,317,091,952.64. The authorization may be exercised in whole or in installments, once or several times, in pursuit of one or several purposes by the Company or by third parties for the account of the Company. At the discretion of the Executive Board, the buy-back may be effected on the open market or by means of a fixed-price/Dutch auction tender offer. The countervalue per share paid by the Company (excluding incidental costs) may not be more than 5% higher or lower than the price determined on the day of trading by the opening auction in the Xetra trading system (or a comparable successor system).

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

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

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

By resolution of the Annual General Meeting of January 23, 2004, the Executive Board was authorized up to January 22, 2009 to carry out the following measures with the approval of the Supervisory Board:

- to issue bearer bonds in the total par value of up to €500,000,000 and to grant the bond holders the right to convert the bonds into no-par value bearer shares of ThyssenKrupp AG (convertible bonds);

- to exclude the stockholders' subscription rights to convertible bonds if this is necessary (1) for fractional amounts occurring as a result of the subscription ratio, provided the issue price for the convertible bonds is not significantly lower than their theoretical fair value calculated according to recognized financial calculation methods and (2) to grant holders of conversion rights from previous bond issues subscription rights in the amount to which they would be entitled upon exercising their conversion rights. The conversion price for treasury stock must not be lower than 80% of the average closing price in the Xetra trading system over the three days of trading before the date of the public announcement of the offer or acceptance of a tender. The Executive Board determines the conditions for conversion bonds.

Key agreements subject to conditions

There are two agreements subject to change of control provisions as a result of a takeover bid.

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

- The Company has concluded an agreement with a banking consortium on a committed credit facility in the amount of €2.5 billion. This agreement can be terminated with immediate effect if the Company becomes a subsidiary of another legal entity or natural person and termination is requested by a group of banks representing more than 50% of the credit facility.

- Further, the Company is party to a shareholders' agreement in respect of Atlas Elektronik GmbH (joint venture) under which the co-shareholder EADS Deutschland GmbH has a call option on specific assets and liabilities of the joint venture at fair value in the event that a competitor of the joint venture or of the co-shareholder directly or indirectly acquires a controlling interest in the Company. If the call option is exercised, ThyssenKrupp Technologies AG is entitled to purchase all the co-shareholder's shares in the joint venture at fair value plus 5% premium. If the call option is not exercised, the co-shareholder has a put option in respect of the shares in the joint venture at the specified purchase price conditions.

Business management – Goals and strategy

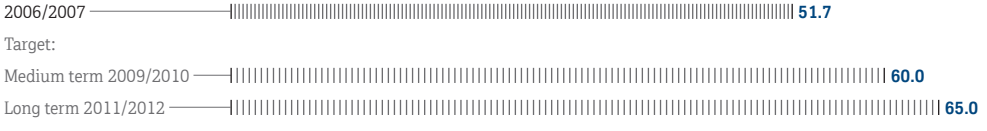
A forward strategy with sustainably high sales and earnings targets keeps ThyssenKrupp on growth course. Our value-based management approach, which systematically increases the value of our Company, and the more than 6,000 successful projects under our ThyssenKrupp best value enhancement program are paying dividends.

STRATEGIC DEVELOPMENT: GROWTH IN ALL SEGMENTS

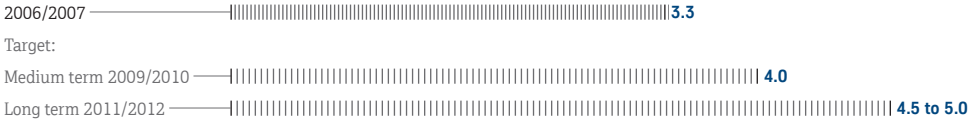
Following completion of the consolidation phase, ThyssenKrupp embarked on a course of sustainable and profitable growth. The numerous portfolio changes and process improvements implemented now form the basis for significant growth. As part of our value-based management system, which is aimed at sustainably increasing the value of the Company, we are pursuing ambitious targets. All the Group's segments will contribute to meeting these targets.

In the medium term we aim to achieve sustainable earnings before taxes and major nonrecurring items of €4 billion on sales of €60 billion. In the longer term, particularly after the completion of the major investment projects by Steel and Stainless in North America and by the other segments in other regions, we expect sales in the region of €65 billion and earnings before taxes and major nonrecurring items of €4.5 to 5.0 billion.

SALES TARGETS in billion €



EARNINGS TARGETS in billion €



Sustainable growth also means ambitious targets for sales, EBT, TKVA and ROCE.

For our key performance indicator – ThyssenKrupp Value Added – we are looking to achieve a medium-term figure in the region of €2.5 billion, rising over the longer term to €3 billion. The comparable targets for return on capital employed (ROCE) are 21.4% and 22.0%. More information on our value-based management system can be found on pages 54–58.

THYSSENKRUPP VALUE ADDED TARGETS in billion €

ROCE TARGETS in %

Construction of new plants on schedule

The Steel segment is working with great determination to implement its transatlantic growth strategy. Construction of the new slab mill in Brazil is making good progress; site preparation has been completed and work on building the production units and infrastructure is now in full swing. When it starts production in 2009, the mill will supply 5 million metric tons of low-cost slabs per year to ThyssenKrupp Steel's European and North American production sites.

The construction of the new joint Steel/Stainless complex in Alabama, USA, began on schedule.

In Calvert, Alabama/USA, work on the construction of the new joint Steel/Stainless complex also started on schedule. The location on the Tombigbee River provides very good logistical links for the supply of raw materials. The new plant will include hot rolling, cold rolling and coating facilities and will process slabs from the Brazilian mill into high-quality flat products. On completion in 2010, it will have a hot rolling capacity of over 5 million tons per year. In the future, the Steel segment will serve the NAFTA markets from this plant.

Steel will strengthen its position on its home European market by extending and modernizing its existing facilities step by step.

The growth strategy of the Stainless segment also centers on expanding its presence on the NAFTA markets. To this end it is building an integrated mill for flat-rolled stainless steel products at the joint site in Calvert, including meltshop, cold rolling, processing and finishing facilities. The slabs produced in the meltshop will be rolled on Steel's hot strip mill. The planned capacity of the stainless steel facility is around 1 million tons per year. In the future, the Mexican stainless steel subsidiary ThyssenKrupp Mexinox will also be supplied with hot-rolled coil from this location.

In addition to expanding its market position in North America, the Stainless segment is also optimizing its European facilities. Following the closure of its Turin plant, Italian subsidiary ThyssenKrupp Acciai Speciali Terni is developing its Terni site into a world-class integrated stainless steel mill.

Growth through expansion of existing activities and strategic acquisitions

The growth strategy of the Technologies segment is focused on the mega-trends of climate, environment, infrastructure and mobility, for which its range of technologies offers intelligent products and solutions such as components for car and truck manufacture, slewing bearings for wind turbines and equipment for oil sands mining.

The Elevator segment is expanding its existing business, focusing in particular on Asia and Eastern Europe. To achieve this growth we intend to further intensify our service activities. In addition, product innovations such as the TWIN elevator, with two cabs running independently in one shaft, and the TurboTrack passenger transportation system – described on page 104 – are also expected to bring in additional orders.

In the Services segment, we see future growth opportunities in the areas of material and industrial services, where existing activities will be expanded and supported by strategic acquisitions. Eastern Europe, NAFTA and Asia will be the key markets.

Under the Groupwide ThyssenKrupp best sales & service initiative, numerous projects have been realized in all segments to accelerate the growth of our sales and service activities.

The ThyssenKrupp best sales & service initiative is bearing fruit in all segments.

Ground broken for new ThyssenKrupp Quarter

The plans announced last year to concentrate our head office functions in Essen and Duisburg are beginning to take concrete shape. Construction work on the new Quarter in Essen started with the symbolic ground-breaking on June 12, 2007. The first departments are scheduled to start work there in early 2009. In addition to the Group holding company, the Quarter will also accommodate the Technologies, Elevator and Services segment holding companies as well as the ThyssenKrupp Academy.

BUSINESS MANAGEMENT THROUGH VALUE-BASED MANAGEMENT

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

Control concept secures Groupwide transparency

Our integrated control concept guides and coordinates the activities of all segments, supports the decentralization of responsibilities and guarantees Groupwide transparency. It aims to increase the value of the Group by bridging operational and strategic gaps between the actual and target situation through the use of concrete measures. For this we have established high-quality systems for the up-to-date reporting of actual and forecast figures of both strategic and operating elements. This focus on value creation pervades all management processes. As measures of business success, the main performance indicators used in value management are also used to calculate the variable components of management compensation.

ThyssenKrupp Value Added as central performance indicator

Capital employed is a key parameter for TKVA.

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

CALCULATION OF THYSSENKRUPP VALUE ADDED (TKVA)

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

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

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

- The cost of equity of our Group is based on the return from a risk-free alternative investment plus a market risk premium and taking into account the specific risk of ThyssenKrupp in relation to the overall market. The specific risk is expressed by the so-called beta factor. The weighted average cost of equity calculated on this basis corresponds to a weighted average cost after operating taxes. Since the cost of capital at ThyssenKrupp is calculated on a pre-tax basis, a tax adjustment is carried out.

- The cost of debt (cost of financial liabilities) is the interest on a risk-free alternative investment plus a company-specific risk premium. Based on the current market situation and subject to the condition that the current investment-grade status is maintained, we currently base our calculations on a premium of one percentage point.

- The interest rate for pension accruals is calculated on the basis of the weighted five-year average discount rate for internally financed pension plans and healthcare obligations.

On the basis of the above factors, the weighted average cost of capital for the Group was 9% in fiscal 2006/2007. Specific WACC figures are established for the segments which reflect their respective risk structures. In the reporting year, the segment WACC figures were:

WACC FOR THE SEGMENTS in %

Since the business environment is constantly changing, the weighted average cost of capital is regularly reviewed and adjusted if necessary. For fiscal year 2007/2008, WACC for the Group and the segments has been lowered by 0.5 percentage points mainly due to the impact of German tax reforms and the resultant lower tax adjustment for the cost of equity. The pre-tax weighted average cost of capital for the Group has thus been reduced to 8.5%.

Application of the value management system

Profitable growth, higher operating efficiency and optimized capital employment help increase TKVA.

Three levers can be used to increase TKVA: profitable growth, increases in operating efficiency, and optimization of capital employed. Value through profitable growth is created in particular by new investment projects, provided they generate returns higher than their cost of capital. A major contribution to increasing operating efficiency is made by the ThyssenKrupp best value enhancement program, which is described in more detail on pages 58–60. Capital employed as the third lever to increase TKVA can be optimized by withdrawing from business activities in which the cost of capital cannot be earned. Alternatively, targeted programs can be implemented to release capital, i.e. to reduce capital employed without reducing EBIT.

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

COMPONENTS OF THYSSENKRUPP VALUE ADDED (TKVA)

	2005/2006						
	EBIT (million €)	Capital employed (million €)	ROCE (%)	WACC (%)	Spread (% points)	TKVA (million €)	
Group	3,044	17,056	17.9	9.0	8.9	1,510	
Thereof:							
Steel	1,482	6,380	23.2	9.5	13.7	876	
Stainless	489	3,048	16.0	9.5	6.5	199	
Technologies	408	2,295	18.9	9.5	9.4	215	
Elevator	423	1,876	22.6	8.5	14.1	264	
Services	553	2,884	19.2	9.0	10.2	294	

	2006/2007						
	EBIT (million €)	Capital employed (million €)	ROCE (%)	WACC (%)	Spread (% points)	TKVA (million €)	Change TKVA (million €)
Group	3,728	18,000	20.7	9.0	11.7	2,108	598
Thereof:							
Steel	1,761	6,557	26.9	9.5	17.4	1,138	262
Stainless	871	3,827	22.7	9.5	13.2	507	308
Technologies	518	2,239	25.0	9.5	15.5	348	133
Elevator	(75)	1,776	(4.2)	8.5	(12.7)	(226)	(490)
Services	787	3,330	23.6	9.0	14.6	487	193

TKVA rose by around 40% to €2.1 billion in 2006/2007, while ROCE increased from 17.9% to 20.7%.

The ThyssenKrupp Group's earnings before interest and taxes (EBIT) increased by €684 million to €3,728 million in fiscal 2006/2007. The positive impact this had on ROCE was weakened by the increase in capital employed. Average capital employed increased by €944 million to €18,000 million in 2006/2007. ROCE increased in the reporting year to 20.7%, compared with 17.9% a year earlier; the Group's WACC of 9.0% was thus again significantly exceeded. TKVA increased by €598 million to €2,108 million. The improvement in profitability and TKVA is due to the large increase in operating earnings on the basis of a successfully optimized business portfolio. Without the influence of the EU fine imposed on ThyssenKrupp Elevator for alleged anti-competition behavior in Germany and the Benelux countries, the improvement in ThyssenKrupp's value indicators would have been even greater. ROCE would have been 23.2% and TKVA €2,577 million.

In the Steel segment, earnings before interest and taxes rose by €279 million to €1,761 million thanks to the positive operating situation. ROCE increased from 23.2% to 26.9%. TKVA was €1,138 million, an improvement of €262 million compared with the prior year.

The Stainless segment achieved a €382 million improvement in earnings before interest and taxes to €871 million. However, the resultant increase in ROCE was weakened by a €779 million increase in capital employed to €3,827 million. ROCE in the reporting year was 22.7%, compared with 16.0% a year earlier. TKVA was €507 million, up €308 million from the prior year.

Earnings before interest and taxes at Technologies grew by €110 million to €518 million. With capital employed virtually unchanged, ROCE increased from 18.9% to 25.0%. TKVA improved by €133 million to €348 million.

In the Elevator segment, earnings before interest and taxes decreased from €423 million in the prior year to €(75) million. This is mainly due to the fine imposed by the EU Commission. As a result, ROCE dropped from 22.6% to (4.2)%, and TKVA from €264 million to €(226) million. Without the impact of the fine, ThyssenKrupp Elevator would have almost equaled its prior-year ROCE and TKVA figures.

In the Services segment, earnings before interest and taxes increased by €234 million to €787 million in fiscal 2006/2007. With capital employed up by €446 million to €3,330 million, the segment achieved ROCE of 23.6%, compared with 19.2% a year earlier. TKVA improved by €193 million to €487 million.

The results of the analysis of the performance indicators feed directly into portfolio management at ThyssenKrupp. This involves structural measures with a primarily strategic character. Specifically it involves selecting and growing businesses with which the targeted TKVA improvements are to be realized, and withdrawing in a timely and profitable way from activities which do not achieve adequate TKVA improvements. In addition, it involves developing new businesses by entering into promising new markets on favorable terms. In this way we create the basic requirements for the ability to pay dividends and for sustainable, profitable growth in our core businesses.

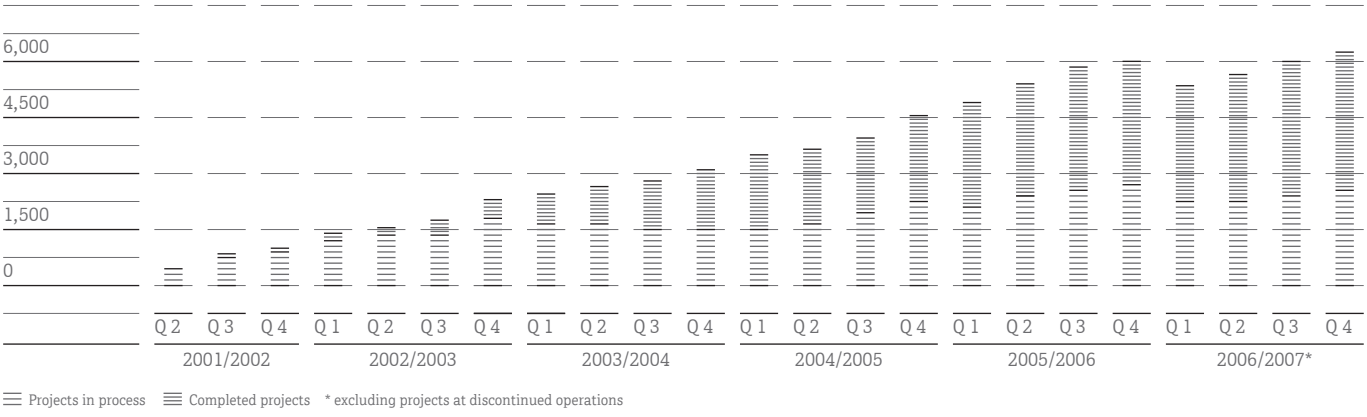
Value-based management is firmly established throughout the Group's worldwide operations.

A communication and training initiative was launched in spring 2006 to help further anchor value management in the Group. To date, some 3,000 decision-makers from all segments have attended training seminars. Most of them were held in Europe, but training has also been provided in China, the USA, Mexico, Brazil and South Korea. Tailoring the seminars to specific segments and target groups ensured a high level of relevance and practicability.

THYSSENKRUPP BEST

The goal of our value enhancement program ThyssenKrupp best is to improve the performance of the Group. For six years now, the program has been supporting the process of continuous improvement in the Group and providing the necessary guidance and tools. All employees can get involved, take part in projects and share their new-found knowledge. In the reporting year alone, 1,330 new projects were launched to make our Company even better.

THYSSENKRUPP BEST PROJECTS WORLDWIDE



ThyssenKrupp best also involves intensive knowledge sharing within the Group.

Worldwide success

At September 30, 2007, ThyssenKrupp best comprised 6,300 projects with over 60,000 concrete measures and individual steps. A further 1,500 projects have been removed from the program because the Group has disposed of the corresponding operations. Since the program was launched in 2001, 3,700 projects have been successfully completed. The focus is on operating efficiency, purchasing, sales/services and performance quality. Further projects promote knowledge transfer within the Group.

One of ThyssenKrupp best's objectives is for successful projects to be transferred to other segments and areas. In addition to the program's internet-based platform best plaza, numerous events are held to encourage knowledge sharing among Group companies. One such event is the "Best Practice Fair", in which project teams present their experience and provide participants with ideas and impetus for new projects at their own companies.

ThyssenKrupp best is now firmly established worldwide. More than 50% of projects in 2006/2007 were based outside Germany, with teams working to enhance efficiency and value at more than 400 locations in 45 countries. Roughly 70% of the projects were conducted in Europe, mainly Germany, France, Italy, Spain and the United Kingdom. Almost 20% took place on the American continent – many project teams have been formed in the USA, Canada, Mexico, Brazil and Colombia. Value-enhancement projects were also launched in China, South Korea and other countries in the Asia/Pacific region, accounting for 6% of all best projects. The number of projects organized on a cross-country basis rose once again. In addition to increased involvement in Asia, African companies took part in ThyssenKrupp best for the first time.

In the reporting year, Executive Board members of ThyssenKrupp AG and the segment holding companies again visited projects and held discussions locally to keep abreast of progress and the successes achieved.

Sales & service initiative launched

Launched in March 2007, the aim of the sales & service initiative is to identify and exploit potential for improvement in sales and increase the share of services in the Group's sales. In addition to traditional areas of sales and services, this new initiative also addresses questions of sales processes and sales organization.

In the pilot phase, systematic examinations were carried out to identify potential starting points for improvement in the segments and at Group companies. Eight pilot projects were then launched to test various performance enhancement processes. Upon successful completion of these projects, so-called subject experts from all segments will secure the success of the initiative by supporting further projects in their areas, training project members in the use of tools and driving knowledge transfer in the Group. The program is rounded off by a training concept for employees in the separate project areas.

Award-winning projects in 2007

Project teams from the Steel, Stainless and Technologies segments were honored in the ThyssenKrupp best Awards 2007.

Every year, the ThyssenKrupp best Award honors the three best projects in the program as a reward for outstanding teamwork. Proposed projects from all areas of the Group were judged by a panel on the basis of set criteria such as financial or non-monetary results as well as complexity and methodology of project work. In 2007, first prize went to a company from the Stainless segment: a multi-site team developed and realized more than 1,300 measures to improve and sustainably secure product quality. A Brazilian team from the Technologies segment came second; they succeeded in significantly improving maintenance work for a crankshaft line. Third prize was awarded to a team from the Steel segment: through extensive cooperation both in-house and with customers, they identified new ways of improving the quality of molten steel.

Group review

ThyssenKrupp continued its profitable growth in fiscal year 2006/2007. We made good progress at both operating and strategic level and performed successfully in a favorable market environment. This is reflected in our performance indicators: sales rose by 10% to €51.7 billion, while earnings before taxes were up 27% to €3.3 billion.

GENERAL ECONOMIC CONDITIONS

The economic environment was generally friendly in the reporting year. The strong global growth of the previous year continued in 2007. According to current estimates, world GDP increased by 5.2%, slightly more than expected a year ago. Despite rising prices on the international energy and raw material markets, global growth remained robust. However, the US real estate crisis impacted the world economy towards the end of the period.

Economic growth in the USA slower

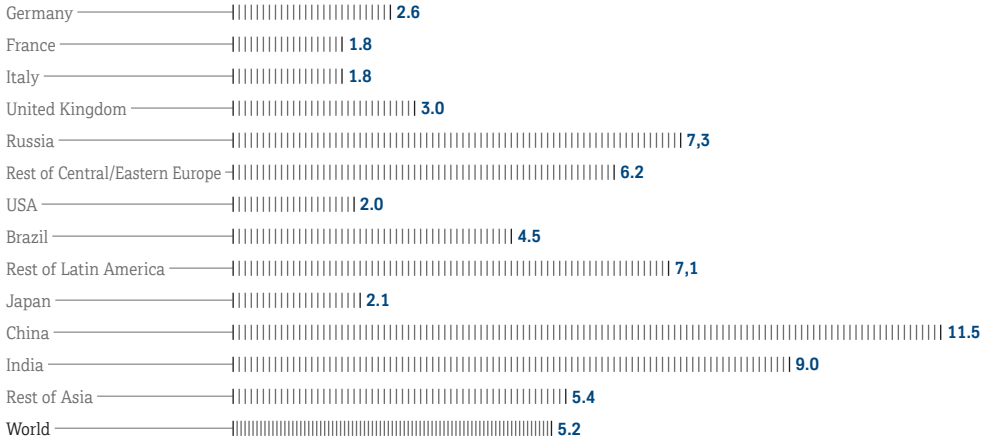
The upturn in Germany in 2007 was driven by strong exports and lively investment activity.

In the euro zone the positive economic trend continued in 2007. The 2.6% growth in GDP was in line with expectations. Particularly pleasing was the upswing in Germany which was driven mainly by exports but also by lively investment activity. The rise in the value of the euro has not significantly hampered export growth so far.

By contrast, the rate of expansion in the USA slowed. The weak housing market brought about by the mortgage crisis has had a noticeable impact on the economy. Japan remained on a moderate growth track thanks to sustained robust demand from abroad despite a temporary slowdown in investment.

The developing countries of Asia, Latin America and Central and Eastern Europe continued to report strong economic growth in 2007. The high rate of expansion in China and India was sustained. In Latin America, the Brazilian economy continued its recovery, aided mainly by strong domestic demand. Russia and the majority of the Central and Eastern European economies also achieved extremely strong growth rates.

GROSS DOMESTIC PRODUCT 2007* Real change versus previous year in %



* Estimate

ECONOMIC CONDITIONS IN THE SECTORS

The situation was generally encouraging in all important customer sectors. Demand for flat-rolled carbon steel remained at a relatively high level overall. Stainless steel was also in demand despite strong price fluctuations. Activity in the automotive, mechanical engineering and construction sectors picked up on the whole – with some regional differences. Our globally aligned segments were able to benefit from this trend.

Strong demand for carbon steel in Europe

Driven by the global economic boom, the trend on the international steel markets was mostly positive. World crude steel output is expected to increase by 6% to a new all-time high of 1.33 billion metric tons in 2007. China once again proved to be the biggest growth driver. With production growing by 18% to almost 500 million tons, China's share in world steel supply increased to 37%. As growth in domestic demand failed to keep pace, a significant share of surplus production was exported. Since steel imports also slowed, China reinforced its position as the biggest net exporter of steel.

Steel output in the NAFTA region was slightly lower than the year before, with high inventories dampening demand through to mid-year. The European Union reported moderate expansion overall. According to provisional estimates, crude steel production in Germany reached 48.6 million tons, up 3% from 2006. The mills had a virtually full workload up to mid-year; in the 2nd half output was reduced slightly in response to the fall in demand for seasonal and inventory-cycle reasons.

China is now the biggest third-country suppier in the EU steel market, but Russia and Brazil also increased their deliveries in 2007.

In our key European market, most steel-using industries strongly increased their output again in 2007. This secured high sales volumes and stable to rising prices for producers of carbon steel flat products. However, it also led to a further drastic increase in imports from third countries. Alongside China, now the biggest third-country supplier on the EU steel market, Russia, Turkey, India and Brazil also significantly stepped up their deliveries to the EU in 2007. This resulted in a supply surplus in some areas in the summer months and to temporary price pressure in southern Europe. Inventory surpluses at end consumers and above all distributors caused steel demand to settle at a slightly more moderate level. However, the general economic trend in the steel-using sectors remained robust.

The steel market in North America performed less favorably. In response to weaker demand and excessive inventories at steel users, steel suppliers reduced their output from the second half of 2006. Imports, too, remained lower than the year before. Prices slipped. However, towards the end of the 3rd quarter 2007 there were signs of stabilization, with demand for steel picking up again following the reduction of the inventory surpluses. The dynamic growth of the flat carbon steel market in Asia continued. However, the increase in new capacities – especially in China – accelerated the growth in exports. Measures introduced by the Chinese administration to slow steel exports have so far had no effect.

Strong fluctuations in the stainless market due to nickel prices

In the market for stainless steel flat products, demand from industrial end users in Europe remained high. However, the volume of orders dropped significantly. The reason for this initially was the strong increase in inventory levels at distributors and service centers that took place in the course of 2006 and 2007 in particular as a result of a sharp rise in imports. This led to a distinct drop in ordering activity which was further exacerbated by the nickel price situation.

From end 2005 to mid-2007 the nickel price increased by almost 350% to a new all-time high.

From the end of 2005 to May 2007, the price of nickel increased by almost 350% to an all-time high of over 50,000 US dollars per ton. As a result, the market price of nickel-bearing stainless steels – which account for around two thirds of the stainless market – almost trebled in this period, causing uncertainty among consumers. In response to the high prices, some customers began to replace chrome-nickel steels with less expensive low-nickel grades. In parallel with the nickel price development, a second factor came into play: third-country imports to Europe, mainly from Asia and in particular China, grew rapidly from the end of 2006. The reason for this was that new capacities built in China caused supply and demand to drift apart.

The reversal in the nickel price trend, which began in early June and saw the nickel price drop temporarily below 30,000 US dollars per ton by September 2007, prompted distributors to reduce the mainly import-related inventory surpluses as quickly as possible. This triggered a slump in prices and a further reduction in orders. As a result, most European producers significantly cut back production in particular in the 3rd quarter 2007.

The situation on the North American stainless market was similar – though less pronounced. Here, too, order intake was down from the previous year. In Asia, especially China, the market situation continued to be characterized by major overcapacity. The raw material price situation also had a negative impact on the ordering behavior of distributors.

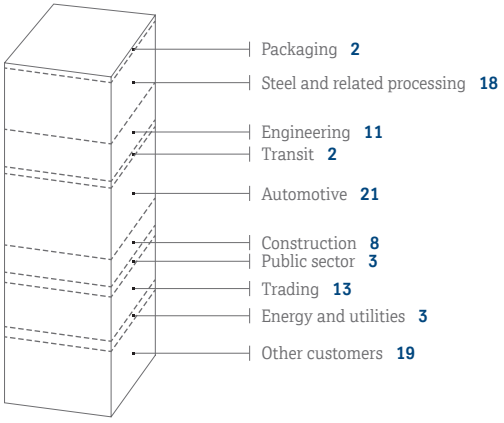
Growth in automobile production

The international auto industry continued to grow in 2007. According to estimates, world output increased by 4% to over 72 million cars and trucks. The main growth impetus again came from the emerging markets. China, now the world's third largest auto manufacturer, India and the countries of Central and Eastern Europe reported double-digit growth rates. One in five cars is now produced in one of these three growth regions.

By contrast, production in North America was 3% lower than the year before at 15.5 million vehicles. Sharply increased gasoline prices impacted sales of cars and light trucks. Vehicle output in Brazil rose by 6% in 2007 to 2.8 million units.

The auto market in Western Europe was in good shape, with output in 2007 up by 2% to more than 17.5 million vehicles. German automakers reported above-average growth of 4% to over 6 million vehicles. This is attributable to high exports of cars and continued strong demand for trucks. However, new car registrations were significantly lower, partly as a result of the VAT increase.

SALES BY CUSTOMER GROUP 2006/2007 in %



Strong growth in engineering

Machinery and equipment from Germany are in demand worldwide, ensuring high order levels for manufacturers.

The global mechanical engineering industry remained on growth track thanks to the robust world economy and increased capital spending. In particular in China, but also in many European countries, production of machinery and equipment increased.

German manufacturers in particular profited from high capital spending in numerous countries. As a result of strong domestic and foreign orders, production of machinery and equipment is expected to increase by 11% in 2007. The positive trend also continued in the German plant engineering sector.

German construction industry increases output

The growth in worldwide construction output continued to be driven by Asia and the countries of Central and Eastern Europe in 2007. In the USA a slight downturn was recorded as a result of the weaker housing market.

The upswing in the German construction industry continued in 2007. The main impetus came from commercial construction, thanks to continuing high investment. Overall production growth of 3.5% is expected in 2007.

THYSSENKRUPP WITH RECORD YEAR

THYSSENKRUPP IN FIGURES

		2005/2006	2006/2007
Order intake	million €	50,782	54,605
Sales	million €	47,125	51,723
EBITDA	million €	4,700	5,254
Earnings before taxes (EBT)	million €	2,623	3,330
Employees (Sept. 30)		187,586	191,350

ThyssenKrupp continued to operate successfully in fiscal 2006/2007. The key indicators above show that in a generally favorable economic environment we further improved our performance. Through organic growth, strategic acquisitions and an increased focus on services, we achieved record sales and earnings.

Strong growth in order intake, sales and earnings

Order intake and sales showed a greater improvement in 2006/2007 than we expected a year ago. Order intake climbed to €54.6 billion, 8% higher than a year earlier. All segments reported higher orders, with Technologies, Elevator and Services achieving the highest growth.

Group sales increased by 10% to €51.7 billion; all segments contributed to the growth.

Group sales rose by 10% to €51.7 billion. Higher prices for carbon and stainless steel products increased sales at Steel and Stainless. At Technologies sales were higher than the year before despite business disposals and the weak US dollar. Elevator likewise remained on growth track in both new installations and service activities. The Services segment profited from the continued strong performance of the materials markets. While sales at Technologies and Elevator were in line with expectations, Steel, Stainless and Services exceeded their targets.

SALES BY SEGMENT in million €

	2005/2006	2006/2007
Steel	12,087	13,209
Stainless	6,437	8,748
Technologies	11,366	11,523
Elevator	4,298	4,712
Services	14,204	16,711
Corporate	1,469	288
Segment sales	**49,861**	**55,191**
Inter-segment sales	(2,736)	(3,468)
Group sales	**47,125**	**51,723**

ThyssenKrupp achieved earnings before taxes of €3,330 million in the year under review - €707 million or 27% higher than the record income of the previous year.

Portfolio further optimized

ThyssenKrupp continued its portfolio optimization process in 2006/2007. Key measures included the streamlining of the Automotive activities, which were integrated into the Technologies segment at October 1, 2006. A central element of this was the sale of all our body and chassis operations in North America, which took place in the 1st quarter of the fiscal year. In addition, Technologies conducted several transactions to streamline its portfolio and expand its core business. Elevator strengthened its global market position with numerous smaller acquisitions. At Services, external growth focused on the foreign markets, in particular in the NAFTA region and Eastern Europe.

ThyssenKrupp also sold a portfolio of 25 commercial real estate assets, including office buildings and other commercially used properties, to a consortium of buyers. In connection with the planned move of ThyssenKrupp AG to the new Quarter in Essen, the real estate package also included the "Dreischeibenhaus" building in Düsseldorf, the current headquarters of ThyssenKrupp until the move to Essen.

Up to the end of the reporting year, we acquired companies with sales of €0.3 billion and disposed of companies with sales of €0.2 billion. Since the merger of Thyssen and Krupp we have therefore sold companies with sales of €9.1 billion and acquired others with sales of €8.2 billion.

Increased number of employees

Around 56% of the Group's workforce was based outside Germany at the end of September 2007.

On September 30, 2007, ThyssenKrupp had a total of 191,350 employees worldwide, 3,764 or 2% more than a year earlier. Overall the services-oriented segments Services and Elevator recorded the largest workforce increases. The number of employees in Germany rose slightly – by 1% - to 84,999. This means that 44% of employees were based in Germany. The number of employees outside Germany increased by just under 3% to 106,351. The expansion of our activities abroad more than offset the loss of employees in connection with the business disposals in North and South America. At the end of September 2007, 24% of employees worked in European countries outside Germany and 16% in the NAFTA region.

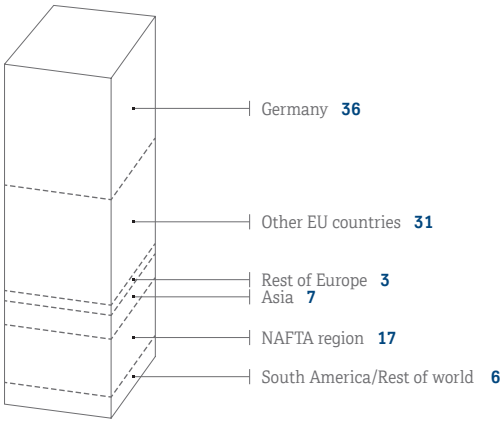
EXPECTATIONS EXCEEDED

Our business performance in 2006/2007 exceeded the expectations we had at the time of writing last year's annual report in mid-November 2006. Sales were 10% higher than our original €47 billion target. Sustainable earnings before taxes also exceeded our planned figure of €2.5 billion by a considerable 33%. Alongside the good steel market, successful product developments played a key role in this. International demand for our products and services was stronger than expected. Our Steel and Stainless segments delivered an excellent performance on the global markets; prices for stainless steel only began to fall late in the year and therefore did not impact earnings until the final quarter. Technologies significantly exceeded its income target. Elevator's earnings – before the EU fine – were steady, and Services was exceptionally strong in all business activities. Another reason for our higher-than-planned earnings was that numerous further measures unlocked unforeseen profitability reserves on the expense and income side and increased the value of the Company. As soon as we were able to identify these positive developments with sufficient certainty in the course of the year, we raised our targets accordingly and communicated our higher expectations in the interim reports.

KEY SALES MARKETS AND COMPETITIVE SITUATION

The EU region was the main market for products and services of ThyssenKrupp, accounting for 67% of sales, around half of these in Germany. 17% of our sales were generated with customers in the NAFTA region. Sales in Asia (including the Middle East) and South America still account for relatively low shares of 7% and 3% respectively. The chart below provides more details.

SALES BY REGION 2006/2007 in %



Many of our products occupy world leading positions on their markets thanks to their advanced technology, cost-efficiency and full product lifecycle support. In the past fiscal year we again put everything into maintaining and where possible expanding these market positions.

Marketing close to customers

We use the full range of sales tools for the international marketing of our products and services. As well as optimizing product design to meet the needs of specific countries and customers, we offer competitive prices, an efficient sales organization and individual advice to customers. Other measures employed to advertise our capabilities include product-related communications and advertising, international trade shows and presentations.

While complying with the Group's standard corporate design principles, the individual companies in the segments operate independently on the markets and so can respond swiftly and flexibly to market changes and customer requirements. Because we see it as a key feature of our marketing activities, we foster this closeness to customers through intensive communications, systematic quality improvements and an ongoing innovation process.

INCOME AND DIVIDEND

Record earnings of €3.3 billion

Earnings before taxes in 2006/2007 increased by 27% to a new record of €3.3 billion.

In fiscal 2006/2007 ThyssenKrupp achieved record earnings of €3,330 million. Compared with the previous year, pre-tax profit increased by €707 million or 27%. The biggest contribution to earnings came from the Steel segment. With a high level of shipments, cost-related steel price increases and efficiency improvements, the segment further improved its profits. Stainless almost doubled its income, mainly as a result of higher prices for stainless steel and high-performance materials. Technologies likewise achieved significantly higher profits, thanks in particular to an encouraging performance in mechanical components and industrial equipment. Due to the fine imposed by the EU Commission for alleged anticompetitive behavior at national level in the Benelux countries and Germany on the market

for elevators and escalators, Elevator reported a loss. Excluding this effect, Elevator almost equaled its prior-year profit. Against the background of continued strong demand and a successful business expansion, Services returned a record profit.

EARNINGS BY SEGMENT in million €

	2005/2006	2006/2007
Steel	1,406	1,662
Stainless	423	777
Technologies	410	544
Elevator	391	(113)
Services	482	704
Corporate	(446)	(205)
Consolidation	(43)	(39)
Earnings before taxes (EBT)	**2,623**	**3,330**

While sales were 10% higher, the cost of sales rose by only 8%; as a result gross margin improved from 17% to 18%. Administrative and selling expenses increased more slowly than sales, rising by 4% in each case.

Other operating income decreased by €72 million. The main reason for this was that the prior-year figure contained the €153 million break fee from the terminated acquisition of Dofasco, while this year's figure only includes income from the sale of various real estate assets as part of the concentration of ThyssenKrupp's administrative sites in Germany in the amount of €119 million. In addition, income from insurance recoveries decreased by €18 million. Of the €490 million increase in other operating expense, €480 million was due to the antitrust fine imposed by the EU on ThyssenKrupp Elevator.

Despite the rise in interest rates on the markets relevant to us and an increase in funds employed during the fiscal year, net interest expense improved by €23 million. This is mainly because most of the Group's gross debt is subject to fixed interest rates, the repayment of old credits bearing relatively high interest was recognized in income, and the income effect of lower cash deposits compared with the previous year was largely eliminated by rising interest rates.

Compared with the previous year, income tax expenses increased by €221 million to €1,140 million. The tax rate changed only slightly from 35% to 34%. This is partly due to the fact that the tax-reducing effects of the corporate tax reform in Germany were largely offset by the non-deductibility of the EU fine.

Net income amounted to €2,190 million, compared with €1,704 million in the prior year. This represents an increase of around 28%.

Earnings per share improved from €3.24 to €4.30.

Minority interest in net income increased to €88 million from €61 million a year earlier. This was due to the improved earnings situation at companies with non-Group minority interests. After deducting minority interest, earnings per share rose from €3.24 in the prior year to €4.30 in the reporting year. Throughout the year under review the number of shares outstanding was 488,764,592. In the previous year the weighted average number of shares outstanding was 507,731,743. This included both the increase from the sale of treasury stock in November 2005 and the decrease from the repurchase of treasury stock in July and August 2006.

Income of ThyssenKrupp AG

The net income of ThyssenKrupp AG in the reporting year according to HGB (German GAAP) amounted to €309 million, compared with €1,118 million the year before.

Income from investments decreased by €465 million to €666 million. Income from profit transfer agreements matched the prior-year level. The Steel segment made a particularly significant contribution to earnings on account of its extremely positive performance. However, the increased loss transfer as a result of the fine imposed by the EU Commission on ThyssenKrupp Elevator reduced earnings. Lower profit distributions by the German subsidiaries was a key factor in the reduction of income from investments.

The rise in other operating income resulted in the amount of €257 million from higher intercompany tax allocations in connection with the transfer of income from subsidiaries; on top of this came the sale of the headquarters building in Düsseldorf.

Administrative costs showed no significant change from the previous year, while an allocation to the special item with reserve elements posted under other expenses was €70 million higher than the year before.

The €207 million increase in interest expense reflects payments into the additional paid-in capital of affiliated companies and interest rate changes on the money and capital markets.

After these effects, income from ordinary activities amounts to €695 million, compared with €1,179 million the year before.

In the previous year, extraordinary income mainly included the break fee of €153 million from the terminated takeover of Dofasco. In 2006/2007 no extraordinary items were reported.

Income tax expense amounted to €386 million and is influenced by corporate and trade tax for 2006/2007. The trade tax loss carryforward still existing from the previous year and increased tax refunds for previous years are included in this figure.

After income tax, net income amounted to €309 million. Taking into account transfers from retained earnings totaling €334 million and the income carried forward from the previous year of €26 million, unappropriated net income is €669 million. Subject to the approval of the Annual General Meeting, this amount is to be used to distribute a dividend of €635 million. The balance of €34 million is to be carried forward.

€1.30 dividend per share

The unappropriated net income of ThyssenKrupp AG amounted to €669 million; of this, €635 million is to be distributed as a dividend.

The legal basis for the dividend payment is the HGB unappropriated net income of ThyssenKrupp AG in the amount of €669 million (prior year €548 million). It comprises the HGB net income of ThyssenKrupp AG in the amount of €309 million (prior year €1,118 million) plus the €334 million taken from retained earnings (prior year: €570 million transferred to retained earnings) and the income carried forward from the previous year of €26 million.

The Executive Board and Supervisory Board will propose to the Annual General Meeting the payment of a dividend of €1.30 per share (prior year €1.00 per share) and the carryforward of the balance of €34 million. Should the number of shares eligible for dividend distribution change before

the date of the Annual General Meeting, the proposed dividend distribution will be adjusted accordingly. Therefore, of the €669 million unappropriated net income, a total of €635 million is to be used to pay a dividend on the 488,764,592 shares eligible for dividend payment as of September 30, 2007.

The financial statements of ThyssenKrupp AG are presented in abbreviated form in the following table:

BALANCE SHEET OF THYSSENKRUPP AG (HGB) in million €

	Sept. 30, 2006	Sept. 30, 2007
Intangible assets	29	50
Property, plant and equipment	149	103
Financial assets	11,120	16,453
Fixed assets	**11,298**	**16,606**
Receivables from non-consolidated subsidiaries	6,943	9,625
Other receivables and other assets	103	312
Securities	684	698
Cash and cash equivalents	3,377	2,481
Operating assets	**11,107**	**13,116**
Assets	**22,405**	**29,722**
Stockholders' equity	**6,355**	**6,175**
Special item with reserve elements	**58**	**91**
Accrued liabilities	**436**	**526**
Bonds	1,500	1,500
Liabilities to financial institutions	502	298
Liabilities to non-consolidated subsidiaries	13,261	20,853
Other liabilities	293	279
Liabilities	**15,556**	**22,930**
Stockholders' equity and liabilities	**22,405**	**29,722**

STATEMENTS OF INCOME OF THYSSENKRUPP AG (HGB) in million €

	Sept. 30, 2006	Sept. 30, 2007
Income from investments	1,131	666
Other operating income	649	1,006
Other expenses and income	(439)	(608)
Net interest income/expense	(162)	(369)
Income from ordinary activities	**1,179**	**695**
Extraordinary income/loss	113	0
Income taxes	(174)	(386)
Net income	**1,118**	**309**
Transfer from retained earnings	0	334
Allocation to retained earnings	(570)	0
Carryforward	0	26
Unappropriated net income	**548**	**669**

CAPITAL EXPENDITURES

In 2006/2007 ThyssenKrupp increased its capital expenditures by 44% to €3,001 million. €2,873 million was spent on property, plant and equipment and intangible assets, while the remaining €128 million was used for acquisitions. Capital expenditure was €1,646 million higher than depreciation (€1,355 million).

INVESTMENT BY SEGMENT in million €

	2005/2006	2006/2007
Steel	603	1,659
Stainless	230	328
Technologies	600	581
Elevator	164	122
Services	393	282
Corporate	88	131
Consolidation	(1)	(102)
Group	**2,077**	**3,001**

The investments support our strategic target of sustainable and profitable growth. Around two thirds of the funds went into the expansion of our production capacities worldwide. Worthy of special mention in this context are the investments made in 2006/2007 in the construction of the new steel mill in Brazil. In addition, all segments invested substantial amounts in the modernization of existing facilities and plants.

Further information can be found in the notes to the consolidated statement of cash flows in the section “Financial position” on page 94.

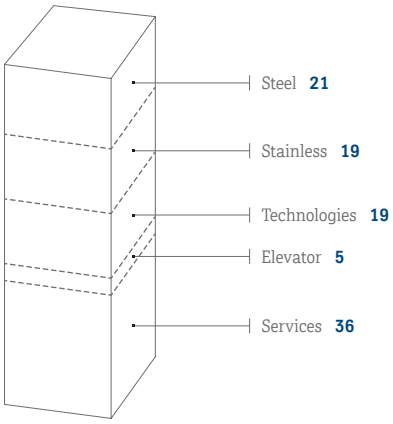
PROCUREMENT: RAW MATERIAL PRICES TRENDING UPWARD

At €33.0 billion, materials expense amounted to 64% of sales in the reporting period. Compared with the year before, we spent 11% more on raw materials, other products and services. The rise is attributable to higher raw material prices and increasing expenses for outsourced products. Although markets were tight in part, material supplies were secured at all times.

MATERIALS EXPENSE BY SEGMENT in million €

	2005/2006	2006/2007
Steel	7,066	7,650
Stainless	4,909	6,783
Technologies	6,966	7,024
Elevator	1,406	1,577
Services	11,123	13,223
Corporate	909	186
Materials expense of segments	**32,379**	**36,443**
Consolidation	(2,701)	(3,447)
Group	**29,678**	**32,996**

MATERIALS EXPENSE 2006/2007 in %



Brazil – main supplier of iron ore

Demand for iron ore increased further on the world market, with prices also rising.

The situation on the global iron ore market tightened further in 2007 on account of the strong growth in steel production. Demand for seaborne iron ore increased by 10% to around 800 million metric tons, so that despite a number of expansion projects, ore suppliers had difficulty keeping up with demand. Furthermore, some of the planned expansion projects were delayed because plant and equipment suppliers had full workloads and were therefore unable to deliver. Against this background, fine ores were 9.5% more expensive. The price of pellets of the leading Brazilian grade increased by 5.3%. In addition, ocean shipping rates for ore shipments increased.

In the reporting period the Steel segment purchased 16.1 million tons of iron ore, of which almost 10 million tons in Brazil. In second place was Canada (2.6 million tons) followed by Australia (just under 1 million tons). Smaller volumes were purchased in Africa and Sweden.

While iron ore prices increased, coking coal became less expensive thanks to the improved supply situation. We were able to achieve a price reduction of around 16% for high-quality grades on the international market. For PCI coal, however, no price reductions were available – mainly due to the strong demand for coal for power plants. The sharp increase in ocean shipping rates also impacted our input costs for coal.

Internationally traded blast furnace coke has increased in price significantly since the end of 2006. At the end of the fiscal year, the price of Chinese blast furnace coke was 325 US dollars before adding the freight costs to Germany. However, in addition to the high demand, the Chinese export tax on coke and other fuels caused prices to rise.

Sharp price increases for alloying metals

On the procurement markets for alloys and above all for metals, prices fluctuated sharply. Producers increased their prices in some cases by over 50%, claiming continued high demand in Europe and Asia as their reason. This was particularly true of bulk alloys such as ferromanganese. Anti-dumping measures by the EU Commission – e.g. for ferrosilicon – drove prices even higher.

Exchange-listed metals such as zinc, tin and copper and in particular nickel, which is important in stainless production, were likewise subject to large price fluctuations. After the price of nickel had already increased by over 350% in the previous three years to around 30,000 US dollars per ton at the beginning of the fiscal year, in the further course of the year the price for delivery in three months climbed to 51,000 US dollars in mid-May 2007. It then fell within a few weeks to below 28,000 US dollars. From mid-August the price began to rise again and from mid-September was slightly above 30,000 US dollars. The surcharge for immediate delivery was at times up to almost 4,000 US dollars per ton.

Price jumps were also observed for the alloying metal chromium, which is also important for the production of stainless steel. After falling slightly in the 2nd quarter of the reporting year, the price increased significantly in the 3rd quarter to reach an all-time high of 2,200 US dollars per ton in the 4th quarter. A key reason for this was high demand from China. By contrast, prices for ferromolybdenum remained relatively stable within a range of 73 to 77 US dollars per kilogram, following previous years in which the price of this alloying metal had also increased by around 400% to over 90 US dollars per kilogram.

The strong worldwide steel market made scrap a sought-after raw material. On average, the price of grade 2 unalloyed scrap was 17% higher than the year before in Germany. Prices fluctuated between €222 and €253 per ton. While rising nickel prices pushed up the price of alloyed scrap, they were also responsible for significantly improving the availability of scrap. This price trend was subsequently broken when world production of nickel-bearing stainless steels was reduced – alloyed scrap is only used for these steels. When nickel prices fell from June 2007, the scrap price also decreased.

Early planning helped avoid further price increases for supplies.

The market for supplies and spare parts was characterized by high workloads at suppliers. Only through early planning were we able to prevent further price increases and supply bottlenecks. In the services sector, too, prices were largely stable. On the construction market we even succeeded in averting price increases despite higher material costs.

Capacity utilization was just as high for suppliers of castings and forgings as for businesses supplying, for example, power plant construction companies. These include manufacturers of turbines, pumps, boilers and high-pressure equipment as well as powertrain and transmission producers. In some cases these product groups were subject to significant price increases and long delivery periods.

The purchasing initiative under our value-enhancement program ThyssenKrupp best was successfully continued in the reporting year. Over 500 employees from Europe, North America, Brazil and Asia have now been trained to use the methodology and tools made available by the Group's headquarters. More information on the projects and significant cost savings achieved as a result of the program can be found on page 59–60.

Tender volume quintupled

We strongly expanded the ThyssenKrupp procurement platform to support global purchasing in the year under review. The strategic sourcing module accessible via the internet facilitated worldwide requests for quotes and auctions. Online requests for quotes have already been successfully used by Group subsidiaries in Germany, Liechtenstein, France, Italy, the United Kingdom and the USA. The total tender volume quintupled against the previous year, reaching €2.5 billion.

Our second program module – Catalog Ordering – also further established itself internationally. More than 3.3 million items can now be purchased online. This significantly reduces the costs of purchasing transactions for both us and our suppliers.

We also expanded our global strategic supplier management system. More than 70 Group subsidiaries in Europe, the NAFTA region and Asia assessed over 1,000 suppliers on the basis of standardized methods and criteria. The assessments were made jointly by all departments and employees working with the suppliers. All suppliers and their assessments are fed into a supplier database which can be accessed online by our Group subsidiaries.

Higher freight costs

Freight costs are a major factor for international purchasing. Limited ocean shipping capacities pushed prices up considerably. Furthermore, the booming market for freight to the USA and limited handling capacities of the busier ports are slowing shipping times. In the area of air freight, we achieved price reductions by consolidating orders under framework agreements. However, road and rail freight rates increased.

The central fleet management system proved its worth internationally, reducing procurement costs in Germany, France, Switzerland, Austria and Liechtenstein. In addition, by consolidating volumes we also ordered vehicles in Italy via the European agreements with auto manufacturers and leasing companies. As a result we achieved significantly better conditions. We also utilized synergy potential for vehicle discounts and lease conditions in Hungary, Romania and Sweden. In the future a centralized vehicle damage management system will enhance cost transparency and simplify handling in the event of damage to vehicles.

Energy: oil price reached all-time high

Oil and gas prices increased significantly in the course of the reporting year.

The price of oil was very erratic in 2006/2007. Due to the mild winter it initially fell temporarily to an unusually low level. However, over the course of time the price of crude oil reached an all-time high of over 80 US dollars per barrel. As a result, the price of natural gas also increased.

At the beginning of the reporting year, the gas suppliers terminated the existing agreements and at the same time introduced a universal increase in the base price, claiming higher production prices in the Netherlands, Norway and Russia. The separation of gas companies into sales and transmission units now called for by the German Energy Industry Act has not yet led to lower costs for customers of the natural gas transmission grid.

Increasing electricity costs

Electricity costs climbed further even though we staggered our purchases and exploited favorable phases in the market. Our existing long-term supply agreements could not prevent this situation. A key cost-driving factor was the further increase in surcharges to subsidize renewable energies. In addition, the electricity tax and the subsidization of combined heat and power plants contributed to the rising cost of electricity. Only a few major electricity consumers in the Group benefited from the special rules for energy-intensive enterprises.

ENVIRONMENTAL PROTECTION

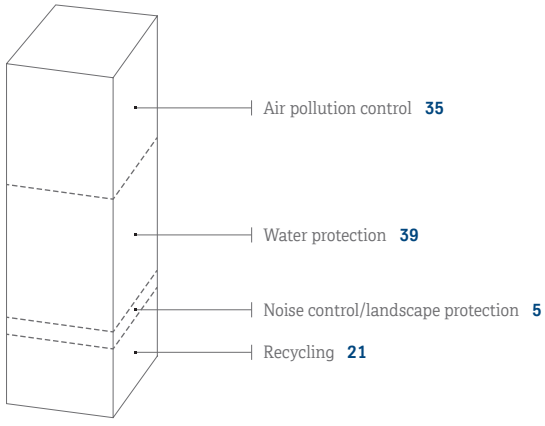
Environmental protection: responsibility for climate and resources

Climate protection, sustainability and resource conservation are central to ThyssenKrupp's sense of responsibility for the environment. The Group spent €520 million on operating pollution control equipment in the reporting year. In addition, the segments took numerous measures to reduce their consumption of energy and raw materials and to contribute to climate protection in their own and at their customers' plants. As raw material and energy prices are high, these measures also helped reduce costs.

ONGOING EXPENDITURE ON ENVIRONMENTAL PROTECTION IN million €

	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
Air pollution control	101	124	141	141	183
Water protection	161	177	165	168	204
Noise control/landscape protection	13	12	15	16	24
Recycling	60	64	81	87	109
Total	**335**	**377**	**402**	**412**	**520**

ONGOING EXPENDITURE ON ENVIRONMENTAL PROTECTION 2006/2007 in %



Former waste materials from steel production are today coveted products, used for example as construction materials.

The Steel segment developed the unique OxyCup® process which allows pig iron to be recovered from previously unrecyclable iron-containing steel mill waste. This protects raw material resources and saves costs. In extensive research work, the engineers also developed to market maturity a process for producing high-quality building material from shaft furnace slag. Instead of being taken to landfill sites, practically all former waste materials can now be recycled into key products for new customers. With this resource-saving waste disposal concept, steel is an environmentally friendly material right from production.

We prepared the permit applications for the construction of our new production complex in the USA in the record time of just six months and submitted them to the Alabama environmental authorities in good time. After intensive contacts, the main permits had already been granted by fall 2007. The positive response of the local population additionally accelerated the approval process. Four events held to inform the public about the project were attended by over 1,750 interested residents, potential service providers and future employees.

We also use our extensive expertise and innovative products to support our customers in environmental protection. Examples include the modern coking plants from Technologies which are in service throughout the world and reduce otherwise inevitable dust and gas emissions. These modern and environmentally friendly facilities are in demand in particular in China, South Korea and Taiwan. The use of large-capacity coke ovens reduces space requirements and operating costs. With the new PROven® system, the usual emission of pollutants from the oven closures and during the oven charging process is avoided. The modern CSQ (Coke Stabilization Quenching) process with an integrated two-stage particle separator is used for coke cooling. A combination of various processes developed by us also guarantees optimum desulfurization of the coke oven gas and the recovery of high-purity sulfur.

Used as facade elements in steel construction, new solar thermal collectors from the Steel segment also supply environmentally friendly energy. We developed the new solar power system together with various European partners as part of the Solabs® project. Attached to the exterior facade, the solar thermal collectors produce energy without taking up extra space.

Our EnviNOx technology converts harmful greenhouse gases into the natural components of air.

Developed by scientists and engineers at Technologies to reduce greenhouse gas emissions, the EnviNOx® process is meeting with increasing interest worldwide. Ten facilities have now been fitted with this technology or are under construction worldwide. The process uses a catalyst to convert ecologically damaging laughing gas and other nitrous oxides occurring in the production of nitric acid into the natural components of air – nitrogen, oxygen and water. These ten facilities alone will provide a reduction in greenhouse gas emissions equivalent to reducing CO_2 emissions by 7.5 million tons per year. This is roughly the amount of carbon dioxide produced each year by 2 million cars with an average mileage of 20,000 km.

SUMMARIZED ASSESSMENT OF THE FISCAL YEAR

The past fiscal year was the most successful in the history of our Group. ThyssenKrupp delivered another outstanding performance, with all key performance indicators at a new record high. All five segments improved their global market positions, in part significantly, and expanded their business. The basis for this is the wide range of products and services which have three things in common – they offer high quality and advanced technology and are tailored to customers' requirements. Our internal programs to enhance performance, productivity and efficiency also bore fruit, especially the Groupwide value enhancement program ThyssenKrupp best.

ThyssenKrupp is a focused conglomerate supported by three pillars: Steel, Capital Goods and Services. These three business areas, to which the Group's five segments are allocated, are the basis of our business model; they also stand for the past and future success of our Company.

Segment review

As well as manufacturing products, our five segments Steel, Stainless, Technologies, Elevator and Services are increasingly concentrating on system solutions and innovative services. All segments took advantage of the strong world economy to achieve further growth.

STEEL

STEEL IN FIGURES

		2005/2006	2006/2007
Order intake	million €	12,343	12,718
Sales	million €	12,087	13,209
Steelmaking	million €	1,004	1,403
Industry	million €	5,846	6,390
Auto	million €	4,375	4,800
Processing	million €	2,433	2,695
Consolidation	million €	(1,571)	(2,079)
Earnings before taxes (EBT)	million €	1,406	1,662
Employees (September 30)		38,840	39,559

Earnings almost doubled

Our Steel segment provides high-quality carbon steel flat products along with processing and services to customers throughout the world.

The Steel segment is focused on the highly attractive market for high-end carbon steel flat products. Its capabilities include intelligent material solutions, custom processing and comprehensive service.

Steel remained on growth track in fiscal 2006/2007 and continued to perform very successfully. Demand for premium flat-rolled carbon steel was extremely strong; in some cases we were unable to meet it in full due to capacity limitations. Order intake increased by 3% to €12.7 billion for price reasons. Order volumes slipped in the final quarter for seasonal and inventory-cycle reasons. Overall, order volume decreased by 6%.

Crude steel production increased by 4% to 14.5 million metric tons. Production by our investee company Hüttenwerke Krupp Mannesmann rose by 20%; this strong growth versus the previous fiscal year was mainly due to last year's production outages. At our own steelmaking facilities we succeeded in expanding production slightly, despite a major repair to blast furnace Schwelgern 1, by means of numerous optimization measures. To ensure maximum utilization of hot-rolled capacities we continued to buy in slab. Rolled-steel production for customers increased by 4% to 15.8 million metric tons. All major production units were fully utilized.

Sales of the Steel segment again increased strongly by 9% to €13.2 billion. This was mainly due to the price increases achieved in quarterly and contract deals and to a superior product mix. Shipments reached 14.1 million metric tons, exceeding the prior-year level by 1%.

With a profit of €1,662 million we again achieved record results. They include impairment losses of €76 million relating to the newly included Metal Forming business. Excluding these nonrecurring effects, earnings before taxes were €1,738 million. With shipments at a high level we succeeded in passing on increased raw material and energy costs to the market. In addition, there were positive earnings effects from the implementation of action programs to increase efficiency in all business units.

Steelmaking

The Steelmaking business unit combines the metallurgical operations in Duisburg, the logistics activities, and the segment's strategic projects. Its main role is to supply the three market-facing business units Industry, Auto and Processing with low-cost, high-quality starting material. Sales of pig iron, slabs and energy to external customers were higher than a year earlier as the increased costs were passed on. Sales revenues at the transport companies were virtually unchanged.

Steelmaking recorded a loss following a profit in the previous year. The main reasons were the start-up costs of the newbuild projects in Brazil and the USA.

Industry

Sales and earnings in 2006/2007 increased substantially in the segment's Industry business unit.

The Industry business unit is a partner to many steel-using sectors which enjoyed very good activity levels in the reporting year. Sales were up 9% from the prior year. Higher prices were achieved in all quarterly and long-term contracts. Sales volume, however, was slightly down from the prior year. Profit increased substantially, driven mainly by the profit centers of the Industry Division of ThyssenKrupp Steel. Key factors were higher prices and efficiency improvement measures, which outweighed the negative effects of cost increases for starting materials and a slight fall in shipments.

Our European steel service centers recorded above-average sales growth due to volume and price factors. The main causes were improved starting material supplies, productivity increases and the passing on in full of higher input prices. Earnings almost doubled in a good operating environment.

For the most part the construction elements business was able to pass on higher starting material prices thanks to improved building activity in Europe and especially in Germany. Sales volumes were unchanged from the prior year. Despite this there was a drop in profits due to impairment losses.

Auto

Sales revenues of the Auto business unit increased by 10%, thanks in particular to the positive performance of the Auto Division at ThyssenKrupp Steel. Sales volumes expanded despite tight capacities. Cost increases on the procurement side were countered by price increases in contract deals and measures to improve performance. Earnings were up from the prior year.

At Tailored Blanks, sales and earnings rose significantly due to increased shipments and the ramp-up of the production sites in China and Sweden.

By contrast, the North American steel service centers recorded large volume losses and lower profits as a result of reduced orders from the auto industry. Positive price effects were unable to offset this. The profit decline is also due to asset impairment charges and the lower US dollar compared with the euro.

Metal Forming, formerly managed by Automotive, has been part of the Steel segment since October 2006.

The Metal Forming business, integrated in Steel at the beginning of fiscal 2006/2007, increased its sales of body and chassis components for the auto industry in the reporting year. Tooling sales were lower, but component sales in Europe were higher. In addition, the acquisition of chassis operations in China and Brazil last year and this year had a positive impact. Metal Forming reported a high loss, mainly due to the impairment charges taken in the reporting year. Operating earnings were also negative as a result of start-up costs for new products and sites. The restructuring measures implemented were unable to offset the higher costs.

Processing

The Processing business unit comprises the tinplate, medium-wide strip and grain-oriented electrical steel product groups. A sales increase of 11% was accompanied by a big leap in profits.

We gained further market share on the tinplate market, which particularly in Europe is characterized by overcapacities and stagnating demand. In a slightly weakening market profits were down from the prior year.

Assisted by very high demand for medium-wide strip, Hoesch Hohenlimburg achieved record levels of production and shipments. With prices also higher, profits increased significantly. Earnings were impacted by higher starting material costs, which could not be offset by productivity increases.

Sales of grain-oriented electrical steel increased. Higher shipments to third-country markets offset lower sales volumes in Europe. Profits rose considerably thanks to the good price situation and the increased share of higher-value electrical steel grades in the product mix.

Significant events

The Umformtechnik group, managed until the end of fiscal 2005/2006 by the then ThyssenKrupp Automotive AG, was integrated into the Steel segment as the new Metal Forming business with effect from October 01, 2006. Its main operations are in Europe and we are currently in the process of establishing further operations overseas. A chassis production facility in Brazil was acquired in 2006/2007. Another new plant in Turkey making body parts for cars and delivery vehicles began operation in August 2007. The integration of Metal Forming into the Steel segment offers major potential for expanding our technological capabilities along the process chain from material to finished part.

In the Steel Service Europe business important decisions to expand operations were made. In Germany, a new service center is to be built in Krefeld, where the plan is to combine the production of the three existing centers in Bochum, Breyell and Leverkusen. Our goal is to achieve a significant improvement in quality and cost standards while at the same time expanding our processing capacity. A new service center began operation in Poland in 2006/2007, taking us a step further in our internationalization efforts and creating the ability to support the growth of customers in Eastern Europe.

The ThyssenKrupp Tailored Blanks group has built a new plant in Bursa in western Turkey. Production started in September 2007. The company thus became the country's first producer of laser-welded tailored blanks for the fast-growing Turkish auto industry.

In the Construction Elements business, the Hof and Leipzig sites in Germany were closed; in the future production will be concentrated at the plants in Kreuztal-Eichen/Siegerland and Oldenburg/Holstein. We are building a new site in Hungary. New sales bases were also created in Russia and the UK. In addition, the ownership structure at the companies Isocab N.V. (Belgium), Isocab France S.A.(France) and Decapanel S.A.S (France) was cleaned up effective October 01, 2007 by the acquisition of remaining shares.

Capital expenditures

The capital expenditures of the Steel segment reached €1,659 million in the reporting year, with depreciation at €615 million.

51% of Steel's investment was in the new steel mill in Brazil; the majority of orders have already been placed.

The ThyssenKrupp CSA steel mill project in Brazil, which is having a major impact on cash flows from investing activities, is running to schedule. The majority of the contracts have been awarded and ground preparation and foundation work has been carried out on the site. This project in the state of Rio de Janeiro accounted for 51% of total capital expenditures. The second major strategic project – the construction of a steel mill in Alabama – had no effect on cash flows from investing activities in 2006/2007 as only preparatory measures for the start of construction took place.

At ThyssenKrupp Steel AG, investment focused further on modernizing the ironmaking facilities in Duisburg. The main item was the construction of the new blast furnace 8, which is to be blown-in in December 2007. Further investment funds went towards rebuilding electrolytic coating line 2 in Duisburg-Beeckerwerth. We also pushed ahead with expanding the hot-rolled lines and hot-dip coating facilities.

ThyssenKrupp Electrical Steel invested substantial funds in capacity expansions. In Isbergues, France, a decommissioned stress relieving furnace was put back into service; the Gelsenkirchen plant expanded its existing decarburizing capacities. These measures further increased productivity and the production of higher-value electrical steel grades.

STAINLESS

STAINLESS IN FIGURES

		2005/2006	2006/2007
Order intake	million €	7,292	7,684
Sales	million €	6,437	8,748
ThyssenKrupp Nirosta	million €	2,682	3,839
ThyssenKrupp Acciai Speciali Terni	million €	2,505	3,244
ThyssenKrupp Mexinox	million €	559	707
Shanghai Krupp Stainless	million €	364	454
ThyssenKrupp Stainless International	million €	1,186	1,570
ThyssenKrupp VDM	million €	998	1,463
Corporate/Consolidation	million €	(1,857)	(2,529)
Earnings before taxes (EBT)	million €	423	777
Employees (September 30)		12,197	12,182

Earnings almost doubled

The Stainless segment combines our activities in the areas of stainless steel flat products and the high-performance materials nickel alloys and titanium. With high delivery performance, flexibility and extensive services, Stainless supports its customers in the manufacture of high-quality end products.

The value of new orders reached €7.7 billion, up 5% from the prior year. However the volume of orders was significantly lower, mainly due to nickel price developments and higher imports. The high customer demand experienced since early 2006 pushed up base prices further at the beginning of the reporting year. Nickel prices also rose sharply, driving up alloy surcharges. Asian and particularly Chinese overcapacity, in conjunction with the relatively attractive price level in Europe compared with Asia, resulted in increasing imports to Europe, which particularly affected the Italian stainless market. European distributors and independent service centers took advantage of this situation to fill their inventories. As a result replenishment orders by distributors decreased to the minimum necessary levels. The nickel price began to fall sharply in early June 2007, causing distributors to sell their high inventories as quickly as possible to minimize the risk of impairment. This considerably reduced the volume of orders in the second fiscal half.

Stainless increased its sales by 36% to €8.7 billion despite falling order volumes.

Despite the significant drop in order volumes, sales in the Stainless segment increased by 36% to €8.7 billion. With hot-rolled and cold-rolled volumes in decline this was mainly due to the enormous increase in alloy surcharges – especially for nickel – and a higher base price level. The nickel alloys business benefited not only from the nickel price rise but also from strong demand so far in the plant engineering, oil and gas sectors. However, here too orders weakened in the course of the year as a result of the high nickel price.

Stainless recorded a substantial increase in earnings before taxes to €777 million, the highest profit in the segment's history. In the prior year the figure was €423 million. The increase was due to significantly higher base price levels, the positive impact of nickel prices up to mid-2007, and

the successful implementation of programs to increase efficiency at the operating companies. The drastic decline in the nickel price from June 2007 had a marked negative impact on order intake and utilization of our worldwide production capacities. In addition, the huge drop in nickel prices made it necessary to record significant inventory write-downs in the 4th fiscal quarter.

ThyssenKrupp Nirosta

At ThyssenKrupp Nirosta, improved prices and efficiency programs resulted in higher profits.

The ThyssenKrupp Nirosta business unit recorded fewer new orders in the reporting year but significantly increased its sales due to higher prices. Thanks to the improved price level and the effects of internal programs we raised our profits substantially. Increased costs caused by measures to maintain deliveries and reduce losses as a result of the fire at the Krefeld plant were offset by insurance recoveries. The production units affected by the fire went back into operation in the course of the year and the production support provided by our Chinese business unit Shanghai Krupp Stainless was ended.

ThyssenKrupp Acciai Speciali Terni

ThyssenKrupp Acciai Speciali Terni recorded high sales growth and a decline in order intake. Driven by higher base prices and the effects of action programs, profits increased significantly, even though earnings were impacted by restructuring costs at the Terni steel plant and in connection with the relocation of production from Turin to Terni. Both the titanium and forging operations made noteworthy earnings contributions.

ThyssenKrupp Mexinox

At ThyssenKrupp Mexinox, order volumes on the North American market decreased slightly, while sales increased. In a generally stable NAFTA market the company recorded significantly higher earnings despite slightly lower shipments.

Shanghai Krupp Stainless

In the first half of the fiscal year Shanghai Krupp Stainless continued to benefit from the production support provided to ThyssenKrupp Nirosta to limit the fire-related losses at the Krefeld plant. Sales were up significantly from the prior year, while new orders from China declined. Following a loss in the prior year Shanghai Krupp Stainless generated a profit. In a continuing difficult market environment the improved earnings are the result of increased export activities and contract work for ThyssenKrupp Nirosta. In addition, cost advantages resulted from the start-up of the hot-rolled annealing and pickling line.

ThyssenKrupp Stainless International

Order intake at ThyssenKrupp Stainless International decreased in volume in the past fiscal year but increased in value along with sales. The business unit benefited from increased service center business and almost equaled its prior-year earnings.

ThyssenKrupp VDM

ThyssenKrupp VDM recorded higher order intake and, due to prices, increased sales, although the volume of new orders was below expectations due to customers holding back on orders in view of the high nickel price. Profits were up significantly from the prior year thanks to the continuing positive state of the market in the oil, gas and chemical plant sectors and the measures carried out to reduce costs.

Significant events

At the beginning of June 2007 ThyssenKrupp Acciai Speciali Terni announced that in order to strengthen competitiveness it would be closing the Turin plant and relocating production capacities step by step from Turin to Terni. This process is to be completed by the end of fiscal 2007/2008.

Capital expenditures

Stainless invested a total of €327 million in property, plant and equipment and intangible assets in 2006/2007, with depreciation amounting to €152 million. At ThyssenKrupp Nirosta the units destroyed by the fire in June 2006 were rebuilt and were able to begin production sooner than planned. At the company's Krefeld plant a start was made on modernizing the AOD converter to optimize melt shop production. To meet growing demand in the attractive "white goods" segment the processing capacity of the EBOR service center in Sachsenheim is being expanded further. At ThyssenKrupp Nirosta Präzisionsband the focus was on expanding annealing capacity.

Stainless is investing heavily to expand its hot- and cold-rolled capacities.

At ThyssenKrupp Acciai Speciali Terni the restructuring measures are continuing. Some projects were initiated in 2006/2007 but will not be completed in some cases until 2007/2008. A major part of the measures involves relocating production from the Turin plant to Terni and subsequently closing the Turin plant, which suffers major disadvantages in terms of logistics, energy costs, infrastructure and environmental requirements. Significant investment is being made to expand hot-rolled and cold-rolled capacity and widen the product portfolio. When the restructuring and expansion measures are complete the Terni plant will be a world-class integrated stainless mill. A VOD converter is currently under construction in the Terni melt shop which will start operation in early 2008. This unit will enable us to produce materials which cannot be manufactured by conventional technology – for example ferritics with high chromium and low carbon contents which can substitute expensive chromium-nickel steels in many areas. This VOD converter will also make it possible to further improve the quality of forging ingots for the open-die forge. Following the market trend we are currently creating the conditions to be able to produce forging ingots weighing up to 500 t and forged products in weights of around 250 t. There is increasing demand for such ingots, above all in the energy sector and for the building of large hot rolling mills. To increase capacity for the production of titanium ingots, ThyssenKrupp Titanium in Essen has invested in the building of new remelting furnaces.

Investment at ThyssenKrupp VDM focused on expanding production capacities for nickel alloys, particularly for the energy and aerospace sectors. By building a forging press with reheat furnace and expanding the remelting units we intend to increase business with rods, especially in large sizes. The forging press will go into operation in the 2nd quarter 2008. In the sheet and wire product groups, investment centered on expansion and rationalization. The relocation of wire production from Bärenstein to Werdohl, now almost complete, provides us with a modern, efficient and competitive production setup.

Shanghai Krupp Stainless mainly invested in building processing capacities. A new stretcher-leveler is being installed to meet increasing flatness requirements for strip and sheet. The existing grinding/polishing line was upgraded to cover growing demand for decorative finishes.

ThyssenKrupp Stainless International invested further in expanding its distribution and service operations. New service centers were built in Poland and the UK, and an existing service center in Turkey is being moved to a better location and upgraded.

TECHNOLOGIES

TECHNOLOGIES IN FIGURES

		2005/2006	2006/2007
Order intake	million €	13,160	14,844
Sales	million €	11,366	11,523
Plant Technology	million €	2,266	2,624
Marine Systems	million €	1,932	2,021
Mechanical Components	million €	4,058	3,793
Automotive Solutions	million €	3,018	3,182
Transrapid	million €	17	49
Corporate/Consolidation	million €	75	(146)
Earnings before taxes (EBT)	million €	410	544
Employees (September 30)		54,757	54,762

Record earnings

At Technologies, 7,300 engineers develop innovative plants and components with high customer value.

ThyssenKrupp Technologies is a high-tech engineering contractor and component manufacturer which also provides tailored services for customers. The aim is to develop innovative products with high customer value. 7,300 engineers are working on this task worldwide.

The extremely positive performance of the Technologies segment continued unabated in fiscal 2006/2007. At €14.8 billion, order intake significantly exceeded the already high prior-year level. Sales at €11.5 billion were also higher, despite business disposals and the heavy impact of exchange rate effects. The pleasing order trend pushed orders in hand to around €15 billion, which means that more than a full year's sales are already secured.

Profits at Technologies increased by 33% to €544 million, easily exceeding our targets. The business units Plant Technology, Automotive Solutions and Transrapid played a major part in this increase. The biggest earnings contribution was again generated by the Mechanical Components business unit.

Plant Technology

High raw material and energy prices as well as numerous infrastructure projects, especially in the Middle East, Northern Africa and Eastern Europe, pushed up demand for the specialized and large-scale facilities offered by Plant Technology. Order intake, already high last year, increased to a new record level thanks to a number of major contracts. Customers ordered polymer plants, fertilizer complexes, electrolysis plants, coke oven plants, bulk handling systems, oil sands mining equipment and cement plants. At €2.6 billion sales were up sharply from the prior year, mainly thanks to the good order situation for chemical plants and mining and handling equipment. Plant Technology achieved excellent profits.

Marine Systems

Order intake at Marine Systems in 2006/2007 was slightly lower than a year earlier. Major contracts included the F125 frigate program for the German Navy, nine yachts and two SWATH ships for the German customs authority. The repair and service business performed very well, achieving a significantly higher volume of orders. Sales at Marine Systems were up slightly at €2.0 billion, while profits were unchanged.

Mechanical Components

Wind turbines are an important field of use for the slewing bearings and rings made by the Technologies segment.

At Mechanical Components the positive demand trend continued, with order intake higher than sales. Sales slipped slightly to €3.8 billion as a result of disposals and US dollar/euro translation effects. These were only partly offset by significant sales increases for slewing bearings and rings, thanks mainly to continued growth in the wind turbine sector. Mechanical Components again achieved a large profit in 2006/2007.

Automotive Solutions

The order situation in the Automotive Solutions business unit was pleasing. All operating groups contributed to the marked increase in orders, in particular the body shop equipment, tooling and assembly systems operations. Sales were also up from the prior year at €3.2 billion. Automotive Solutions significantly improved its earnings and recorded a two-digit million profit.

Transrapid

Transrapid achieved sales of €49 million with positive profit contributions mainly due to billings under the Chinese license contract.

Significant events

The sale of the body and chassis operations of ThyssenKrupp Budd with sales of around €1 billion was completed in the 1st quarter 2006/2007. In this connection we also disposed of our shareholding in the Mexican company Aventec. That completes our withdrawal from the loss-making North American body and chassis business.

Technologies also sold various marginal activities which are no longer part of our core business. They include the ThyssenKrupp Fundições foundry in Brazil, the production of car jacks and the manufacture of components for armored vehicles at B+V Industrietechnik.

In the Marine Systems business unit the naval electronics business of EADS was integrated into the joint venture Atlas Elektronik. This strengthened the technological base of Atlas Elektronik as a leading supplier in the European naval electronics industry. As a result of this transaction ThyssenKrupp's shareholding in Atlas Elektronik decreased from 60% to 51%.

As part of the strategy to expand its service business, Plant Technology acquired A-C Equipment Services Corp. based in Milwaukee, USA. The company, a market leader in kiln servicing and repairs, makes the business unit a full service provider in this fast-growing North American market segment.

Capital expenditures

Investment at Technologies focused on capacity expansion, rationalization and measures to increase efficiency.

Capital expenditures in the Technologies segment reached €581 million in the reporting year, with depreciation totaling €341 million. One focus of the spending was to expand existing production capacities. In addition, all Technologies companies invested considerable funds in rationalizing production processes to increase efficiency.

Mechanical Components began operation of an automated production line for assembled camshafts in the USA and invested in a new machining line for mid-range crankshafts in Brazil to meet growing demand. The line embodies a new production concept with far superior performance to conventional lines. Continuing high demand in the renewable energies sector prompted Mechanical Components to further expand its ring rolling capacities in both Germany and China. In response to continuing demand for wind turbines we began extensive investment programs at several plants to create additional capacities for the production of slewing bearings.

Automotive Solutions invested in various production units for innovative products such as DampTronic shock absorbers and heavy-duty springs. The business unit expanded its assembly capacities on the fast-growing Brazilian market.

In addition we made various financial investments. For example, Plant Technology acquired the remaining shares in a Mexican engineering company and bought a service company in the USA to expand its plant service operations in North America.

ELEVATOR

ELEVATOR IN FIGURES

		2005/2006	2006/2007
Order intake	million €	4,690	5,281
Sales	million €	4,298	4,712
Central/Eastern/Northern Europe	million €	1,282	1,389
Southern Europe/Africa/Middle East	million €	571	774
Americas	million €	1,804	1,821
Asia/Pacific	million €	453	505
Escalators/Passenger Boarding Bridges	million €	306	347
Accessibility	million €	167	190
Corporate/Consolidation	million €	(285)	(314)
Earnings before taxes (EBT)	million €	391	(113)
Employees (September 30)		36,247	39,501

Expansion continued

The Elevator segment is active in the installation, modernization and servicing of elevators, escalators, moving walks, passenger boarding bridges, stair and platform lifts. Its capabilities cover the entire product range, from installations for the volume market to individualized custom solutions. Closeness to customers throughout the world is ensured by a tight-knit network of branches and service operations.

Elevator remained on growth track in 2006/2007, increasing its sales by 10% to €4.7 billion.

Elevator continued its expansion in both the new installation and service businesses in 2006/2007, despite negative exchange rate effects. Order intake increased by 13% to €5.3 billion. Sales climbed by 10% to €4.7 billion. While the growth in the new installations business was mainly due to our continuing strong performance in North America, the expansion in the maintenance business took place in all regions. The growth of the service business is also due to the success of our global service strategy, which guarantees the same high service standards everywhere in the world.

The Elevator segment made a loss of €113 million in the reporting year. This is due to the impact of the fine imposed by the EU Commission for alleged anticompetitive behavior at national level in the Benelux countries and in Germany on the market for elevators and escalators. Excluding this effect, and despite negative exchange rate effects, Elevator almost equaled its prior-year earnings with a profit of €367 million.

Central/Eastern/Northern Europe

The Central/Eastern/Northern Europe business unit significantly exceeded its prior-year order intake and sales levels. A major role in this was played by new installations and modernization projects in France. New orders were also very pleasing in Eastern Europe, mainly thanks to our Russian operations. However, earnings of the Central/Eastern/Northern Europe business unit were significantly down from the prior year, even excluding the EU fine. An increase in profits at our production operations was unable to offset earnings drops on the UK and Eastern European markets. Stiff competition in the new installations market made itself particularly felt in the UK.

Southern Europe/Africa/Middle East

The Southern Europe/Africa/Middle East business unit recorded higher orders and significantly higher sales. The sales growth was mainly due to strong new installations and service business in Spain. Southern Europe also made a substantial contribution, with newly consolidated companies in these countries having a positive impact. The business unit significantly exceeded its prior-year earnings, with the profit growth coming mainly from the Spanish and Portuguese operations. The newly acquired Italian companies also delivered a strong earnings contribution.

Americas

The Americas business unit recorded improvements in both sales and orders, more than offsetting the negative exchange rate effects. A large part in this was played by the new installations and service activities in North America. The situation in Brazil was also very pleasing, easily compensating for a slightly weaker performance in the other countries of Latin America. The business unit increased its earnings significantly despite negative exchange rate effects. Higher sales, improved margins and increased efficiency resulted in substantially higher profits in North America. Earnings in Brazil were also higher.

Asia/Pacific

The Asia-Pacific region will be an important market for Elevator in the future, especially for new installations.

The Asia/Pacific business unit achieved higher orders and sales despite negative exchange rate effects. The growth in China was due to continuing high demand for new installations. Business in Australia was expanded particularly in the new installations area. Although the market environment in South Korea remained difficult, order intake and sales were stable – mainly due to the expanding service business. The business unit recorded a loss in the reporting year. The Chinese, Australian and Southeast Asian operations increased their earnings contributions but this was not enough to offset the renewed profit drop in South Korea.

Escalators/Passenger Boarding Bridges

The Escalators/Passenger Boarding Bridges business unit significantly expanded both its order intake and sales. Whereas business in escalators was down from the prior year due to intensive price competition, sales of passenger boarding bridges were distinctly higher thanks to growth in air traffic. The business unit recorded a loss due to the EU fine. At operating level, however, the unit achieved a profit, albeit lower than a year earlier. The passenger boarding bridges business was unable to match its prior-year earnings, and profits also dropped in the escalator business due to the difficult competitive situation.

Accessibility

The Accessibility business unit remained on expansion track, significantly exceeding its prior-year order and sales levels. The growth in business was substantial in some parts of the main European markets. In the USA, sales equaled their prior-year level despite negative exchange-rate effects. The business unit increased its profits considerably. The earnings increases resulted from the European operations.

Significant events

Elevator's acquisition strategy in 2006/2007 again focused on strengthening its worldwide sales and service operations. Thanks to the acquisition of several regional maintenance and service companies in Italy, Elevator further consolidated its market position in this important European elevator market. Alongside Southern Europe, the expansion strategy focused on the Eastern European region: there were smaller acquisitions in Croatia and Slovenia and the segment set up its own subsidiaries in Romania and Lithuania.

The acquisition of the operations of an elevator manufacturer in California further strengthened the position of Elevator in the San Francisco region. The segment's market presence in the southeastern USA was also bolstered by the acquisition of the operations of one of the largest distributors of home elevator products.

Capital expenditures

Capital expenditures in the Elevator segment in the reporting year amounted to €122 million, with depreciation at €62 million. The investment mainly served to maintain existing operations. As part of our efforts to standardize components, particular investment was made in the modernization of production technologies in our elevator plants in Madrid, Spain, and Angers, France. Financial investment focused on the acquisition of equity interests and service packages, particularly with a view to developing the Italian market.

SERVICES

SERVICES IN FIGURES

		2005/2006	2006/2007
Order intake	million €	14,602	16,823
Sales	million €	14,204	16,711
Materials Services International	million €	6,449	7,926
Materials Services North America	million €	2,330	2,340
Industrial Services	million €	1,716	1,899
Special Products	million €	3,650	4,600
Discontinued operations/Consolidation	million €	59	(54)
Earnings before taxes (EBT)	million €	482	704
Employees (September 30)		40,163	43,012

Sales and earnings at new record levels

The Services segment provides materials and industrial services to customers all around the world.

The segment is focused on material and industrial services and on the supply of raw materials to the production and manufacturing sectors. As well as distributing and selling rolled and stainless steel, pipe, nonferrous metals and plastics, the segment also offers services ranging from processing and logistics, to warehouse and inventory management, to supply chain management. Our industrial services, in addition to sophisticated maintenance activities, also include production support services such as in-plant logistics, pre-assembly and just-in-sequence delivery to production companies. The segment also supplies metallurgical raw materials around the world as well as innovative technical system solutions.

Successful expansion measures, portfolio optimizations, efficiency programs and sales initiatives had a positive impact in the reporting year – in conjunction with the continuing good market for raw and processed materials. 2006/2007 was another record year for Services. Sales and earnings hit new highs. Sales increased by 18% to €16.7 billion, while earnings rose by 46% to €704 million.

Materials Services International

Materials Services International achieved further successful growth in 2006/2007. Sales increased once again. Business in rolled steel was at a high level for demand and price reasons. However, the stainless steel market came under pressure due to increased imports from Asia and a significant price drop for nickel in the third quarter of the fiscal year. In nonferrous metals, the market was characterized by long delivery times and high price levels. The plastics business performed positively on the whole without showing the major volume and price movements of the metal markets. The business unit significantly increased its sales volume thanks to a focus on high-end materials, particularly for the aerospace industry, and the acquisition of additional service contracts. Overall, the importance of integrated materials services increased further in the reporting year. Our marketing concepts, comprising not just the supply of materials but also additional services from processing to supply chain solutions, bore fruit.

The materials activities in Germany benefited from the strong workload of important customer industries.

Our materials operations in Germany had a very pleasing year. Key industries such as the mechanical engineering, plant engineering and automotive supply sectors enjoyed good workloads thanks to strong domestic and foreign demand. The foreign subsidiaries also benefited from the positive materials market. In France, Spain, the Benelux countries, the UK and Scandinavia, sales volumes were up from the prior year. We successfully continued our growth strategy in Eastern Europe – among other things by entering the Slovakian market and expanding our operations in Russia.

Against the background of a generally favorable materials market, Materials Services International increased its profits substantially.

Materials Services North America

The Materials Services North America business unit equaled its high prior-year sales level. In some regions growth was strengthened by targeted strategic measures; the service portfolio was also expanded especially in the area of supply chain management.

The materials market in North America was slightly weaker than in Europe. Although demand in the main markets remained at a high level – with the exception of the auto industry – prices, above all for flat steel products, were below those of other markets, which made imports very difficult. Prices of nonferrous metals were extremely volatile.

Materials Services North America fell just short of its very good prior-year earnings mainly because of price and exchange-rate effects.

Industrial Services

The Industrial Services business unit significantly increased its sales from the prior year. In Germany, increased selling efforts, supported by the good market situation, had a positive impact. In addition to our traditional sectors, business with the energy and chemical industries was expanded. The new operations in South America also made a significant contribution to the sales growth. In the future we will handle all steel mill services for the Steel segment's new steel mill in Brazil. In North America, sales increased slightly despite less favorable exchange rates.

The Industrial Services business unit doubled its earnings, mainly as a result of domestic business, although the foreign operations also generated very good results. Worthy of particular mention is our positive performance in Brazil and Norway as well as in steel mill and plant services, mainly due to efficiency enhancement programs. Earnings were positively impacted not least by the sale of SIR Industrieservice. Overall, the business unit significantly improved its operating performance in all areas.

Special Products

The Special Products business unit significantly improved on its very high prior-year sales level. There was a particular increase in rolled steel business with China and Brazil. The substantial investments made in projects to develop new raw material sources resulted in a demand overhang for pipe; due to limited availability business in large-diameter pipe was slightly down from the prior year.

The technical systems business benefited from high spending on infrastructure measures worldwide, particularly in Germany, Eastern Europe and the USA. The business significantly exceeded its already high prior-year sales. The contractors' plant business with its flood protection and port expansion capabilities, and the track business with equipment for road and rail traffic, significantly expanded their systems business both nationally and internationally. In the area of raw materials supply, there were increased sales of metallurgical products, nonferrous metals, minerals and industrial gases. Business in coke was slightly down from the prior year.

Starting from an already very high prior-year level the profits of the business unit increased at an even faster rate than sales. All areas of the business unit contributed to this.

Significant events

The acquisition policy of Services in the reporting period focused mainly on further expanding our US and Eastern European operations. However we also strengthened our activities in Germany, the rest of Western Europe and Asia. Some marginal activities were sold in Spain and Germany. The portfolio was further focused on the core activities of materials services, industrial process services and raw material supply.

The acquisitions of Services were focused on expanding business in the USA and Eastern Europe.

Services expanded its material service business for the aerospace industry by acquiring the aerospace service business of Alcoa in Pittsburgh. This business specializes in the distribution and warehousing of aluminum materials and in high-end processing services for aircraft manufacturers. In North America we thus succeeded in intensifying our already successfully established materials services for the aerospace industry. Via our activities in Germany and the UK we also created a sustainable sales channel to the aerospace industry in Europe.

Services intends to strengthen its market position in Eastern Europe and to this end signed an agreement to acquire a majority interest in Ferostav. The company is one of the largest steel distributors in Slovakia and offers processing services for steel plate, reinforcing bar, merchant bar, structural shapes, wide-flange beams and pipe. Its main customers are in the construction and engineering industries.

Our plastic services business further improved on its leading position on the European market with the acquisition of Stokvis Plastics with a central warehouse and five service centers in the Netherlands and Belgium. Stokvis Plastics is focused on the sale, distribution and processing of semi-finished plastic products as well as tailored solutions for plastic sheet, film and piping. In addition, a joint venture to distribute materials was set up with a local partner in Vietnam, one of the fastest-growing regions of Asia. In the medium term it is planned to expand this business systematically to become a full-line supplier.

In the field of industrial services, Services expanded in Germany and the Czech Republic, where we acquired activities in the areas of industrial maintenance, coating technology and automation, instrumentation and controls.

Capital expenditures

Services invested a total of €282 million in business expansion and optimizing its activities.

Capital expenditures in the Services segment reached €282 million, with depreciation at €156 million. The main investment went into business expansion. In Germany, we built a new center for materials services in Wörth and expanded our capabilities for track system solutions. Outside Germany, we developed our SAP-based IT infrastructure in the NAFTA region and expanded our processing centers in Russia. Services also invested in optimizing the logistics of its plastics operations. The remaining investment served to maintain existing operations, develop new distribution channels, increase processing capacity and expand the supply chain management business – especially in North America.

CORPORATE

Corporate comprises the Group's head office including corporate services as well as non-operating companies not assignable to individual segments. Also included here is non-operating real estate, which is managed and utilized centrally. The retained assets and liabilities of ThyssenKrupp Budd are also assigned to Corporate. As this company's operations have now been sold, Corporate sales decreased from €1,469 million to €288 million.

Expenditure at Corporate amounted to €205 million before taxes, an improvement of €241 million compared with the prior year. €205 million of this is due to the absence of the negative earnings contribution of the since sold North American automotive operations. Set against this was the absence of the €153 million Dofasco break fee received in the prior year. The sale of real estate in connection with the concentration of our head office locations in Germany resulted in a gain of €115 million. Net interest improved by €83 million as a result of changed Group structures.

Financial position

ThyssenKrupp's financial position is characterized by increased enterprise value. The cash flow statements and balance sheet structure document the success of the company. Our success is also due to a central financing system which optimizes capital procurement and investment for the Group.

CENTRAL FINANCING AND MAINTENANCE OF LIQUIDITY

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

The main source of liquidity for the Group are cash inflows from operating activity.

The financing of the Group is managed centrally by ThyssenKrupp AG, which maintains the liquidity of the Group companies mainly by making available funds within the Group financing system, negotiating and guaranteeing loans or providing financing support in the form of letters of comfort. Liquidity is maintained on the basis of a multi-year financial planning system and a liquidity planning system on a rolling monthly basis. Both planning systems comprise all consolidated Group companies.

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

Any external financing required is covered by bilateral and committed syndicated credit facilities. These funds can be obtained in various currencies and over various terms. In addition, money and equity market instruments are used as well as other selected off-balance financing instruments such as factoring programs and operating leases. Information on the available credit facilities is provided in Note 25 on page 173.

Our centralized financing system strengthens the Group's negotiating position vis-à-vis banks and other market participants, enabling us to procure and invest capital on optimum terms. Interest and foreign currency management is also carried out on a centralized basis.

Issuer rating since 2001

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

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BBB	A2	stable
Moody's	Baa2	Prime–2	positive
Fitch	BBB+	F2	stable

ANALYSIS OF STATEMENTS OF CASH FLOWS

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

Operating activities provided €2.2 billion during fiscal year 2006/2007 compared with €3.5 billion in the previous year. The decrease in operating cash flows by €1.3 billion mainly resulted from the stronger increase in working capital as a result of the business expansion.

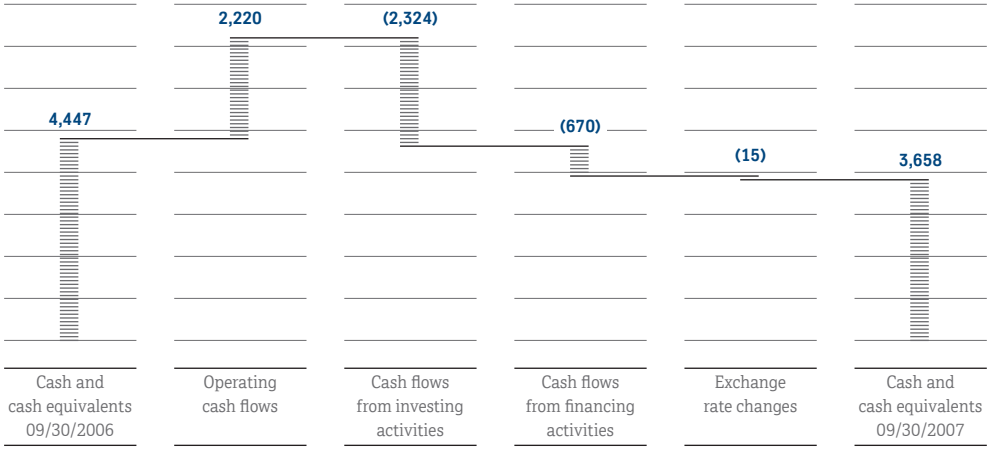
Capital expenditure is a key factor affecting cash outflows in the cash flow statement.

Cash flows from investing activities increased by €0.6 billion to €2.3 billion in the reporting year. This was mainly the result of the €1.2 billion increase in cash outflows for the purchase of property, plant and equipment, mostly in connection with the construction of the steel mill in Brazil. Running counter to this, cash outflows for the purchase of consolidated companies and financial assets decreased by €0.3 billion and cash inflows from the sale of consolidated companies and property, plant and equipment increased by €0.3 billion against the year before.

In accordance with this situation, the free cash flow, i.e. the sum of operating cash flows and cash flows from investing activities, decreased by €1.9 billion to €(0.1) billion in fiscal 2006/2007.

Cash flows from financing activities decreased by €1.3 billion to €0.7 billion during the year under review. The higher cash outflows the year before were mainly the result of the repayment of two bonds in the total amount of €0.8 billion and cash outflows for the repurchase of treasury stock in the amount of €0.7 billion, which were set against cash inflows of €0.3 billion from the sale of treasury stock to the Alfried Krupp von Bohlen und Halbach Foundation. In addition, cash outflows for the repayment of financial liabilities decreased by €0.2 billion in fiscal 2006/2007.

CHANGE IN CASH AND CASH EQUIVALENTS in million €



ANALYSIS OF BALANCE SHEET STRUCTURE

The following balance sheet presentation includes assets and liabilities held for sale which were reported separately in the previous year.

The balance sheet total increased by €1,612 million to €38,074 million.

Significant balance sheet line items, particularly inventories, trade accounts receivable and payable, and total equity increased compared with September 30, 2006. This is mainly the result of the expansion in business. Property, plant and equipment and net financial liabilities likewise increased on account of the growth in investment activity. Shifts in exchange rate relations, primarily the relation of the US dollar to the euro, which increased from €1.27/US dollar as of September 30, 2006 to €1.42/US dollar as of September 30, 2007, led to a decrease in the balance sheet total by €468 million.

The decrease in intangible assets by €122 million resulted primarily from shifts in exchange rate relations and from goodwill impairment charges in particular in the Steel segment. The capitalization of development costs and software had the opposite effect.

The €917 million rise in property, plant and equipment was mainly the result of progress on the construction of the steel mill in Brazil. The €112 million reduction in investment property is connected with the sale of non-operating real estate as part of the concentration of ThyssenKrupp's administrative sites in Germany.

Higher raw material prices and increased inventory levels caused an increase in the value of inventories in the reporting year.

The increase in inventories by €1,349 million to €9,480 million is chiefly attributable to raw material price rises and increased inventory levels due to sales expansions. In particular the sharp decline in nickel prices from the beginning of June led to impairments in the amount of €157 million.

Trade accounts receivable as of September 30, 2007 were up by €313 million from a year earlier. The amount of sold trade accounts receivable as of September 30, 2007 decreased by €60 million compared with the previous year. The increase in trade accounts receivable is the result of sales expansion in terms of volume and price in all segments.

Cash outflows for acquisitions, dividends and the repayment of financial liabilities exceeded cash inflows from operating activities, resulting in a decrease in cash and cash equivalents by €789 million to €3,658 million.

Deferred tax assets declined by €322 million mainly as a result of the adjustment of the tax assessment basis applied to accrued pension obligations in line with the corresponding IFRS rules. At the same time deferred tax liabilities increased by €128 million. Current income tax assets increased by €265 million.

Total equity increased by €1,520 million to €10,447 million. The main factor here was the net income achieved during the fiscal year of €2,190 million. In addition, actuarial gains associated with accrued pensions and similar obligations recognized directly in equity raised equity by €462 million before taxes. Equity decreased due to dividend payments [€521 million], currency translation adjustments [€261 million] and unrealized losses from derivative financial instruments [€193 million]. In addition, total equity was reduced by €111 million due to taxes on income and expenses directly recognized in equity.

Accrued pension and similar obligations decreased significantly in 2006/2007.

Accrued pension and similar obligations in the reporting period decreased by €972 million to €7,139 million. This drop mainly resulted from a further increase in the discount rate in most of the relevant currency areas, the sale of the body and chassis activities in North America, and shifts in the exchange rate relations, in particular the US dollar to the euro.

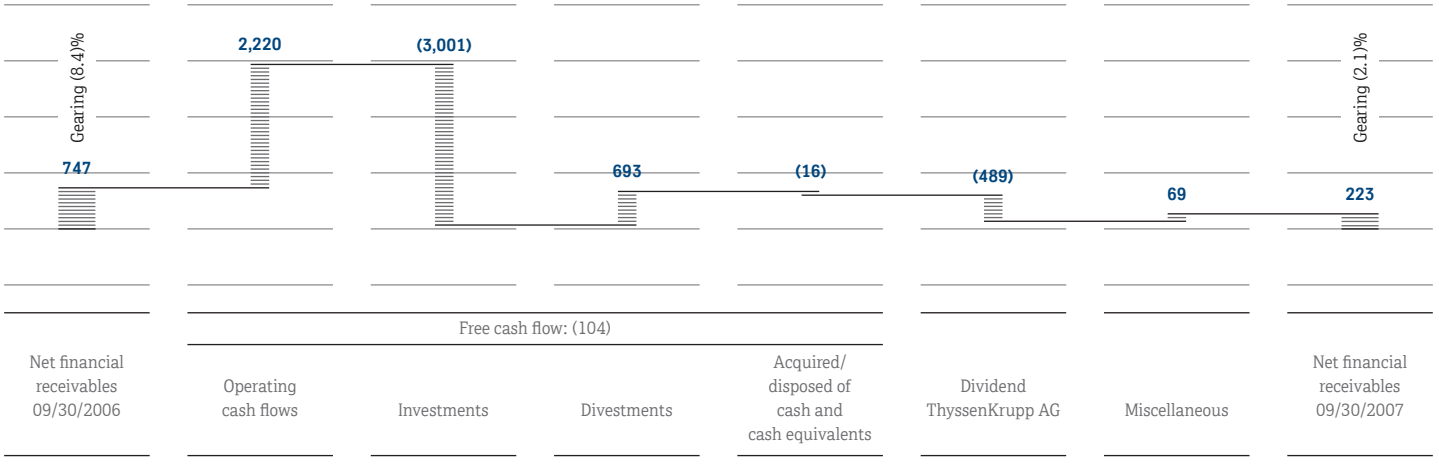
Other current and non-current provisions were unchanged overall from the previous year.

Current and non-current financial liabilities declined in total by €166 million. The mostly cash-relevant reduction in financial liabilities was reinforced by an exchange-rate-related decrease.

Trade accounts payable increased by €231 million as a result of business expansion.

The €745 million rise in other current liabilities was also primarily the result of business expansion and related mainly to increased liabilities in connection with manufacturing orders [€251 million] in the Technologies and Elevator segments, an increase in customer advance payments received [€112 million] and higher trade accounts payable to associated companies and other investees [€119 million]. In addition, a liability from a put option previously classified as non-current was reclassified to current liabilities.

NET FINANCIAL LIABILITIES in million €



ASSETS NOT RECOGNIZED AND OFF-BALANCE FINANCING INSTRUMENTS

In addition to the assets posted in the consolidated balance sheet, the Group uses assets which cannot be recognized in the balance sheet. These mainly concern specific leased or rented assets (operating leases). More details on this are presented under Note 28 on page 175.

The main off-balance financing instruments used by the Group are factoring programs. More details can be found under Note 19 on page 161.

A major intangible asset is the ThyssenKrupp brand. It is continually further developed via a package of measures including an image film, TV commercials, press advertisements and outdoor advertising. Our logo also contributes to the brand value by enhancing the brand's impact and recognition value and distinguishing us from our competitors.

Our long-standing supplier and customer relationships frequently give us a competitive edge on the market.

Also of special importance are our long-standing and trustful relations with suppliers and customers. They bring stability to our business activities and make us less sensitive to sudden market fluctuations. They also allow close technical cooperation with our partners in which the expertise and development capacities of the companies involved can be combined to create new, future-oriented products. These well established collaborations provide a competitive advantage over newcomers on our markets and therefore safeguard our market positions.

One example of our network of capabilities along the process chain is the cooperation between our Steel segment and the automotive industry. Our input as steel producer includes all stages in the development and production process from high-quality materials through to finished components and complete auto body concepts for vehicle designers. Such intelligent and mature solutions based on our materials expertise provide our customers with real value added which pays dividends on the market.

Innovations

In the competition for the future, our key factor is knowledge. Our ambitious and innovative researchers and developers work close to customers to find new ways of further optimizing our products and processes. Many people join forces in the Group to improve existing products and services and develop new ones.

STRONG INNOVATIVE CAPABILITIES

We spent €815 million on innovations in the reporting year – an increase of 10%.

As a technology-oriented group, ThyssenKrupp once again placed a strong emphasis on research and development work in the reporting period, increasing its total spending on innovation by almost 10% from the previous year to €815 million. €257 million was spent on basic research and development projects – including capitalized development costs; a third of this was for projects outside Germany. Customer-related development projects accounted for €294 million. That represents a 17% increase in R&D spending from the previous year. Expenditure for technical quality assurance was €264 million.

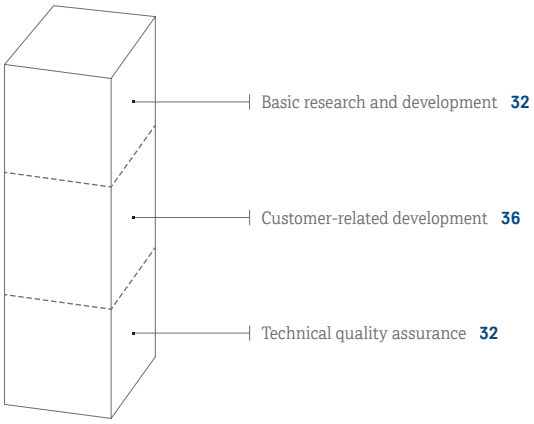
INNOVATON SPENDING in million €

	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
Basic research and development	183	191	186	241	257
Customer-related development*	156	182	266	230	294
Technical quality assurance	290	275	281	272	264
Total	**629**	**648**	**733**	**743**	**815**

* including outside R&D funds and public funding

In 2006/2007, there were more than 3,300 people working at the Group's 85 development centers and departments around the world to improve our products and processes. To exploit existing synergy potential in the Group even more systematically, ThyssenKrupp AG as holding company has intensified cross-segment R&D collaboration by providing funding for projects in key areas. Also of great importance were cooperative projects with third parties. In this way we ensured that our development work was closely aligned to the wishes and requirements of our customers. In addition, cooperation with external scientists enables us to keep up with the very latest developments in science and engineering. That was the reason behind our involvement in the establishment of the Interdisciplinary Centre for Advanced Materials Simulation (ICAMS), a research institute based at the Ruhr University in Bochum.

INNOVATON SPENDING 2006/2007 in %

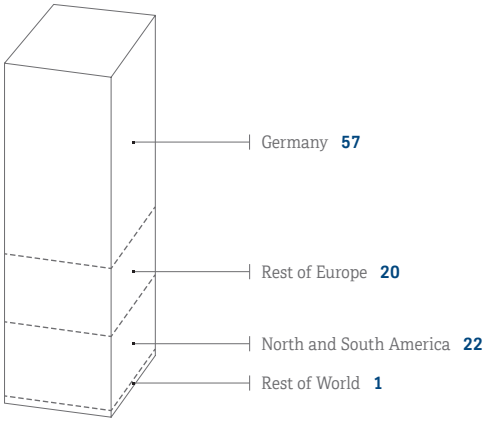


Public-private partnership in leading-edge research

The ICAMS research institute will develop high-tech materials with the aid of innovative simulation techniques.

ICAMS is being set up by ThyssenKrupp in conjunction with the state of North Rhine-Westphalia and six other business and scientific partners. This leading-edge research institute, the only one of its kind in Europe, will mainly work on the development of high-tech materials tailored to customer requirements and the needs of advanced production processes. For this, ICAMS will employ innovative simulation processes which hold the promise of faster, resource-friendly material and product developments with a stronger market focus.

RESEARCH AND DEVELOPMENT CENTERS WORLDWIDE in %



RESEARCH AND DEVELOPMENT AS THE BASIS FOR SUCCESSFUL INNOVATIONS

High-level research and development work in all the Group's segments has produced innovative products and processes which will contribute to our market success in the coming years.

Research offensive for innovative automotive solutions

InCar, our wide-ranging research and development offensive for innovations in automotive construction, was unveiled to the public at the 2007 Frankfurt Motor Show (IAA). This cross-segment project brings together the full automotive expertise of the Steel and Technologies segments. InCar is designed as a solutions and ideas pool for body, chassis and powertrain products. Whether customers require parts, assemblies or systems, they can choose from several alternatives to meet their exact needs.

Steel: new lightweighting steel grades developed

We developed two new dual-phase steels for weight reduction in the auto industry.

The Steel segment has developed two new dual-phase steels with strengths of 800 and 980 Megapascals (MPa) for automotive lightweighting. Unlike conventional advanced ultrahigh-strength steels, the new materials will be available with hot-dip galvanized surfaces to meet strong demand from OEMs. Normally, the high alloy content of advanced ultrahigh-strength steels makes hot-dip galvanizing difficult. We have improved not only the alloying concept for our new steels but also the coating technology used with the result that the new materials can be supplied not only hot-dip galvanized but also galvannealed. With the galvannealed finish, an annealing treatment provides improved weldability.

In collaboration with Japan's second-biggest steel producer JFE Steel Corporation we have developed a new multiphase steel for automotive applications. It has a similar strength to that of the advanced ultrahigh-strength steels CP-W 800 from Steel and NANO 780 from JFE. But with up to 40% higher elongation it possesses significantly improved forming properties. Initial parts have confirmed the advantages of this new steel.

TRIP steels were launched successfully several years ago. A new variant with reduced carbon content has now been developed which is more readily weldable and thus easier to process. The material has already been successfully tested under production conditions. TRIP (Transformation Induced Plasticity) steels are multiphase steels which achieve their ultimate strength during forming into finished parts.

In the area of tailored products, Steel has developed tailored blanks which are suitable for hot stamping. Automotive OEMs are making increasing use of hot stamping technology, in particular for the production of crash-relevant components; it permits the manufacture of extremely strong, thin-walled parts which enhance crash performance and at the same time meet demanding requirements for weight reduction. The use of tailored blanks made up of different steel grades makes it possible for the first time to produce hot-stamped parts which offer not only extremely high strength but also display sufficient elongation in defined areas to absorb crash energy.

Composites and surfaces with high potential

The DOC® Dortmunder OberflächenCentrum, one of the world's leading surface engineering centers, has started development work on an innovative sandwich product for large car body panels. It comprises two 0.2 mm to 0.3 mm thick face sheets made of steel and a 0.5 mm to 1.5 mm core layer of thermoplastic resin. The sandwich sheet has a considerably lower weight per unit area than common body panel sheets. Combined with its high flexural strength, the new material offers good lightweighting potential.

Successful trials have been carried out on the production use of an innovative surface coating developed at the DOC®. The new zinc-magnesium coating is applied by hot-dip coating and offers significantly greater corrosion protection than conventional hot-dip galvanized coatings. The laboratory findings were confirmed in production use. Customer-oriented processing tests were also successful.

Successful ideas for vehicle construction

Engineers from our Metal Forming unit developed a further highlight – an innovative lightweight steel rear axle beam. The new lightweight steel chassis costs around half as much as a benchmark aluminum design from an executive class car, and is only 10% heavier. Tailored blanks and an innovative joining technology which requires no welding flanges contribute to the outstanding properties of this development.

The new T3 profiling technology helps optimize car cockpit structures.

In conjunction with Johnson Controls, auto experts from our Technologies and Steel segments came up with an improved automobile cockpit structure. Their innovative solution is not only 20% lighter than the production benchmark, it also costs less to produce. At the same time it takes up less space, offering additional design possibilities for the front passenger area. One of the key innovations in this cockpit assembly is a so-called T3 profile. Developed by ThyssenKrupp, this profile varies in cross section over its length and is shaped in such a way as to be able to provide all the necessary support despite weighing less and having only half the length of a conventional beam. Steel's T3 profiling technology was awarded third prize in the 2007 ThyssenKrupp Innovation Contest.

Collaboration between ThyssenKrupp Steel and auto industry partner Webasto has resulted in the Multipurpose Tailgate, a concept for a flexible tailgate module with a variety of additional functions including an integrated rack system for bicycles, snowboards or an additional luggage box. The use of bake-hardening steels allows reduced sheet thickness and thus lower weight even in the basic version.

Extended construction elements portfolio

"Hoesch Matrix" is an innovative steel sandwich element developed by our construction element specialists for high-class, representative facades. It meets design standards which were previously the preserve of curtain wall solutions. As well as an attractive design, the new element provides the insulation and fire protection properties required of a facade. All key facade functions are combined in one element, which reduces construction times.

Stainless: strategic innovations

Strategic innovations in applications, materials, processes and products were at the center of Stainless' activities. Computer simulations played an increasingly important role in speeding up development work.

Stainless steel flat products conserve raw materials

With prices for the alloying elements nickel and molybdenum fluctuating sharply and occasionally very high, our efforts focused in particular on offering lower-cost alternatives and supporting our customers in switching to these new materials. One example is steel grade 1.4607, which has a 19% chromium content and excellent corrosion resistance, allowing it to be used as a substitute for the common chromium-nickel steel 1.4301 with no loss of performance. As this new material contains neither nickel nor molybdenum, it is ideal for use in automotive exhaust systems, where it will help reduce NO_x emissions.

Another material concept relates to high-performance steels with a high (24%) chromium content. They are being developed as a substitute for nickel- and chromium-alloyed steels in chemical and general plant construction as well as in energy and environmental engineering in areas requiring excellent corrosion resistance.

In close cooperation with customers, we have developed the first nickel-free stainless steel for use in drinking water pipes. The new material is market-ready and has met with universal acceptance. To meet rising demand we have further optimized the production technology for this material.

The project "NGV – Next Generation Vehicle" is uncovering new opportunities for stainless steel in auto production.

The collaborative project "NGV – Next Generation Vehicle" launched in late 2004 by leading stainless steel manufacturers and auto producers has now produced its first results: they demonstrate the potential of stainless steel for use as an auto construction material. The automotive OEMs participating in the project were Audi, BMW, DaimlerChrysler, Fiat, General Motors/Saab and Ford/Volvo, while the stainless steel producers involved were ThyssenKrupp, Outokumpu and ArcelorMittal Stainless. The findings from the NGV project have been compiled in design and processing guidelines. It was shown that the use of stainless steel in vehicle construction can be especially beneficial in crash-relevant structural parts. A cost model was also developed in collaboration with the Boston MIT (Massachusetts Institute of Technology). It allows the use of different production methods and materials to be compared and the optimum stainless steel solution determined.

Progress on high-performance nickel and titanium materials

New nickel alloys for the growing aviation, power generation, oil and gas markets were a key area of our development work on high-performance materials. Certification is expected shortly for our aerospace alloy 718. Development activities focused in particular on optimizing production routes.

In the highly promising area of material developments for efficient 700 degree power plant technology, we collaborated with power utilities and boiler manufacturers on the development of a nickel grade alloyed with boron which allows thinner tube walls compared with the standard material. This variant is now undergoing trials on a pilot plant.

A nickel-tungsten alloy has been developed for use in high-temperature superconductor technology. Superconducting layers can be chemically applied to foils of this alloy in the laboratory. The objective is to develop this material for commercial production.

Titanium sheets developed by Stainless are also to be used in the new ThyssenKrupp Quarter.

There were also product improvements and new developments in the area of titanium. Colored large-size sheets were developed further for architectural applications. The focus here was on color stability and the possibility of mass production. The sheets are to be used on the new buildings of the planned ThyssenKrupp Quarter in Essen.

Funded by the German Ministry of Economics and Technology, the Aviation Research Program 2007 to 2012 aims to reduce costs for aircraft turbines. For this, the turbine disk and blades are to be produced as a compact component. That means that the titanium alloy used must satisfy additional demands on material and testing properties. For this reason our engineers are currently determining the forming properties with a view to simulating a suitable forging process.

Technologies: plant construction as a driver of innovation

Plant construction has developed into an important driver of innovation in the Technologies segment. Development work was carried out in many areas to ensure we can continue to offer customized, high-tech solutions in the future. Environmental protection plays a major role in this. Eco-friendliness and efficiency are key characteristics of the new HPPO process developed in collaboration with Degussa to produce propylene oxide, a feedstock for foam production. For its cost-efficiency and high customer value, this new process was rewarded with second prize in the 2007 Group Innovation Contest. Its first industrial-scale use will be for a customer in South Korea. Further international customers are expressing an interest.

Equally important for the environment is the EnviNOx® process, which is already on the market and was significantly enhanced in the last year. It removes environmentally harmful nitrous oxides from the tail gases of chemical plants, including in particular laughing gas (N_2O), which is roughly 30 times more harmful than CO_2. Under the Kyoto Protocol, EnviNOX® is a recognized technology carrying an entitlement to emission allowances. As the EnviNOX® process has established a new standard not only for the elimination of N_2O but also for the reduction of NO_x emissions, it was recently adopted as "Best Available Technique" for official approval procedures in the European Union.

Resource conservation through innovative automotive components

A major area of research by scientists and engineers in the automotive supply operations of the Technologies segment focuses on further reducing weight, consumption and emissions for cars and trucks. To this end we have developed an innovative integrated concept which is being offered to automotive OEMs as an "automotive component kit to reduce CO_2 and NO_x emissions". It includes lightweighting through the use of high-strength materials and alternative manufacturing processes which can achieve weight savings of 10% to 30% for crankshafts, camshafts, differentials and dampers. It also addresses ways of lowering fuel consumption through innovative camshaft concepts and by using new bearing designs to reduce friction in the engine.

Combining our springs and dampers activities generated considerable development synergies. Our module capabilities have been extended: spring-damper modules integrating several components offer lower weight, noise and friction plus longer lifetimes. This gives us a significant lead over competitor products.

New container ships launched

Our newly developed family of container ships for 3,100 to 3,700 standard containers offers shipping companies around the world exceptional price-performance ratios for maritime transportation. In addition to the basic ship, several variants have been developed and the design, engineering and production processes for this type of ship optimized.

High-quality components for wind turbines

Wind turbines are subject to high operating loads which place great demands on the components used – a major challenge for our engineers and technicians. Reliability and wear resistance are key factors. One good example is the use of our large-diameter slewing bearings in the rotors of wind turbines. A newly developed hardening process for these bearings improves the hardening of the bearing raceways at comparatively low cost and thus makes a significant contribution to economic and ecological energy generation.

Elevator: high speed with TurboTrack

TurboTrack, a groundbreaking new passenger transportation product, was launched in the reporting period. In the entry and exit sections of the moving walk, the system moves at a speed that allows passengers to step on and off in comfort. The central section of the TurboTrack accelerates smoothly to 2 m per second. This innovative technology can transport more people at higher speed and without waiting over distances of up to one and a half kilometers. With a continuously moving pallet walkway and three speed zones, the TurboTrack is an attractive product for numerous areas of application.

The first two systems have been put into operation at Toronto International Airport in Canada. TurboTrack also offers significant advantages in public transit systems. It can be used to link neighboring stations, opening up new potential routes and connections. The practical benefits for passengers – shorter distances, more direct connections – significantly enhance the attractiveness of city subway systems. TurboTrack was awarded first prize in the 2007 ThyssenKrupp Innovation Contest.

TurboTrack, a new development from Elevator, can transport passengers faster than conventional moving walks.

TWIN: the success story continues

Our TWIN elevators are already in use throughout the world. Now they are to be installed for the first time in a hospital. As part of the expansion of the renowned Royal London Hospital, TWIN systems – with two cabs running independently in one shaft – will be designed as bed elevators. Larger cabs with a payload capacity of up to 2,500 kg and increased passenger capacity will provide fast and comfortable transportation for patients. The use of our elevators frees up valuable space for patient care.

In the Federation Tower in Moscow, all 11 TWIN elevators in Tower B are now operating successfully. Covering a rise of 180 meters, they travel for the first time at speeds of up to 7 meters per second. Another 10 TWIN elevators will be installed in Tower A in 2008.

Maximum elevator travel comfort thanks to laser technology

The guide rails of high-speed elevators are aligned by means of laser beam – for maximum precision and safety.

Modern buildings are getting taller and taller. For the high-performance elevators installed in such buildings, utmost precision in the guide rails is a key quality factor, not least because of the high speeds such elevators move at. Conventional methods of rail alignment are no longer adequate. The Elevator segment has developed a completely new laser alignment system which guarantees accuracy in the micrometer range. It was first used in the 492 meter high Shanghai World Financial Center, where our double-deck elevators – combining two cabs in a joint frame – run at 10 meters per second.

Services: environmental protection and customer benefit as innovation drivers

Innovation and development work in the Services segment was focused on new processes and systems related to the environment. We succeeded in increasing the efficiency of conventional power plants and modernizing steam generators of all kinds. In this, our engineers and technical experts seek new ways of reducing emissions and enhancing efficiency through innovative power plant technologies. For example, a modernization project in Würzburg combines the use of a low-emission fuel with efficient gas and steam turbine technology in a combined heat and power plant. When generating only power, this improves plant efficiency by up to 47%. If heat is also to be produced, the fuel is utilized even more effectively. Overall, primary energy consumption is reduced by at least 10% and CO_2 emissions by 50,000 tons per year.

A further innovation relates to the area of rail technology. We have developed a new slab track system in which a prefabricated concrete frame is placed on drilled piles as a support for the rails. This greatly simplifies the earthwork required both when laying new tracks, e.g. for high-speed trains, and when replacing existing ballasted tracks. Construction and maintenance costs are significantly reduced.

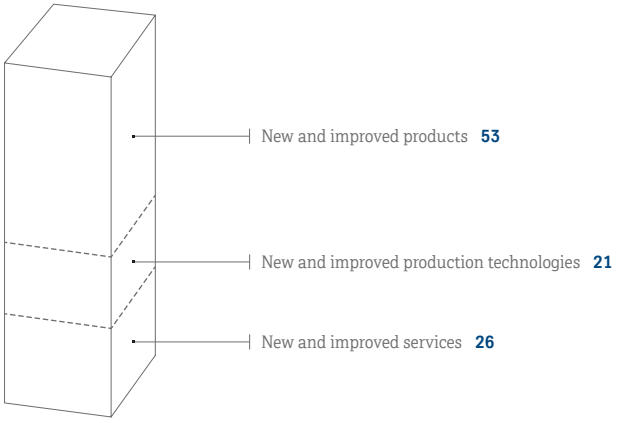
SUCCESSFUL INNOVATION CONTEST

The ThyssenKrupp Innovation Contest was held for the eighth time in 2007, attracting a major response.

There was once again a considerable response to our 2007 Innovation Contest, with 74 high-quality projects entered by experts from all the Group's segments. The contest aims to further improve the climate for innovation and promote the translation of ideas into promising products and services. Key criteria used to assess the innovations are customer value, customer retention, achievable production cost savings, degree of innovation and market potential.

The contest was launched in 2000 to underline the importance of continuous innovation activities. Over eight years to date it has attracted 353 entries and awarded prizes to 33 projects. Contributions from scientists and engineers outside Germany are growing in importance. A new Innovation Contest will be held in 2008. In recognition of the importance of environment and climate protection, resource conservation, energy efficiency and lower CO_2 emissions, a special innovation prize will be awarded for the first time this year to the best project from these areas.

INNOVATION CONTEST Entries submitted from 2000 to 2007 in %



Employees

The dedication and ideas of our 191,000 employees will shape the future competencies of our Company. Throughout the world, their personal commitment helps ensure that customers, investors and other business partners decide in favor of ThyssenKrupp. A good working atmosphere, outstanding training and education opportunities as well as performance-related compensation form the basis of their abilities and success.

EMPLOYEES BY SEGMENT

	Sept. 30, 2006	Sept. 30, 2007
Steel	38,840	39,559
Stainless	12,197	12,182
Technologies	54,757	54,762
Elevator	36,247	39,501
Services	40,163	43,012
Corporate	5,382	2,334
Group	**187,586**	**191,350**

WORKFORCE DEVELOPMENTS: GROWTH AT ELEVATOR AND SERVICES

At the end of September 2007 ThyssenKrupp had 191,350 employees worldwide.

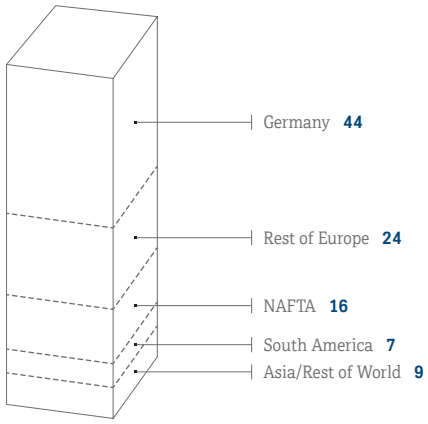
On September 30, 2007, ThyssenKrupp had 191,350 employees worldwide, an increase of 3,764 or 2% from the end of the previous fiscal year. The biggest growth was in the service-related segments Services and Elevator. In Germany, the headcount was up slightly by 1% to 84,999, representing over 44% of the total workforce

The number of employees outside Germany rose by 3% to 106,351. The expansion of our foreign activities, in particular at Services and Elevator, more than offset the decline in numbers in North and South America due to disposals. At the end of September 2007, 24% of ThyssenKrupp's employees were working in the rest of Europe outside Germany and 16% in the NAFTA region.

EMPLOYEES BY REGION

	Sept. 30, 2003	Sept. 30, 2004	Sept. 30, 2005	Sept. 30, 2006	Sept. 30, 2006
Europe	141,508	135,178	130,418	128,112	130,255
NAFTA	32,318	32,204	33,872	32,622	30,060
South America	8,707	9,846	10,474	13,618	14,168
Asia/Rest of World	7,569	9,808	11,168	13,234	16,867
World	**190,102**	**187,036**	**185,932**	**187,586**	**191,350**

EMPLOYEES BY REGION on September 30, 2007 in %

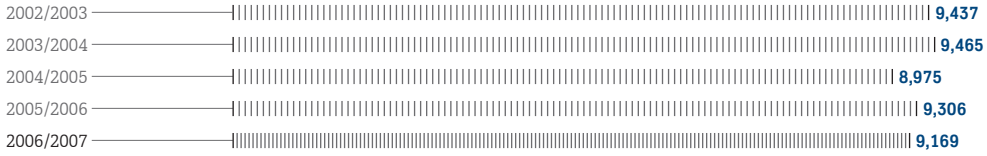


The performance and dedication of our employees are reflected in productivity. One indicator of this is sales per employee, which have risen continuously over the last five years as shown in the following graphic. The increase in 2006/2007 alone was almost 9% .

SALES PER EMPLOYEE in €

Personnel expense decreased by 1% in the reporting period to €9.2 billion. The following graphic shows the development of personnel expense over the past five years.

PERSONNEL EXPENSE in million €



SUPPORT FOR SKILLED STAFF

By tradition we attach great importance to training the skilled workers of tomorrow. We know how important good training is for the future of young people, which is why we always provide apprenticeship training beyond our own needs. In Germany alone, we have almost 200 full-time trainers and numerous training officers helping to give 4,293 apprentices a successful start to their careers.

We offer training in around 70 occupations, mainly industrial apprenticeships. The most popular of these in 2006/2007 was the industrial mechanic apprenticeship, which attracted more than 1,100 young people. At 5.6%, our apprenticeship training rate, i.e. the ratio of the number of apprentices to the overall workforce, showed a further improvement on last year's high level.

ThyssenKrupp continues to participate in the training pact between government and industry. In 2006/2007 alone we created more than 200 additional apprenticeship places and offered numerous initial training placements. Our efforts have been worth it: more than 60% of the young people who have so far completed an initial training placement were subsequently offered an apprenticeship contract. This success would not have been possible without the intensive specialist and educational support provided by our trainers.

Advanced training promotes motivation and skills

The high training rate shows that employees' skills are very important to us.

In the reporting year, more than 90,000 people took part in work-related advanced training courses and seminars. Key areas included quality management, data systems and management training. With many employees participating in more than one course, our advanced training rate was high at over 120%. Further intensive training measures were provided at our foreign branches and operations. The courses, seminars and other events offer significant advantages to companies and employees alike. Our employees gain new perspectives for the future and are better motivated and qualified for their work in the company.

Outstanding health and safety

We continue to maintain a high level of health and safety at work. In the year under review, there were only 11.3 reportable accidents per 1 million hours worked at our German companies. That represents a decrease of a third compared with 2001/2002, when there were still 17.1 accidents per 1 million hours worked. Our activities to improve occupational health and safety are now paying dividends. We expect a similarly encouraging reduction outside Germany as our health and safety measures have been adopted by foreign subsidiaries in a cross-segment and cross-country exchange of experience.

Despite the high standards achieved, we will continue to work hard to reduce accident numbers even further. The Groupwide initiative launched in 2005 under the name "Company target: zero accidents" has spawned new activities to further enhance health and safety at work. One key area is a broad-based management training program. Over a period of three to five years, all managers will

attend health and safety seminars which we offer in conjunction with the Employers' Liability Insurance Associations (Berufsgenossenschaften). These seminars were attended by 1,700 managers – from foremen to board members – in the first year of the program.

Worldwide social responsibility

ThyssenKrupp takes a socially responsible approach to its employees around the world and observes national labor law standards. We attach particular importance to the principle of equal opportunity and to the diversity of people and cultures at our worldwide locations. We regard preventive healthcare measures, safety at work and healthy working conditions as key management duties.

At ThyssenKrupp we do not tolerate discrimination against members of the workforce and take decisive action if the need arises. This clear stance, anchored in an agreement with the Group Works Council and the European Works Council and widely communicated, is one reason why work in our companies is characterized by tolerance and mutual respect.

Universities and graduates

Our university marketing efforts have one aim – to secure highly qualified young talent for leadership positions in the Group.

As a forward-looking company we are constantly on the lookout for talented and qualified employees for a wide variety of specialist and management duties. In the competition for the best young graduates, we have stepped up our university marketing activities. Engineers in particular see us as an attractive employer. We also have a tradition of cooperation with German and foreign universities. All of these activities will be continued and expanded.

In these collaborations we promote a stronger exchange of knowledge in education and teaching, realize joint projects in the areas of technology and innovation, and provide support for highly talented students. Activities range from workshops, excursions and joint projects through to fellowships and prizes such as the "ThyssenKrupp Student Award". For the first time we organized career days and trainee days throughout the Group.

Our university marketing activities also focus on selected target groups who are expected to perform particularly well after completion of their education. These include senior high school students who intend to take up a degree course, competitive athletes at university and talented female students who have already started on engineering and science degree courses. At the TU Berlin, ThyssenKrupp cooperates with the university careers center for women "femtec" with a view to recruiting more women specialists and managers to technical professions.

Our efforts to attract young talent are rounded out by the ThyssenKrupp study support program. In addition to financial support and interdisciplinary seminars, the accompanying mentoring program has proved important for students. The mentors are experienced executives who support students on the program with individual advice on personal and career development.

NEW DIRECTION: THYSSENKRUPP PERSPACTIVE LAUNCHED

Given our strategy of expansion and the increasing internationalization of our business, outstanding executives are of more importance than ever to our Group. In the past fiscal year we intensified our efforts to develop our present and potential managers and to attract new executives.

In summer 2006, a Groupwide "Management Development Initiative" was launched to analyze the existing instruments, processes and structures of management development and develop a concept for a viable "ThyssenKrupp management development model". In March 2007, this model was presented to the Group's top managers at the annual management forum under the heading "ThyssenKrupp PerspActive".

Management development as a management task

We further developed and added to our management development processes and tools.

The name ThyssenKrupp PerspActive reflects the fact that it concerns the perspectives of individuals and the Company and that realizing these perspectives requires initiative and action by individuals and the Company as a whole. ThyssenKrupp PerspActive is guided by the principle that sustainable management development requires a common philosophy, i.e. a clear understanding of an individual's performance, potential and management competencies as well as the requirements made on positions in the Group. Furthermore, management development processes in the Group should be systematized and standardized in just the same way as, for example, our financial management.

Our management development tools and processes have been developed further on the premise that 90% of management development should take place on the job, that management development is a priority management task, and that managers must also accept responsibility for their own development. Our competency model has been revised and expanded in particular to include the aspect of employee and management development. Based on this extended management competency model we have initiated a new assessment and development process for this level.

Search for talent stepped up

ThyssenKrupp is intensifying its efforts in the competition to attract the best young talents. Our internet career portal has been revised and a new applicant management system installed which speeds up selection and decision processes for both us and the applicants. On the one hand we are looking for employees who have already gained experience in their specialist area and who would like to apply these skills to a wider area of responsibility at ThyssenKrupp. But in the future our search for talent will also focus more strongly on the ability of applicants to take on new duties flexibly. In addition, our executives will be more actively involved in the selection of senior and junior managers, in keeping with the principle of ThyssenKrupp PerspActive that the search for talent and management development are management tasks.

THYSSENKRUPP ACADEMY ALIGNED TO STRATEGIC REQUIREMENTS

The ThyssenKrupp Academy opened at the start of 2006/2007 as a Groupwide management academy for executive development. In its first year more than 500 executives took part in its programs. A total of 22 programs were carried out for top management.

The ThyssenKrupp Academy has made a successful start with numerous programs.

The programs and courses are aligned to the Company's requirements and strategy. The main objective of the Academy's Management School is to impart and build knowledge, but it also offers participants an opportunity to network with colleagues to the benefit of their business. The one-week general management program "Breaking New Grounds" was developed for top executives in collaboration with the Harvard Business School. Executive managers can take part in the "Creating Growth Strategies that Work" program, developed in conjunction with the European School of Management and Technology (ESMT). The seminar "Leading for Growth and Continuity" is designed to help senior managers reflect on their own management style and their underlying understanding of management.

The "Competence Forum" comprises specialist conferences aimed at providing impetus which can be taken up in the Group to develop further solutions. One successful example is the Mobility Competence Forum, attended by more than 100 of our top executives. In the "Impact Workouts", the ThyssenKrupp Academy has started to develop its own case studies based on past decision-making situations of major importance for ThyssenKrupp.

COMPENSATION SYSTEMS BOOST MOTIVATION

Performance and success-oriented compensation systems are an important prerequisite for qualified and motivated employees and executives. Our Group companies in all countries have attractive compensation systems based on the customary local regulations and the wishes of the workforces. In Germany, for example, in addition to a fixed salary, which is subject to the provisions of collective or individual employment contracts, and regular vacation and Christmas bonuses, we also pay special annual bonuses to reflect outstanding business results. Many employees in Germany also had the opportunity for the first time to acquire company cars, with payments offset against their salaries.

In addition, in spring 2007 some 82,000 employees at German Group companies had the opportunity to buy ThyssenKrupp shares on favorable terms up to a total value of €270 under the ThyssenKrupp employee share program. National programs have now also been carried out in France, Spain and the United Kingdom.

Our executive compensation policy utilizes earnings- and share price-oriented instruments. The Mid Term Incentive Plan (MTI) launched in 2003 was issued for the fifth time in the reporting year. The development of the stock rights issued under this plan is based on the share price and ThyssenKrupp Value Added (TKVA). The discounted share purchase program introduced in fiscal 2005/2006 for executives who are not included in the MTI met with a very positive response and was repeated in the year under review. Under this model, beneficiaries can purchase ThyssenKrupp shares at a specific discount, the amount of which depends on the development of TKVA.

Risk report

Increasing the value of the company, securing its existence and countering individual risks appropriately – these are the tasks of our risk management system. In the reporting year, all risks were contained and manageable. The future existence of the company is secured.

EFFICIENT ORGANIZATION OF RISK MANAGEMENT

Risk policy

As part of corporate strategy our risk policy is directed at systematically and continuously increasing the value of the company. The existence of the company has to be secured. In addition, the name and reputation of the Group and the "ThyssenKrupp" brand are of key importance for the Group.

Manageable risks are taken when they are expected to produce an appropriate increase in value.

The particular risk strategy applied always begins with an evaluation of the risks and the opportunities associated with them. In the Group's core competency areas we consciously take on reasonable, manageable and controllable risks if they are expected to deliver an appropriate increase in value. Risks in processes which support our core activities are transferred – where economically appropriate – to other risk carriers. Risks not connected with core and/or support processes are not accepted. Overall the aggregate risk volume must not exceed the risk coverage potential available at ThyssenKrupp AG.

ThyssenKrupp has set out rules for dealing with risks in Group policies and guidance notes. Numerous training and monitoring programs ensure these rules are observed. Speculative transactions or other measures of a speculative nature are inadmissible. Conduct towards suppliers, customers and society must be fair and responsible at all times.

Risk management system has proven itself

The risk management system installed by the Executive Board of ThyssenKrupp AG has proven itself to be efficient. All employees of the Group must consider the possible risks of their actions. Direct responsibility for early identification and management of risks and for communicating them to the next reporting level lies with the operating managers. The next organization level up in each case is responsible for risk control.

Within the framework of risk inventories the occurrence, status and significant changes of major risks are reported by the Group companies using tiered threshold values. The segments inform the Executive Board of ThyssenKrupp AG about the current risk situation on a bi-weekly basis. In addition, risks occurring at short notice and urgent risks with an impact on the entire Group are communicated directly to ThyssenKrupp AG outside the normal reporting channels.

Once again in 2006/2007 Corporate Internal Auditing examined whether the Group companies in Germany and abroad are observing the rules of the risk management system. The findings made helped further improve the early identification and management of risks. In addition we have continuously enhanced the tools for identifying and managing risks in the Group.

Risk transfer to insurers

As central service provider, ThyssenKrupp Risk and Insurance Services GmbH in consultation with the Executive Board of ThyssenKrupp AG handled the transfer of risks to insurers through the conclusion of Group insurance policies. To counter the risk from increased deductibles the Group regularly prepared and evaluated loss analyses. Under property and business interruption policies significant deductibles exist for some production units of the Steel and Stainless segments. There is a risk that one or more claims on these policies could materially impair the Group's assets, liabilities, financial position and results of operations.

Several working groups have developed joint binding standards for risk prevention. Compliance with the standards as part of a property insurance risk management system was monitored regularly by internal and external audits.

CENTRAL RISK AREAS

Financial risks

Central responsibilities of ThyssenKrupp AG include resource allocation and securing the financial independence of the Group: in this connection ThyssenKrupp AG also optimizes Group financing and controls financial risks.

As in previous years, the procurement of funds in 2006/2007 was effected on the international money and capital markets in different currencies – predominantly in euros and US dollars – and with various maturities. The resulting financial liabilities and our financial investments are partially exposed to risks from changing interest rates. To manage these risks, regular interest rate risk analyses are prepared. The regular communication of the results of the interest rate analyses is part of our risk management system.

Groupwide policies are in place for our centrally organized foreign currency management system.

To contain the risks of the numerous payment flows in different currencies – in particular in US dollars – Groupwide regulations exist for the centrally organized foreign currency management of the ThyssenKrupp Group. All companies of the ThyssenKrupp Group are required to hedge foreign currency positions at the time of their inception.

Among other things, derivative financial instruments are used to hedge the risks. The Group's centralized foreign currency management, centralized management of interest rate risks as well as hedging against commodity price risks are described in detail in Note 29 on pages 176–181.

Translation risks arising from the conversion of foreign currency positions are generally not hedged.

Risks associated with disposals and restructurings

Transaction risks may arise from the disposal of real estate, companies or other business activities and from restructuring programs in the Group. Where the occurrence of the particular risk is at least probable, adequate provision has been made in the balance sheet.

Risks associated with information security

The information technologies used in the Group are continually reviewed and updated to guarantee secure handling of IT-supported business processes. In addition, we continually enhance our information security measures and systems; in this way we eliminate or at least contain the risks associated with IT-based integration in business processes between Group companies and with customers, suppliers and other business partners.

Risks associated with pension and healthcare obligations

The fund assets used to finance pension liabilities are exposed to capital market risks. Pension obligations are subject to risks from increased life expectancies of beneficiaries and from obligations to adjust pension amounts on a regular basis. In addition, the cost of healthcare obligations in the USA and Canada may increase. Furthermore, in some countries there is a risk of significantly higher payments having to be made to finance pension plans in the future due to stricter statutory requirements.

Legal risks

A report on pending litigation and claims for damages can be found in Note 28 on page 175.

Environmental risks

Risks from past pollution and mining subsidence are countered by preventive measures and rehabilitation.

Some of our real estate is subject to risks from past pollution and mining subsidence. These risks are managed by preventive measures and scheduled remediation work. Adequate liabilities were recognized in 2006/2007 if the corresponding measures were not carried out during the reporting year.

The demands on environmental protection and resource conservation have also risen in other areas. We take extensive measures to minimize environmental impact. This includes the use of modern facilities which are environment-friendly and also reduce charges and energy costs. In addition, the increasing number of Group companies with certified environmental management systems has reduced the risk of environmental risks occurring. More details on environmental protection at ThyssenKrupp are provided on pages 75–76.

Procurement and selling risks

Movements in steel prices and developments in the auto industry can have a significant impact on the performance of the Group. However, the broad product and geographic spread of our business portfolio has a stabilizing effect.

In the electricity and gas markets the Group is affected by rising prices. A structured procurement policy on the electricity market and the conclusion/continuation of long-term natural gas contracts help limit risks.

Personnel risks

ThyssenKrupp attaches central importance to securing and strengthening the skills and commitment of its staff and managers. That is why we continued to position ourselves as an attractive employer and promote the long-term retention of executive staff in the past fiscal year. Systematic management development includes offering executives career prospects and attractive incentive systems. It also includes targeted mentoring to promote identification with the company at an early stage. You can read more on these subjects on pages 111–112.

GENERAL ECONOMIC RISKS

We expect the world economy to continue to grow in the next two years. We forecast growth of 5.2% in 2007 and just under 5% in 2008. The growth trend should also continue after 2008, but at a slower pace. These forecasts are based on a series of assumptions. In particular it is assumed that the geopolitical and economic situation will remain largely stable. This includes stable capital, currency and raw material markets.

A weaker US economy would also jeopardize growth in other world regions.

Risks to global growth may result from the liquidity bottlenecks triggered by the US real estate crisis. Weaker spending by US consumers would impact the growth prospects of the US economy and dampen international trade. A weakening of the US economy would have negative effects on economic growth in the rest of the world.

In the medium term we expect the US dollar/euro exchange rate to stabilize. This forecast assumes among other things that the policy of the central banks will not lead to a further reduction in the interest rate differences between the USA and the euro zone. Interest rate and exchange rate risks would also ensue if the capital markets were to significantly change their positive attitude towards the financeability of the US trade deficit. A depreciation of the US dollar versus the euro would have negative consequences for the competitiveness of businesses producing in the euro zone.

We believe that raw material and oil prices will stay at a high level. We expect supplies of energy and other raw materials to remain secure. However, a significant rise in oil prices in particular could increase the economic risks and slow global economic growth. Protectionist measures could impair the availability of raw materials on the international markets.

DECENTRALIZED MANAGEMENT OF SEGMENT-SPECIFIC RISKS

In the Steel segment, market risks exist regarding the development of selling prices and volumes. Disproportionately rising raw material, freight and energy prices represent risks on the cost side which cannot be fully offset by using alternative procurement sources or passing on price increases. Developments and influencing factors are therefore permanently monitored to allow the early introduction of mechanisms to alleviate the effects. In addition, possible losses within the deductibles agreed with insurers could have a negative impact on our operations even though organizational and technical measures – e.g. preventive maintenance – are being carried out on a permanent basis to counter this. Despite hedging of all transactions denominated in foreign currency, exchange rate variations may also result in risks.

As a result of the new strategic positioning of the Steel segment with the construction of a steel mill in Brazil and the installation of new capacities in the NAFTA region we see only minor local risks in North America with regard to successful market entry from 2010.

Steel overcapacity in China could lead to imbalance on the world markets in the future.

There remains a general, global risk that overcapacities will be created in the coming years, especially in China, which will lead to an imbalance on the world markets and could disrupt the price structure. In such a scenario, the profitability of the Steel segment and of competitors could drop sharply. We are therefore monitoring developments in Asia closely and will move early to introduce corresponding measures.

The segment counters the risks associated with steel industry cycles through cost optimization, prompt production adjustments and a concentration on high-end market segments subject to less cyclicality. Quality and delivery risks are minimized by constant optimization of the value chain.

Despite the Groupwide emissions trading strategy, the segment may face volume and price risks in connection with emission allowances in the second trading period from 2008 to 2012.

In addition to the usual cyclical risks the Stainless segment faces risks associated with the way the markets respond to existing or anticipated overcapacities at stainless producers in Asia. The supply and demand situation in China in particular represents a risk.

Stainless is countering the risks in the market by extending its value chain towards the higher-margin end-customer business, intensifying its customer relationships through local service offerings and further improving its quality and delivery performance. We are countering increasing competitive pressure by developing new applications for stainless steels and nickel alloys, by developing innovative products made from these materials and by using modern, cost-saving process technologies.

The risks associated with the availability and prices of raw materials, particularly nickel, chromium and alloyed scrap, are minimized by corresponding contracts and hedging mechanisms.

In the Technologies segment, the Plant Technology and Marine Systems business units manage the risks associated with long-term contracts and technological innovations through close project controls and increased use of project management measures. Notwithstanding these, the increasing complexity of contracts can result in unplanned earnings impacts in individual cases. In the past fiscal year this risk became acute in the construction of mega yachts. We are working to offset the earnings impacts through the swift implementation of efficiency measures and organizational improvements. At the same time processes are being optimized with the aim of substantially improving earnings. In the civilian shipbuilding sector competitive disadvantages versus Asian competitors are to be offset by a concentration on niche markets and by action programs to improve performance and reduce costs.

Our automotive operations, concentrated in the business units Mechanical Components and Automotive Solutions, continue to face a variety of risks. Rising steel prices, which experience shows cannot be passed on to customers in full, represent a major risk to earnings. Extensive cost reduction programs are being implemented to offset rising cost pressure on the procurement side and increasing price pressure from auto manufacturers on the selling side.

Falling demand in traditional markets is being countered by new activities in growth regions like India and China.

We are countering the risk associated with falling demand in our traditional markets by building or expanding production capacities in growth regions such as India and China. This includes the planned construction of a crankshaft factory in China. In the field of production equipment for the auto industry, extensive restructuring measures and capacity adjustments are needed to counter market-related and structural problems.

In the Transrapid business unit, a concrete follow-up project for the line in Shanghai and the trialing of an already delivered prototype vehicle under the further development program are expected to further reduce the existing market risk. In addition there is the prospect of the realization of the Munich project following clarification of the financing situation.

In individual business areas earnings may be impacted by the need for further restructuring measures. In addition, exchange rate movements again impacted sales and earnings in the past fiscal year, for example in the case of US dollar-denominated deliveries from Brazil to the USA.

In the Elevator segment, risks are mainly determined by the different activities in the elevator and escalator businesses and by their regional spread.

The new installations business is closely linked with activity in the building industry and can therefore be subject to volatility. The use of project management measures helps contain risks in the processing of major projects. We are countering rising material prices, which cannot be passed on to customers in all regions, through continuous efficiency improvements in production and by ongoing optimization of purchasing.

The service and modernization business is comparatively unaffected by cyclical developments. We counter the risks associated with the loss of maintenance units through high service quality and customer retention strategies. Local branch offices and a close-knit service network help increase efficiency, for example through lower costs for trips to customers.

The segment's global presence provides an internal risk balancing mechanism as individual markets move through different growth cycles. The resultant impact of exchange rates is limited by financial hedges and by the fact that sales and costs in the respective currency areas are largely congruent.

A global presence, broad customer base and high level of diversification reduce risks in materials services.

The Services segment is mainly engaged in materials trading and services. It counters the associated risks with an extensive action program. This includes in particular the systematic improvement of logistics and logistics management tools, especially the expansion of the centralized warehousing concept to optimize inventories. At the same time, expanding the service business, which is independent of material prices, will make the segment less sensitive to cyclical price movements. General economic risks are reduced by the segment's worldwide presence, broad customer base and high degree of diversification. The resultant wide spread of risks also applies to the bad debt risk, which is additionally limited by the use of hedging instruments.

The measures taken by Services to minimize risks associated with exchange rate fluctuations or raw material price changes comply fully with the policy for commodity hedges.

The Industrial Services unit faces risks from competition and price pressure. We counter these by means of continuous capacity adjustments and new sector- and customer-specific service offerings and sales initiatives. Adequate provision has been made to cover risks associated with strategic decisions. Risks from the final completion of projects are managed by ongoing project controls.

Corporate faces risks from the past industrial use of real estate. Potential risks in the construction of the ThyssenKrupp Quarter in Essen are systematically identified and efficiently managed by a project control system to minimize time, cost and liability risks. A dedicated project compliance unit guarantees maximum transparency with regard to adherence to standards.

NO THREAT TO EXISTENCE OF COMPANY

In the overall analysis of Group risks, the most important are risks associated with major contracts and markets. As well as cyclical price and volume developments we are also dependent on the performance of major customers and industries. Business risks associated with the handling of orders are well managed and therefore contained. Overall, the risks in the Group are manageable and there is no threat to the existence of the Company.

Subsequent events, opportunities and outlook

World economic growth will continue at a slightly slower pace. Despite increasing economic risks, we expect ThyssenKrupp to maintain its positive performance. In fiscal year 2007/2008 we aim to achieve sales of around €53 billion. For earnings before taxes and major nonrecurring items, our target is upwards of €3 billion.

SUBSEQUENT EVENTS

There were no significant events requiring disclosure after the balance sheet date.

FOCUS OF THE GROUP IN THE NEXT TWO FISCAL YEARS

The strengths of ThyssenKrupp lie in Steel, Capital Goods and Services.

ThyssenKrupp will remain focused on the three business areas Steel, Capital Goods and Services. This is where we see our global strengths, based on competitive products, strong manufacturing expertise, outstanding employees and excellent contacts with our customers. The share of services in sales will increase in all segments, because beyond the products themselves, customers increasingly require advice and services at local level. The internationalization of our business activities will continue to increase in line with the longtime trend. ThyssenKrupp is a global company with a strong position on its home market in Europe.

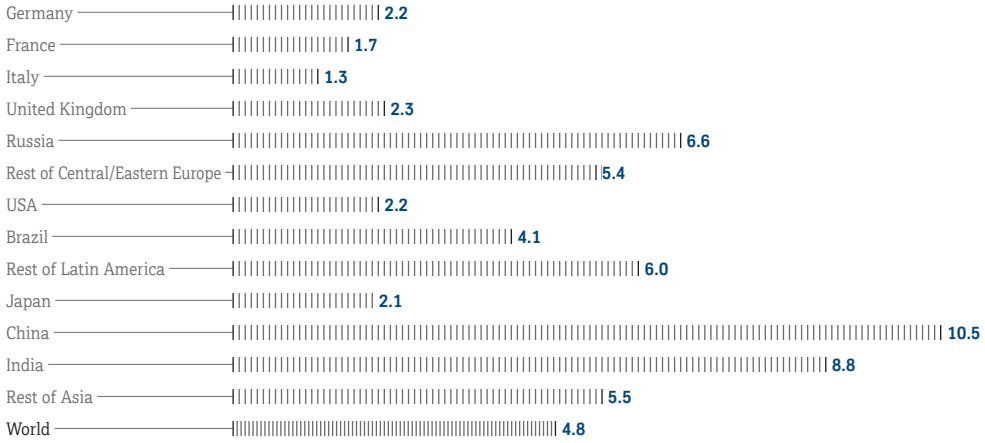
Global growth to continue

Global growth will remain robust. However, growth in global GDP is expected to slow from 5.2% in 2007 to just under 5% in 2008. World economic growth will continue thereafter, albeit at a slower pace. The risks to global growth have increased as a result of the uncertainties triggered by the US real estate crisis, the rise in interest rates worldwide and the raw material price trend.

In the euro zone the economic upswing is expected to continue at a slightly slower rate in 2008. Investment in particular will slow from its current very high level. A similar situation is expected in Germany. In addition, we forecast slightly weaker growth impetus from exports. By contrast, the situation on the labor market is expected to have a positive impact, helping increase private consumption especially in Germany.

In the USA the difficult situation on the housing market will dampen private consumption. However, improved exports should lead to a moderate acceleration in growth in 2008. In Japan, moderate growth in line with 2007 is expected in 2008.

GROSS DOMESTIC PRODUCT 2008* change compared to previous year in %



* Forecast

In 2008 we expect the strongest economic growth in Asia and in Central and Eastern Europe.

The developing countries in Asia as well as Central and Eastern Europe will continue to be growth hubs in 2008. The dynamic expansion in China will continue. Strong investment, increasing consumption and high exports will generate double-digit economic growth. With domestic demand strong, the Indian economy will also maintain its high expansion rate in 2008. Most countries of Central and Eastern Europe are also expected to maintain their momentum. Russia will profit from the continued boom in raw materials.

Pleasing prospects in key sales markets

We expect a predominantly favorable trend on the customer markets of importance to ThyssenKrupp.

Our assessment of the outlook for the global steel market remains favorable. In particular demand from China, India and the CIS states will continue to increase at above-average rates in the next few years. Growth is also forecast for the other regions. World demand for rolled steel will be just under 7% higher, corresponding to a rise in crude steel production to over 1.4 billion tons. A further increase in raw materials and energy requirements is expected to impact the cost of steel production. The European steel industry expects the steel market to stabilize at a high level in 2008. In view of the existing inventory surpluses, demand is likely to slow with a corresponding impact on output at the beginning of the 2007/2008 fiscal year. One factor causing uncertainty is the future development of third-country imports into the EU. If the Chinese government's measures to control exports take hold, the situation could start to ease.

In the stainless market, inventory levels at distributors and service centers remain slightly excessive at the beginning of fiscal 2007/2008 but are beginning to fall. We therefore expect orders from distributors and service centers to pick up in the first quarter of the fiscal year. However, the producers' order books are currently still at such a low level that capacity cutbacks can be expected again this quarter. Provided the prices of raw materials and in particular nickel are less volatile, order intake and shipments are expected to return to normal in the course of the fiscal year.

The global automotive industry remains on an upward trend. World auto production is expected to increase by around 3% to 74.7 million vehicles in 2008. Growth will be focused on China, India and the countries of Central and Eastern Europe. In the NAFTA region, auto production is expected to pick up again slightly after the decline in 2007. The Western European OEMs will not quite match the prior-year output figures. German production of cars and trucks is forecast to fall just short of the 6 million mark.

World growth in the mechanical engineering sector could weaken in 2008.

In the mechanical engineering sector, there are signs of cooling in some regions for 2008. While unbroken investment growth continues to drive the rapid expansion in China, the weakening of investment in the industrialized countries will lead to a distinct slowdown. Growth rates in Western Europe are therefore expected to be more than halved. 6% growth is forecast for the German mechanical engineering sector. Backed by the good order situation, the positive performance of the large-scale plant construction sector is set to continue.

In the construction sector, the countries of Asia and Central and Eastern Europe will continue to report the strongest growth. In the USA, the weakness of the real estate market will result in another slight decrease in construction output in 2008. For the German construction sector we expect only slight growth because the positive impetus from the commercial building sector is slackening.

OPPORTUNITIES: STRATEGY OF GROWTH

Thanks to our internationally oriented strategic positioning, we see good opportunities for taking ThyssenKrupp to a new dimension in the coming years. As well as an increase in sales, this will require qualitative growth combining sustained earning power and high productivity with a strengthening of our technological lead in many of our product areas. By expanding our expertise in products and processes, we can systematically raise the company's profile in highly demanding markets. This is true of all product areas in which our five segments are among the leading players – be it innovative naval shipbuilding, new materials or global industrial services.

Opportunity management system at all levels

At all levels of the Group we actively identify and exploit opportunities for the company. In line with the customer-focused organization of ThyssenKrupp, opportunities identified are principally utilized directly by our segments operating on the market. The Group holding company provides the strategic framework and secures the financing and liquidity of the segments. The individual plans are fed

into the Group's overall opportunity-based strategic concept which describes the future roadmap of ThyssenKrupp. For more information on opportunities, strategic targets and development lines, please refer to the section on strategy on pages 52–54.

Opportunity management also includes the wide range of measures designed to enhance the performance of the Group as a whole through systematic internal efforts. Our continuous improvement process, which has been implemented under the ThyssenKrupp best program for the past six years, will continue to enhance our capabilities and increase the value of the company on a sustained basis in the future. More information is provided on pages 59–60.

Opportunities in all segments

The Steel segment sees its opportunities mainly in the highly profitable market for high-end flat carbon steel. Intelligent material solutions, product-related processing and an extensive range of services will continue to present new opportunities for operating profitably and productively in close cooperation with customers. The high share of sales covered by long-term agreements (60%) is a clear indication of our close ties with customers. This makes the segment's revenues much more resistant to the cyclical fluctuations of the steel market – compared with the general market price level.

Major opportunities are seen in connection with the new plants being built by Steel and Stainless in Brazil and the USA.

The new mills being built in Brazil and the USA will open up new transatlantic opportunities. The integrated steel mill we are currently building in Sepetiba Bay in the state of Rio de Janeiro in Brazil has the capacity to produce 5 million tons of slab. The location also offers space for further expansion. Of the slab produced in Brazil, 3 million tons will be sent to the new plant in Mount Vernon in the US state of Alabama.

At this location the Steel and Stainless segments are building a joint complex with melting, rolling and finishing capacities. The centerpiece of the plant will be a hot strip mill which will be used by both segments. This new plant will open up new opportunities for our carbon and stainless steel products on the US market.

With its wide range of high-tech materials from stainless steel to nickel alloys to titanium, the Stainless segment aims to exploit its opportunities on the world market as a competitive materials specialist. This will involve the expansion of services, for example with a diverse range of processing operations. Stainless aims to further strengthen its presence close to customers by optimizing its global network of sales and service centers. Intensified activities on the attractive NAFTA market are also expected to open up new strategic opportunities.

Considerable growth opportunities are available to the Technologies segment in the mining and processing of raw materials, as strong demand is forecast for the coming years. The segment provides sophisticated solutions for a wide range of applications, including oil sands mining, innovative refinery processes, coal gasification and CO_2-free power plants. Another key product are our large-diameter antifriction bearings which are used in wind energy systems. Further growth potential is available in the Asian region. The rapid expansion of the infrastructure and the demand for increasing mobility offer attractive prospects for our business activities.

The Elevator segment aims to expand its current world market position on a sustained basis. An increasingly dense network of branches close to customers is designed to secure the current level of business. Growth opportunities have been identified for example in Asia, where Elevator expects the economic expansion to yield a wealth of new orders. The global service strategy, which ensures consistently high standards in the maintenance of elevators and escalators worldwide, also holds good prospects.

For Services, the opportunities lie in continued international growth, in particular in Eastern Europe, North America and Asia, and also in the further expansion and integration of the segment's services. The segment focuses systematically on materials and industrial services and the supply of raw materials for manufacturing and processing companies. Beyond the supply of materials, the spectrum of services includes processing, warehouse and inventory management, and complex global supply chain management solutions, for example for the aerospace industry. The range is supplemented by various production support services and innovative technical system solutions. The segment is increasingly profiting from the trend among customers to outsource demanding tasks to external, internationally experienced service providers.

Strong prospects offered by globalization

All our segments will further increase the international alignment of their activities in the future. As a technology-based Group, we want to participate in the development of the emerging states in South America, Asia and Europe and support them in building infrastructure. Energy, the environment, mobility – these are areas in which we see major opportunities for contributing to the development of these regions with high-performance materials, innovative components and complete systems solutions.

Climate protection as a market opportunity

ThyssenKrupp offers diverse products and services for efficient climate protection.

On account of the increasing importance of climate protection, the Group is preparing an "Energy, Climate, Innovation" initiative to exploit synergy potential within the Group for reducing our own emissions and developing new marketable products for lowering greenhouse gas emissions in the interests of the environment. With our products we are well positioned in the area of climate protection which will be a major issue in the future.

Tax opportunities

The 2008 corporate tax reform will have a positive impact on ThyssenKrupp AG's taxation from 2007/2008. In conjunction with the other measures introduced, the planned reduction of corporate tax will lower the nominal tax burden in the corporate and trade tax group of ThyssenKrupp AG from 39.4% to around 31% of the domestic profit achieved by this group. The newly introduced limitation of interest deduction is not expected to apply owing to the good level of earnings we expect to achieve on the domestic market. In other European countries in which the Group generates pleasing levels of income, tax rate reductions have also been resolved (e.g. Spain and the Netherlands) or are under discussion (e.g. Italy). As a result, the Group's overall tax rate will decrease considerably with effect from 2007/2008.

EARNINGS SITUATION EXPECTED TO REMAIN POSITIVE

If the economic forecasts prove accurate, we anticipate a continued positive performance overall in 2007/2008 and 2008/2009. Risks may arise from the development of exchange rates, in particular the euro/US dollar parity, as well as energy and raw material costs.

Sales: We currently expect sales in the current fiscal year to be in the region of €53 billion. The forecast for the individual segments is as follows:

- **Steel** – higher sales resulting from growth in shipments coupled with higher prices, also including rising prices for energy and raw materials.
- **Stainless** – slightly lower sales due mainly to an anticipated decline in prices. Planned volume- and structure-related improvements cannot fully offset this.
- **Technologies** – sales growth in all business units, based mainly on the planned clearing of the high order backlog in project business.
- **Elevator** – increased sales in all business units, secured by a sufficiently high order backlog.
- **Services –** sales at the high level of the previous year. The anticipated lower price level in stainless steel and nonferrous metals will be offset by a business expansion in all business units.

For 2008/2009 we expect sales to remain positive provided no unforeseen economic downturn impacts our business.

Our mid-term sales target is €60 billion. In the longer term, especially after completion of the major investments of Steel and Stainless in North America and those of the other segments in other regions, our sales target is in the region of €65 billion.

Our sales targets are €60 billion mid-term and around €65 billion in the long term.

Earnings and dividend: For 2007/2008 we plan to achieve earnings before taxes and major nonrecurring items of over €3 billion.

For 2008/2009 we expect the positive sales trend to be reflected in earnings.

In the medium term our sustainable goal for earnings before taxes and major nonrecurring items is €4 billion. Over the longer term, especially after completion of the major investments of Steel and Stainless in North America and those of the other segments in other regions, our target is €4.5 billion to €5 billion.

We will continue to pay a fair dividend in line with our aim of securing dividend continuity.

Employees: On the basis of current planning we will have more than 196,000 employees at September 30, 2008, an increase of 3%. In the following fiscal year, the headcount is expected to rise by a further 2%. However, the growth in employment will take place almost exclusively outside Germany because as a result of globalization our Group is increasingly setting up production and service sites close to our customers.

We will continue to train young people in excess of our own needs to give them a solid start to their working life.

We will maintain the high standard of our apprentice training schemes. We will continue to train beyond our own requirements in the coming years to give as many young people as possible the chance to find work. The Group's total personnel expense in 2007/2008 will again be in excess of €9 billion; in the following fiscal year it could rise further.

Research and development: In the current fiscal year we will once again spend more than €800 million on the development of new products and processes and enhancement of existing ones. A further increase is planned in the following fiscal year. This demonstrates the importance of innovations for our company. To make the most effective use of the expertise available throughout the Group, we will continue to provide targeted support for cross-segment research and development activities in the form of numerous projects in 2007/2008. One example is InCar, a development project of Steel and Technologies aimed at setting up an integrative technology platform.

To further strengthen our innovation capabilities and exploit the available potential, we plan to launch a new Groupwide innovation program in 2007/2008. Based on the transfer of knowledge and experience in the Group, the program will help make more systematic use of synergies. This integrated approach is designed to enhance the effectiveness and efficiency of our research and development activities and speed up the process of transforming the talents and knowledge of our employees into innovations. Highly qualified employees are particularly important for these tasks. We will therefore recruit more employees – in particular trained engineers and scientists – for our research and development departments in 2007/2008.

Procurement: In 2007/2008 and 2008/2009 materials expense will again amount to more than 50% of sales due partly to persistently high raw material prices. In addition, the proportion of purchased products and services has increased further because we procure not only simple components but increasingly also more complex products and services from high-performance external suppliers. In view of our long-term, international supplier relationships, we do not anticipate any bottlenecks in supplies of raw materials, components, operating materials or services. With the support of our strategic supplier management system, we will identify and select the best suppliers and build long-term partnerships with them.

Further price increases for oil and gas are expected in 2007/2008.

Energy: We anticipate a further rise in the oil and natural gas price level in 2007/2008. Electricity costs are also likely to increase. In subsequent years electricity could become even more expensive as the increased costs of coal, oil, gas and emission rights take effect. As a result, the procurement costs of energy-intensive products, e.g. industrial gases for our steel plants, will increase. To counter the rising cost of natural gas, we will endeavor to continue to conclude long-term agreements and widen our access to the market. Additional costs will also be incurred because in the second period of the European emissions trading scheme (2008 – 2012) we are likely to need more emission permits than we have received.

Environmental protection: Spending on ongoing environmental protection programs is expected to total over €500 million in both fiscal 2007/2008 and fiscal 2008/2009. Most of this will go towards reducing air and water pollution. For the new plants being built in Brazil and the USA we have budgeted for significant investment in pollution control equipment. All segments will expand their recycling activities; this reduces raw material costs and protects natural resources. One key area is the reduction of greenhouse gas emissions. For this we will continue to switch to production processes and equipment using as little energy as possible in all our operations.

EXPECTED FINANCIAL AND LIQUIDITY SITUATION

At around €10.3 billion, the volume of investment approved by the Supervisory Board is significantly higher than the average level of previous years due to the investments in Brazil and the USA. For 2007/2008 we plan to invest €4.9 billion in tangible, intangible and financial assets, €3.4 billion above depreciation. ThyssenKrupp has adequate funds to finance these investments. Our ambitious investment program for the following fiscal year is also on a solid financial basis.

Consolidated financial statements

Accounting in the Group has been based on International Financial Reporting Standards (IFRS) since 2005/2006. The auditors examined the consolidated financial statements and the management report and awarded an unqualified audit opinion. The following figures and the detailed Notes document and explain the success of your Company in the past fiscal year.

Report of the Executive Board — **Page 131** Auditor's report — **Page 132** Consolidated statement of income — **Page 133** Consolidated balance sheet — **Page 134** Consolidated cash flow statement — **Page 135** Consolidated statement of recognized income and expense — **Page 136** Notes to the consolidated financial statements — **Page 137**

Warming by even 1 °C can have consequences. What can we do to help?

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Find out more in the magazine in the front cover of this Annual Report.

POSSIBLE SCENARIO FOR ANTICIPATED TEMPERATURE INCREASE from 2071 — 2100 compared with the average of the years 1961 — 1990

Report of the Executive Board on the Group consolidated financial statements and Group management report

The Executive Board of ThyssenKrupp AG is responsible for ensuring that the Group annual consolidated financial statements gives a true and fair view of the Group's net assets, financial position and results of operations, and that the management report on the Group provides a suitable view of the Group's performance and current business situation. The Group annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and, wherever necessary, objective estimates have been made by Management. The management report on the Group contains an analysis of the assets, financial and earnings situation of the Group together with further disclosures required by the regulations of the German Commercial Code.

To ensure the reliability of the information used in preparing the Group annual consolidated financial statements, including of the management report on the Group, and internal reporting, an effective internal "steering" and control system exists. It involves group-wide uniform guidelines for accounting and risk management in accordance with the German Act regarding the Control and Transparency of Company Divisions (KonTraG) as well as an integrated controlling concept as part of the value-oriented management approach and audits by the Group's internal audit department. This system enables the Executive Board to recognize major risks at an early stage and to initiate counter-measures.

Pursuant to the resolution of the Annual Stockholders' Meeting, KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Berlin has been appointed by the Supervisory Board after being elected by the stockholders as independent annual consolidated financial statements auditors for the fiscal year 2006/2007 of ThyssenKrupp AG. They have audited the Group annual consolidated financial statements prepared in accordance with IFRS and have issued the following auditors' report.

The Group annual consolidated financial statements, the management report on the Group, auditors' report and risk management system have been discussed in depth with the auditors in both the Audit Committee of the Supervisory Board, and in the annual consolidated financial statement meeting of the entire Supervisory Board.

Dr.-Ing. Ekkehard D. Schulz Dr. Ulrich Middelmann

Auditors' Report

We have audited the consolidated financial statements prepared by the ThyssenKrupp AG comprising the balance sheet, the income statement, statement of recognized income and expense, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from October 1, 2006 to September 30, 2007. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a paragraph 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit. In addition we have been instructed to express an opinion as to whether the consolidated financial statements comply with full IFRS.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer - IDW) and in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a paragraph 1 HGB and full IFRS and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, November 13, 2007

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Nonnenmacher Wirtschaftsprüfer (German public auditor)	Nunnenkamp Wirtschaftsprüfer (German public auditor)

ThyssenKrupp AG
Consolidated Statement of Income

million €, earnings per share in €

	Note	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Net sales	04, 31	47,125	51,723
Cost of sales	12, 13	(39,142)	(42,291)
Gross margin		7,983	9,432
Selling expenses		(2,723)	(2,832)
General and administrative expenses		(2,389)	(2,489)
Other operating income	05	709	637
Other operating expenses	06, 12	(586)	(1,076)
Gain/(loss) on the disposal of subsidiaries, net		40	9
Income from operations		3,034	3,681
Income from companies accounted for using the equity method		28	51
Interest income		284	279
Interest expense		(705)	(677)
Other financial income/(expense), net		(18)	(4)
Financial income/(expense), net	08	(411)	(351)
Income before income taxes		2,623	3,330
Income tax expense	09	(919)	(1,140)
Net income		1,704	2,190
Thereof:			
ThyssenKrupp AG's stockholders		1,643	2,102
Minority interest		61	88
Net income		1,704	2,190
Basic and diluted earnings per share based on	10		
Income from continuing operations (attributable to ThyssenKrupp AG's stockholders)		3.24	4.30

See accompanying notes to consolidated financial statements.

ThyssenKrupp AG
Consolidated Balance Sheet

ASSETS million €

	Note	Sept. 30, 2006	Sept. 30, 2007
Intangible assets, net	07, 12	4,703	4,581
Property, plant and equipment, net	07, 13	8,397	9,436
Investment property	14	501	389
Investments accounted for using the equity method	15	445	461
Financial assets	17	178	133
Deferred tax assets	09	695	385
Total non-current assets		14,919	15,385
Inventories, net	18	8,069	9,480
Trade accounts receivable, net	19	7,105	7,577
Other receivables	20	1,444	1,615
Current income tax assets		93	359
Cash and cash equivalents		4,446	3,658
Assets held for sale	03	386	0
Total current assets		21,543	22,689
Total assets		36,462	38,074

EQUITY AND LIABILITIES million €

	Note	Sept. 30, 2006	Sept. 30, 2007
Capital stock		1,317	1,317
Additional paid in capital		4,684	4,684
Retained earnings		3,358	4,963
Cumulative income and expense directly recognized in equity		(149)	(241)
thereof relating to disposal groups (Sept. 30, 2006: (34); Sept. 30, 2007: 0)			
Treasury stock		(697)	(697)
Equity attributable to ThyssenKrupp AG's stockholders		8,513	10,026
Minority interest		414	421
Total equity	21	8,927	10,447
Accrued pension and similar obligations	23	8,018	7,139
Other provisions	24	652	696
Deferred tax liabilities	09	818	946
Financial liabilities	25	2,946	2,813
Other liabilities	27	50	147
Total non-current liabilities		12,484	11,741
Other provisions	24	1,598	1,559
Current income tax liabilities		560	592
Financial liabilities	25	842	825
Trade accounts payable	26	4,571	4,960
Other liabilities	27	7,181	7,950
Liabilities associated with assets held for sale	03	299	0
Total current liabilities		15,051	15,886
Total liabilities		27,535	27,627
Total equity and liabilities		36,462	38,074

See accompanying notes to consolidated financial statements.

ThyssenKrupp AG
Consolidated Cash Flow Statement

million €

	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Operating:		
Net income	1,704	2,190
Adjustments to reconcile net income to operating cash flows:		
Deferred income taxes (net)	320	218
Depreciation, amortization and impairment of non-current assets	1,655	1,534
Reversals of impairment losses of non-current assets	(7)	(7)
(Earnings)/losses from companies accounted for using the equity method, net of dividends received	(21)	(46)
(Gain)/loss on disposal of assets	(35)	(68)
Changes in assets and liabilities, net of effects of acquisitions and divestitures:		
-inventories	(606)	(1,374)
-trade accounts receivable	(603)	(397)
-accrued pensions and similar obligations	(17)	(284)
-other accrued liabilities	130	31
-trade accounts payable	717	321
-other assets/liabilities not related to investing or financing activities	230	102
Operating cash flows	**3,467**	**2,220**
Investing:		
Purchase of investments accounted for using the equity method and financial assets	(214)	(37)
Expenditures for acquisitions of consolidated companies	(242)	(91)
Cash acquired from acquisitions	37	4
Capital expenditures for property, plant and equipment and investment property	(1,473)	(2,700)
Capital expenditures for intangible assets	(148)	(173)
Proceeds from disposals of investments accounted for using the equity method and financial assets	59	111
Proceeds from disposals of previously consolidated companies	119	143
Cash of disposed businesses	(27)	(20)
Proceeds from disposals of property, plant and equipment and investment property	172	414
Proceeds from disposals of intangible assets	21	25
Cash flows from investing activities	**(1,696)**	**(2,324)**
Financing:		
Repayment of bonds	(810)	0
Proceeds from liabilities to financial institutions	697	1,016
Repayments of liabilities to financial institutions	(963)	(968)
Repayments on notes payable and other loans	(2)	(142)
Increase in bills of exchange	3	5
Decrease of liabilities due to sales of receivables not derecognized from the balance sheet	(90)	(31)
Decrease/(increase) in current securities	5	(30)
Proceeds from treasury shares sold	268	0
Payments to repurchase shares	(697)	0
Payment of ThyssenKrupp AG dividend	(412)	(489)
Profit distributions to entities outside the Group	(27)	(32)
Other financing activities	16	1
Cash flows from financing activities	**(2,012)**	**(670)**
Net decrease in cash and cash equivalents	**(241)**	**(774)**
Effect of exchange rate changes on cash and cash equivalents	(27)	(15)
Cash and cash equivalents at beginning of year	4,715	4,447
Cash and cash equivalents at end of year	**4,447**	**3,658**
[thereof cash and cash equivalents within the disposal groups]	[1]	[0]
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows:		
Interest received	128	149
Interest paid	279	242
Dividends received	8	21
Income taxes paid	405	1,048

See Note 34 to the consolidated financial statements.

ThyssenKrupp AG
Consolidated Statement of Recognized Income and Expense

million €

	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Foreign currency translation adjustment:		
Change in unrealized gains/(losses), net	(92)	(251)
Net realized (gains)/losses	2	(10)
Net unrealized gains/(losses)	**(90)**	**(261)**
Unrealized gains/(losses) from available-for-sale financial assets:		
Change in unrealized holding gains/(losses), net	5	5
Net realized (gains)/losses	0	0
Net unrealized holding gains/(losses)	**5**	**5**
Actuarial gains/(losses) from pensions and similar obligations	**385**	**462**
Not recognized as an asset due to asset ceiling	**(2)**	**(6)**
Unrealized gains/(losses) on derivative financial instruments:		
Change in unrealized gains/(losses), net	(21)	(205)
Net realized (gains)/losses	(11)	12
Net unrealized gains/(losses)	**(32)**	**(193)**
Tax effect	**(118)**	**(111)**
Income and expense directly recognized in equity (net of tax)	**148**	**(104)**
Net income	**1,704**	**2,190**
Total recognized income and expense for the period	**1,852**	**2,086**
Thereof:		
ThyssenKrupp AG's stockholders	**1,798**	**2,032**
Minority interest	54	54
Cumulative actuarial gains/(losses) from pensions and similar obligations as of year-end	(342)	130

See accompanying notes to consolidated financial statements.

ThyssenKrupp AG
Notes to the consolidated financial statements

Corporate Information

ThyssenKrupp Aktiengesellschaft ("ThyssenKrupp AG" or "Company") is a publicly traded corporation domiciled in Germany. The consolidated financial statements of ThyssenKrupp AG and subsidiaries, collectively the "Group", for the year ended September 30, 2007, were authorized for issuance in accordance with a resolution of the Executive Board on November 13, 2007.

Statement of compliance

Applying § 315a of the German Commercial Code (HGB), the Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations of the International Accounting Standards Board (IASB) effective within the EU in accordance with the Regulation No. 1606/2002 of the European Parliament and the Council concerning the use of International Accounting Standards as well as in accordance with IFRS as a whole.

01 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are stated at fair value. The consolidated financial statements are presented in Euros since this is the currency in which the majority of the Group's transactions are denominated, with all amounts rounded to the nearest million except when otherwise indicated; this may result in differences compared to the unrounded figures.

Consolidation

The Group's consolidated financial statements include the accounts of ThyssenKrupp AG and all significant entities which are directly or indirectly controlled by ThyssenKrupp AG. Control is achieved where ThyssenKrupp AG possesses more than half of the voting rights of a company or has in another way the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. On acquisition, the identifiable assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the identifiable assets, liabilities and contingent liabilities recognized.

All significant inter-company transactions and balances between Group entities are eliminated on consolidation.

Included in the Group consolidated financial statements are 238 (2005/2006: 241) domestic and 486 (2005/2006: 438) foreign-controlled entities that are consolidated. During fiscal year 2006/2007, 90 entities were consolidated for the first time. During the same period, the scope of consolidation was reduced by 45 entities of which 24 resulted from the internal merging of Group entities.

Investments in associates are accounted for using the equity method of accounting. An associate is an entity over which the Group is in a position to exercise significant influence, but not control, through participation in the financial and operating policies. Significant influence is presumed when the Group holds 20% or more of the voting rights ("Associated Companies"). Where a Group entity transacts with an associate of the Group, unrealized profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

The Group reports its interests in jointly-controlled entities (Joint Ventures) using the equity method of accounting. Where the Group transacts with its jointly-controlled entities, unrealized profits and losses are eliminated to the extent of the Group's interest in the joint venture.

The Group has 20 (2005/2006: 23) Associated Companies and 27 (2005/2006: 26) Joint Ventures that are accounted for using the equity method of accounting.

A complete listing of the Group's subsidiaries and equity interests are listed in Note 37.

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly-controlled entity at the date of acquisition. Goodwill is recognized as an asset and is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired.

Goodwill arising on the acquisition of an associate or a jointly-controlled entity is included within the carrying amount of the associate or the jointly-controlled entity, respectively. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary, associate or jointly-controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Foreign currency translation

The functional and reporting currency of ThyssenKrupp AG and its relevant European subsidiaries is the Euro (€). Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in the net profit or loss for the period.

Financial statements of the foreign subsidiaries included in the Group consolidated financial statements where the functional currency is other than the Euro are translated using their functional currency which is generally the respective local currency. The translation is performed using the current rate method, in which balance sheet amounts are translated to the reporting currency using the rates of exchange prevailing on the balance sheet date, while income statement amounts are translated using the period's average exchange rates. Net exchange gains or losses resulting from the translation of foreign financial statements are accumulated and included in equity. Such translation differences are recognized as income or as expenses in the period in which the operation is disposed of.

Companies that manage their sales, purchases, and financing substantially not in their local currency use the currency of their primary economic environment as their functional currency. Using the functional currency in these cases involves translating non-monetary items such as non-current assets, including scheduled depreciation, and equity to the functional currency using the average exchange rates of the respective year of addition. All other balance sheet line items are translated using the exchange rate as of the balance sheet date and all other income statement line items are translated using the period's average exchange rates. The resulting translation differences are included in the consolidated statement of income as "Other operating income or expenses". Thereafter, the functional currency financial statements are translated into the reporting currency using the current rate method.

The exchange rates of those currencies significant to the Group have developed as follows:

CURRENCIES

	Exchange rate as of (Basis €1)		Annual average exchange rate for the year ended (Basis €1)	
	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007
US Dollar	1.27	1.42	1.23	1.33
Canadian Dollar	1.41	1.42	1.41	1.48
Pound Sterling	0.68	0.70	0.68	0.68
Brazilian Real	2.75	2.62	2.70	2.71

Revenue recognition

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer and the amount of revenue can be measured reliably. Revenue from services is recognized when services are rendered. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue is recognized net of applicable provisions for discounts and allowances.

Construction contract revenue and expense are accounted for using the percentage-of-completion method, which recognizes revenue as performance of the contract progresses. The contract progress is determined based on the percentage of costs incurred to date to total estimated cost for each contract after giving effect to the most recent estimates of total cost. If the construction takes a substantial period of time, contract costs also include borrowing costs that are directly attributable. Contracts where the Group provides engineering services are also accounted for like

construction contracts. Construction contracts under the percentage-of-completion method are measured at construction cost plus profits earned based on the percentage of the contract completed. Revenues net of advance payments received are recognized as trade accounts receivable in the balance sheet. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the income of a construction contract cannot be estimated reliably, contract revenue that is probable to be recovered is recognized to the extent of contract costs incurred. Contract costs are recognized as expenses in the period in which they are incurred.

Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Revenues from contracts with multiple element arrangements, such as those including both goods and services, are recognized as each element is earned based on objective evidence of the relative fair value of each element.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable. Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Government grants

Government grants are recognized only if there is reasonable assurance that the associated conditions will be met and the grants will be received. Grants related to assets are reported as a reduction of cost of the assets concerned with a corresponding reduction of depreciation and amortization in subsequent periods. Grants related to income are stated as a reduction of the corresponding expenses in the periods in which the expenses the grant is intended to compensate are incurred.

Research and development costs

Research costs are expensed as incurred.

Development costs, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalized if the product or process is technically and commercially feasible, there is a market for the output of the intangible asset, the attributable expenditure can be measured reliably, and the Group has sufficient resources to complete development. Other development costs are expensed as incurred. Capitalized development costs of completed projects are stated at cost less accumulated amortization. Costs include direct costs of material, direct labor, and allocable material and manufacturing overhead. Borrowing costs directly attributable to a production of assets that necessarily takes a substantial period of time to get the assets ready for their intended use, are included in the cost of those assets until the assets are ready for their intended use. Administrative costs are capitalized only if such costs are directly related to production. Capitalized development costs of projects not yet completed are reviewed for impairment annually or more frequently when an indicator of impairment arises during the reporting year.

Earnings per share

Basic earnings per share amounts are computed by dividing net income attributable to ThyssenKrupp AG's shareholders by the weighted average number of shares outstanding. Shares issued during the period and shares reacquired during the period are weighted for the portion of the period that they were outstanding. There were no dilutive securities in the periods presented.

Intangible assets

Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis generally over a period of 3 to 15 years, depending on their estimated useful lives. Technology resulting from the acquisition of Howaldtswerke-Deutsche Werft (HDW) is amortized over a period of 40 years. Useful lives are examined on an annual basis and adjusted when applicable on a prospective basis. Amortization expense of intangible assets is primarily included in the "cost of sales" line item in the consolidated statement of income.

Goodwill is stated at cost and tested for impairment annually or on such other occasions that events or changes in circumstances indicate that it might be impaired. Goodwill impairment losses are included in other operating expenses.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation. Capitalized production costs for self constructed assets include costs of material, direct labor, and allocable material and manufacturing overhead. Borrowing costs directly attributable to the production of assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Administrative costs are capitalized only if such costs are directly related to production. Maintenance and repair costs (day-to-day servicing) are expensed as incurred. The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing parts and major inspection of such an item if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. Where fixtures and equipment comprise of significant parts having different useful lives those parts are accounted for as separate units and depreciated accordingly.

Fixtures and equipment are depreciated using the straight-line method. Upon sale or retirement, the acquisition or production cost and related accumulated depreciation are removed from the balance sheet and any gain or loss is included in the consolidated statement of income.

The following useful lives are used as a basis for calculating depreciation:

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

Buildings (incl. investment properties)	10 to 50 years
Building and land improvements	15 to 25 years
Technical machinery and equipment	8 to 25 years
Factory and office equipment	3 to 10 years

Investment property

Investment property consists of investments in land and buildings that are held to earn rental income or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. Investment property is stated at cost less accumulated depreciation. The fair value of the Group's investment property is stated in the Notes to the consolidated financial statements.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its intangible assets, property, plant and equipment and investment property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the greater of the fair value less cost to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Goodwill arising on acquisition is allocated to the Cash Generating Units that are expected to benefit from the synergies of the acquisition. Those groups of Cash Generating Units represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The recoverable amount of the Cash Generating Unit that carries a goodwill is tested for impairment annually as of October 01, or on such other occasions that events or changes in circumstances indicate that it might be impaired. For more details refer to Note 12.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

In case of impairment losses related to Cash Generating Units that carry a goodwill the carrying amount of any goodwill allocated to the Cash Generating Unit is reduced first. If the amount of impairment losses exceeds the carrying amount of goodwill, the difference is generally allocated proportionally to the remaining non-current assets of the Cash Generating Unit to reduce their carrying amounts accordingly.

Where an impairment loss subsequently reverses, the carrying amount of the asset (Cash Generating Unit) is increased to the revised estimate of its recoverable amount. The revised amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (Cash Generating Unit) in prior years. A reversal of an impairment loss is recognized as income immediately. However, impairment losses of goodwill may not be reversed.

Leases

Leases are classified as either finance or operating. Lease transactions whereby the Group is the lessee and bears substantially all the risks and rewards incidental to ownership of an asset are accounted for as a finance lease. Accordingly, the Group capitalizes the leased asset at the lower of the fair value or the present value of the minimum lease payments and subsequently depreciates the leased asset over the shorter of the lease term and its useful life. In addition, the Group records a corresponding lease obligation on the balance sheet which is subsequently settled and carried forward using the effective interest method. All other lease agreements entered into by the Group, as a lessee, are accounted for as operating leases whereby the lease payments are expensed on a straight-line basis.

Lease transactions whereby the Group is the lessor and transfers substantially all of the benefits and risks incident to the ownership of property, are accounted for as a sale and financing of the leased asset. The Group recognizes a receivable at an amount equal to the net investment in the lease and includes interest income in the consolidated income statement. All other lease agreements entered into by the Group, as a lessor, are accounted for as operating leases whereby the leased asset remains on the Group's balance sheet and is depreciated. Scheduled lease payments are recognized in income on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of acquisition/manufacturing cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling costs. In general, inventories are valued using the average cost method. Manufacturing cost includes direct material, labor and allocable material and manufacturing overhead based on normal operating capacity.

Receivables

Receivables are stated at their cost less impairment losses. Impairment losses are recognized in the form of individual allowances and take adequate account of the default risk. When there is objective evidence of default, the receivable concerned is derecognized. Immaterial receivables as well as receivables which have a similar default risk are grouped together and tested collectively for impairment on the basis of historical loss experience.

Receivables that do not bear interest or bear below market interest rates and have an expected term of more than one year are discounted with the discount subsequently amortized to interest income over the term of the receivable.

The Group sells undivided interests in certain trade accounts and notes receivable both on an ongoing and one-time basis to special purpose entities, which are not required to be consolidated, or to other lending institutions. Financial assets sold under these arrangements are excluded from accounts receivable in the Group's balance sheet at the time of sale if it is assured that the cash flows related to those receivables will be passed through to the acquirer and substantially all risks and rewards have been transferred. If substantially all risks and rewards have neither been transferred nor retained, financial assets are excluded from the books at the time of the sale if it is assured that the cash flows of the receivables will be passed through to the acquirer and the acquirer has gained control over the receivables. If substantially all risks and rewards have been retained financial assets remain in the Group's balance sheet as collateral for borrowings.

Securities

Investments in securities are recognized on a settlement-date basis and are initially measured at cost.

Investments held by the Group are classified as available-for-sale and are measured at subsequent reporting dates at fair value. Unrealized gains and losses are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the net profit or loss for the period.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits as well as financial assets that are readily convertible to cash and which are subject to an insignificant risk of change in value.

Deferred income taxes

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill.

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also recognized directly in equity.

Cumulative income and expense directly recognized in equity

The equity line item "Cumulative income and expense directly recognized in equity" includes changes in the equity of the Group that were not recognized in the consolidated statement of income of the period, except those resulting from investments by owners and distributions to owners. Cumulative income and expense directly recognized in equity includes foreign currency translation adjustments, recognized actuarial gains and losses relating to pensions and other postretirement obligations as well as unrealized holding gains and losses on available-for-sale securities and on derivative financial instruments.

Accrued pension and similar obligations

The Group's net obligation for defined benefit and other postretirement benefit plans have been calculated for each plan using the projected unit credit method. All actuarial gains and losses as of October 01, 2004, the date of transition to IFRS, were recognized in equity. Actuarial gains and losses that arise subsequent to October 01, 2004, are recognized directly in equity and presented in the Statement of Recognized Income and Expense.

Where the plan calculation results in a benefit to the Group, the recognized prepaid benefit cost is limited to the net total of unrecognized past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Service cost for pensions and other postretirement obligations are recognized as an expense in income from operations, while interest cost and the expected return on plan assets recognized as components of net periodic pension cost are included in net financial income/(expense) in the Group's consolidated statement of income. When benefits of a plan are improved, the portion of the increased benefit relating to past service is recognized as an expense in income from operations on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately.

The Group's obligations for contributions to defined contribution plans are recognized as expense in income from operations as incurred.

The Group maintains multi-employer plans. Where the required information is available these plans are accounted for as defined benefit plans, otherwise accordingly accounted for as defined contribution plans.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event which will result in a probable outflow of economic benefits that can be reasonably estimated. The amount recognized represents best estimate of the settlement amount of the present obligation as of the balance sheet date. Expected reimbursements of third parties are not offset but recorded as a separate asset if it is virtually certain that the reimbursements will be received. Where the effect of the time value of money is material, provisions are discounted using a risk adjusted market rate.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Provisions for restructuring costs are recognized when the Group has a detailed formal plan for the restructuring and has notified the affected parties.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Share-based compensation

The Group has management incentive plans which grant stock appreciation rights/stock rights to executive and senior employees. The fair value of these rights is calculated on the date of grant and recognized as expense on a straight-line basis over the vesting period with a corresponding increase in provisions. The provision is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the provision are recognized as part of income from operations.

The Group set up an Employee Share Purchase Program for selected executive employees that grants purchase of shares at a discount. Services received are recognized on a straight-line basis based on the estimated discount with regard to the shares during the period from the offer of the Employee Share Purchase Program until the grant date which is the date when the employees accept the offer. See also information provided in Note 22.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Derivative financial instruments

The Group generally uses derivative financial instruments to hedge its exposure to foreign currency exchange, interest rate and commodity price risks arising from operational, financing and investment activities. Derivative financial instruments are used in particular to hedge existing or anticipated underlying transactions. Such derivative financial instruments and derivative financial instruments that are embedded within other contractual arrangements and have to be separated are recognized initially and subsequently at fair value. The gain or loss on remeasurement to fair value is generally recognized immediately in profit or loss.

If derivatives are used to hedge risks, IAS 39 permits, under certain conditions, the application of special regulations in hedge accounting.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a highly probable forecasted transaction or, regarding currency risks, a firm commitment (so-called cash flow hedges), the effective part of any gain or loss on the derivative financial instrument is recognized in equity. The reclassification from equity into earnings occurs in the same period as the underlying transaction affects earnings. When measuring the effectiveness between the underlying hedged transaction and the hedging instrument the ineffective part of the hedge and adjustments due to time value changes are recognized immediately in the income statement.

When the hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognized in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealized gain or loss recognized in equity is recognized immediately in the income statement.

For derivatives which serve to hedge the fair value of recognized assets and liabilities or firm commitments (so-called fair value hedges), the hedging instrument is shown at fair value, with changes in its fair value appearing in the income statement. Any changes in the fair value of the hedged asset, liability or firm commitment resulting from the hedged risk are also recognized in the income statement. Given a perfect hedge, the changes in measurement recognized in the income statement for the hedge and the hedged transaction will largely balance one another. If the asset or liability is recognized at amortized cost according to the general regulations, the book value has to be adjusted for the accumulated changes in fair value resulting from the hedged risk. However, if the asset is recognized at fair value (e.g. an available-for-sale security), the changes in fair value resulting from the hedged risk continue to be recognized in the income statement.

In order to hedge its exposure to foreign currency, the variability in interest rates and commodity risks, the Group mostly applies the Cash Flow Hedge Accounting Model.

More information about financial instruments is provided in Note 29.

Trade accounts payable and other liabilities

Trade accounts payable and other liabilities are stated at amortized cost.

Disposal Groups and Discontinued Operations

The Group reports as a disposal group non-current assets, that will be disposed of by sale together with other assets and liabilities in a single transaction, which collectively meet the held for sale criteria as specified in IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The Group reports the assets and liabilities of a disposal group separately in the balance sheet line item "assets held for sale" and "liabilities associated with assets held for sale", respectively. Unless a disposal group qualifies for discontinued operations reporting, the revenues and expenses of the disposal group remain within continuing operations until the date of disposal. The Group reports the results of a disposal group that also qualifies as a component of the Group as discontinued operations if it represents a separate major line of business or geographical area of operations. The Group reports the results of discontinued operations in the period in which they occur separately within the consolidated statement of income as "discontinued operations (net of tax)". All prior period consolidated statements of income are adjusted to report the results of the component within discontinued operations.

On initial classification as held for sale, non-current assets are recognized at the lower of the carrying amount and fair value less costs to sell and depreciation and amortization ceases. A disposal group is initially measured in line with the respective IFRS standards to determine the carrying amount of the disposal group which is then compared to the fair value less costs to sell of the group in order to recognize the group at the lower of both amounts. Impairment losses on initial classification as held for sale are included in profit or loss, as are gains and losses on subsequent remeasurement.

Financial statement classification

Certain line items in the consolidated statement of income and on the consolidated balance sheet have been combined. These items are disclosed separately in the Notes to the consolidated financial statements. Certain reclassifications have been made to the prior year presentation to conform to that of the current year.

In general the Group classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date. Group companies that have operating cycles longer than twelve months classify assets and liabilities as current if they are expected to be realized within the company's normal operating cycle.

Use of estimates

The preparation of the Group consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by Management in the application of IFRS that have a significant effect on the consolidated financial statements are presented in Note 32.

Newly published accounting standards not early adopted

In fiscal year 2006/2007, the following Standards, Interpretations and Amendments to already existing Standards with relevance for ThyssenKrupp have been issued which for the most part still must be endorsed by the EU before they can be adopted:

In November 2006, the IFRIC issued IFRIC 11 "IFRS 2 – Group and Treasury Share Transactions". The Interpretation addresses how to apply IFRS 2 "Share-based Payment" to share-based payment arrangements involving an entity's own equity instruments or equity instruments of another entity in the Group. The application of the Interpretation is compulsory for fiscal years beginning on or after March 01, 2007, while earlier application is permitted. Currently, Management does not expect the adoption of the Interpretation to have a material impact on the Group's consolidated financial statements.

In November 2006, the IASB issued IFRS 8 "Operating Segments" which replaces IAS 14 "Segment Reporting". Pursuant to IFRS 8, reporting on the financial performance of the segments has to be prepared according to the so-called management approach. Accordingly, the identification of the segments and the disclosures for these segments are based on the information which is used internally by Management in evaluating segment performance and deciding how to allocate resources. The application of the Standard is compulsory for fiscal years beginning on or after January 01, 2009, while earlier application is permitted. Currently, Management does not expect the adoption of the Standard to have a material impact on the Group's consolidated financial statements.

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

In July 2007, the IFRIC issued IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". The Interpretation provides general guidance on how to assess the limit in IAS 19 "Employee Benefits" on the amount of the surplus that can be recognized as an asset. It also explains how the pensions asset or liability may be affected when there is a statutory or contractual minimum funding requirement. The Interpretation will standardise practice and ensure that entities recognize an asset in relation to a surplus on a consistent basis. The application of the Interpretation is compulsory for fiscal years beginning on or after January 01, 2008, while earlier application is permitted. Currently, Management does not expect the adoption of the Interpretation to have a material impact on the Group's consolidated financial statements.

In September 2007, the IASB issued a revised version of IAS 1 "Presentation of Financial Statements" that is aimed at improving users' ability to analyse and compare the information given in financial statements. The application of the revised Standard is compulsory for fiscal years beginning on or after January 01, 2009, while earlier application is permitted. The adoption of the Standard will not have a material impact on the Group's consolidated financial statements.

02 ACQUISITIONS AND DISPOSALS

In fiscal year 2006/2007 the Group acquired companies that are, on an individual basis, immaterial. Based on the values as of the acquisition date, these acquisitions affected in total the Group's consolidated financial statements as presented below:

million €

	Year ended Sept. 30, 2007		
	Carrying amounts as of acquisition date	Adjustments	Fair values as of acquisition date
Intangible assets	4	15	19
Goodwill	0	36	36
Property, plant and equipment	15	(4)	11
Deferred tax assets	2	0	2
Inventories	22	4	26
Trade accounts receivable	22	0	22
Other receivables	7	0	7
Cash and cash equivalents	4	0	4
Total assets acquired	**76**	**51**	**127**
Accrued pension and similar obligations	3	0	3
Deferred tax liabilities	5	2	7
Non-current financial payables	1	0	1
Other current provisions	1	0	1
Current income tax liabilities	1	0	1
Current financial payables	7	0	7
Trade accounts payable	12	0	12
Other current liabilities	22	0	22
Total liabilities assumed	**52**	**2**	**54**
Net assets acquired	**24**	**49**	**73**
Minority interest	0	1	1
Purchase prices (incl. incidental acquisition cost)			**72**
thereof: paid in cash and cash equivalents			72

In addition, in fiscal year 2006/2007 the Group sold companies as part of the portfolio optimization that were, on an individual basis, immaterial. Based on the values as of the disposal date, these disposals affected in total the Group's consolidated financial statements as presented below:

million €

	Year ended Sept. 30, 2007
Intangible assets	2
Goodwill	3
Property, plant and equipment	109
Investment property	15
Deferred tax assets	50
Inventories	89
Trade accounts receivable	161
Other receivables	32
Cash and cash equivalents	20
Total assets disposed of	**481**
Accrued pension and similar obligations	94
Other non-current provisions	1
Deferred tax liabilities	1
Other current provisions	5
Current income tax liabilities	7
Current financial payables	15
Trade accounts payable	172
Other current liabilities	50
Total liabilities disposed of	**345**
Net assets disposed of	**136**
Gain/(loss) resulting from the disposals	13
Selling prices	**149**
thereof: received in cash and cash equivalents	149

During the fiscal year 2005/2006 the Group completed the following transaction:

On August 03, 2006, the acquisition of Atlas Elektronik GmbH located in Bremen and its subsidiaries was consummated. ThyssenKrupp acquired at first a 60% interest in Atlas at a purchase price of €88 million plus incidental acquisition costs of €5 million. EADS acquired a 40% interest. Due to the fact that the two shareholders ThyssenKrupp and EADS agreed upon joint control of Atlas, the entity is treated as a joint venture which has to be accounted for using the equity method of accounting in accordance with the ThyssenKrupp accounting principles.

03 DISPOSAL GROUPS

As part of the portfolio optimization program, in fiscal year 2005/2006 the Group has initiated the disposal of several businesses. These transactions have not met the requirements of IFRS 5 for discontinued operation reporting. Therefore, revenues and expenses will continue to be presented as income from continuing operations until the date of the disposal. For entities for which the disposal has not been completed as of September 30, 2006, the assets and liabilities of the disposal groups have been disclosed separately in the consolidated balance sheet of the respective reporting period as "assets held for sale" and "liabilities associated with assets held for sale".

In the course of the preparation for the integration of the Automotive segment in the Technologies segment as of October 01, 2006, the disposals of the following acitivities have been initiated in 2005/2006:

In September 2006, the disposal of the ThyssenKrupp Fundiçoes Ltda. was initiated. The Brazilian company is a manufacturer of cast crankshafts. The assets and liabilities of the disposal group as of September 30, 2006, are disclosed in the balance sheet table of the Technologies segment. The disposal was consummated in the 1st quarter ended December 31, 2006, at a selling price of €37 million paid in cash without any disposals of cash and cash equivalents.

Furthermore the disposal of the North American body and chassis operations was initiated in September 2006. The assets and liabilities of the disposal group as of September 30, 2006, are disclosed in the balance sheet table of the Technologies segment. The disposal was consummated in the 1st quarter ended December 31, 2006, at a selling price of €81 million paid in cash and the disposal of €8 million of cash and cash equivalents.

million €

	ThyssenKrupp Fundiçoes Sept. 30, 2006	North American body and chassis operations Sept. 30, 2006
Property, plant and equipment	14	109
Deferred tax assets	2	10
Inventories	8	65
Trade accounts receivable	17	136
Other receivables	12	4
Current income tax assets	1	0
Assets held for sale	**54**	**324**
Accrued pension and similar obligations	0	93
Other provisions (current)	4	2
Current income tax liabilties	0	2
Financial liabilities (current)	11	0
Trade accounts payable	6	150
Other liabilities	2	19
Liabilities associated with assets held for sale	**23**	**266**

In September 2006, the disposal of the ThyssenKrupp Servicios Técnicos S.A. was initiated in the Services segment. The Spanish company provides industrial maintenance service. The assets and liabilities of the disposal group as of September 30, 2006, are disclosed in the following table. The disposal was consummated in the 1st quarter ended December 31, 2006, at a selling price of €1 million paid in cash and the disposal of €1 million of cash and cash equivalents:

million €

	ThyssenKrupp Servicios Técnicos S.A. Sept. 30, 2006
Trade accounts receivable	6
Other receivables	1
Cash and cash equivalents	1
Assets held for sale	**8**
Financial liabilities (current)	5
Trade accounts payable	2
Other liabilities	3
Liabilities associated with assets held for sale	**10**

The above mentioned "assets held for sale" and "liabilities associated with assets held for sale" are included in the amounts disclosed in the notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

04 NET SALES

Net sales include revenues resulting from the rendering of services of €10,694 million (2005/2006: €9,343 million).

05 OTHER OPERATING INCOME

Other operating income includes gains on the disposal of property, plant and equipment and intangible assets in the amount of €75 million (2005/2006: €44 million), gains of €23 million (2005/2006: €0 million) resulting from currency exchange differences recognized in the income statement as well as insurance compensation in the amount of €195 million (2005/2006: €213 million) which mainly results from one bigger fire damage. The corresponding expense due to the property and business interruptions is included in cost of sales. The disposal of real property as part of the concentration of ThyssenKrupp's administrative office locations in Germany resulted in other operating income of €119 million in 2006/2007; in this context ThyssenKrupp incurred transaction expenses in the amount of €4 million in 2006/2007 and of €3 million in previous periods. In addition prior year other operating income includes €153 million resulting from the break fee which had to be paid by Dofasco in accordance with the terms of the Support Agreement.

06 OTHER OPERATING EXPENSES

Other operating expenses include a fine of approximately €480 million from the EU Commission which was imposed for infringement of competition regulations by ThyssenKrupp in the elevator and escalator business in 2006/2007; in addition other operating expenses comprise of losses on the disposal of property, plant and equipment and intangible assets in the amount of €35 million (2005/2006: €47 million), restructuring charges in the amount of €30 million (2005/2006: €99 million), other provisions (excluding restructuring) in the amount of €11 million (2005/2006: €22 million) and goodwill impairment of €60 million (2005/2006: €34 million). Additional expenses in connection with non-customer related research and development activities are shown here in the amount of €199 million (2005/2006: €188 million).

07 GOVERNMENT GRANTS

In connection with the building of a new steel mill in the USA, the Group received a government grant in the form of land. This is reported at zero cost. The fair value of the land is €19 million. Further government grants for several investment projects of the Group led to a €21 million reduction of cost in fiscal year 2006/2007. In addition, government grants to compensate expenses of the Group are recognized in the amount of €7 million.

Payment of the above-mentioned government grants is subject to certain conditions which currently will be met.

08 FINANCIAL INCOME/(EXPENSE), NET

million €

	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Income from companies accounted for using the equity method	**28**	**51**
Interest income from financial receivables	140	139
Expected return on plan assets	144	140
Interest income	**284**	**279**
Interest expense from financial liabilities	(264)	(234)
Interest cost of pensions and health care obligations	(441)	(443)
Interest expense	**(705)**	**(677)**
Income from investments	6	9
Write-down of financial assets	(3)	(6)
Gain/(loss) from disposals of financial assets	(33)	(29)
Accretion of other provisions	(5)	(4)
Miscellaneous, net	17	26
Other financial income/(expense), net	**(18)**	**(4)**
Financial income/(expense), net	**(411)**	**(351)**

Borrowing costs in the amount of €42 million (2005/2006: €13 million) were capitalized during the period which reduced the line item "miscellaneous, net" as part of other financial income/(expense), net. If financing is directly allocable to a certain investment, the actual borrowing costs are capitalized. If no direct allocation is possible, the Group's average borrowing interest rate of the current period is taken into account to calculate the borrowing costs.

09 INCOME TAXES

Income tax expense/(benefit) for the year ended September 30, 2007, and the previous year consists of the following:

million €

	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Current income tax expense for the reporting period	601	1,039
Current income tax benefit for prior periods	(2)	(117)
Deferred income tax expense for the reporting period	351	176
Deferred income tax expense/(benefit) for prior periods	(31)	42
Total	**919**	**1,140**

The German corporate income tax law applicable for 2006/2007 sets a statutory income tax rate of 25% (2005/2006: 25%) plus a solidarity surcharge of 5.5%. On average, the Group's German companies are subject to a trade tax rate of 13.0% (2005/2006: 13.0%). From 2007/2008, the statutory corporate income tax rate for German companies will be reduced to 15% while the average trade tax rate will increase slightly to 15.1%. Therefore, at year-end September 30, 2007, deferred taxes of German companies are calculated with a combined income tax rate including solidarity charge of 30.9% (2005/2006: 39.4%). In fiscal year 2006/2007, the impact of the decrease in the German tax rate resulted in a deferred tax benefit in the amount of €171 million. The German tax reform also includes various further measures that may partly offset the benefit from the income tax rate reduction in the future. The applicable tax rates employed for companies outside Germany range from 5.7% to 42.3% (2005/2006: 5.7% to 42.3%). In fiscal year 2006/2007, changes in foreign tax rates resulted in deferred tax benefit in the amount of €15 million (2005/2006: €14 million deferred tax expense).

Due to a further tax law amendment also effective in fiscal year 2006/2007, the German companies of the Group became entitled to a payout in ten equal annual installments of remaining corporate tax credits by the fiscal authorities. Therefore, tax refund claims in the amount of €9 million have been recognized as a tax benefit in fiscal year 2006/2007.

The components of income taxes recognized in equity are as follows:

million €

	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Income tax expense as presented on the income statement	919	1,140
Income tax expense on cumulative income and expense directly recognized in equity	118	111
Total	1,037	**1,251**

Deferred tax assets are recognized only to the extent that the realization of such tax benefits is probable. In determining the related valuation allowance, all positive and negative factors, including prospective results, are taken into consideration in estimating whether sufficient taxable income will be generated to realize deferred tax assets. These estimates can change depending on the future course of events. As of September 30, 2007, tax loss carryforwards for which no deferred tax asset is recognized amount to €881 million (2006: €1,045 million). According to tax legislation as of September 30, 2007, an amount of €466 million (2006: €580 million) of these tax losses may be carried forward indefinitely and in unlimited amounts whereas an amount of €415 million (2006: €465 million) of these tax loss carryforwards will expire over the next 20 years if not utilized. In addition, as of September 30, 2007, no deferred tax asset is recognized for deductible temporary differences in the amount of €240 million (2006: €376 million). No deferred tax liabilities were recorded on undistributed profits of foreign subsidiaries, as such profits are to remain invested on a permanent basis.

Significant components of the deferred tax assets and liabilities are as follows:

million €

	Deferred tax assets		Deferred tax liabilities	
	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007
Intangible assets	59	55	345	326
Property, plant and equipment	209	105	997	796
Financial assets	13	74	55	41
Inventories	115	209	1,154	1,011
Other assets	200	168	337	422
Accrued pension and similar obligations	1,186	656	65	77
Other provisions	500	176	127	70
Other liabilities	848	1,002	280	306
Tax loss carryforwards	541	353	—	—
Gross value	3,671	**2,798**	3,360	**3,049**
Valuation allowance	(422)	(310)	—	—
Offset	(2,542)	(2,103)	(2,542)	(2,103)
Balance sheet amount*	707	**385**	818	**946**

* Gross of deferred tax assets and liabilities included in "assets held for sale" or "liabilities associated with assets held for sale", respectively.

Deferred tax assets and liabilities are offset if they pertain to future tax effects for the same taxable entity towards the same taxation authority.

For fiscal year 2006/2007, the income tax expense of €1,140 million (2005/2006: €919 million) presented in the financial statements is €173 million lower (2005/2006: €115 million lower) than the expected income tax expense of €1,313 million (2005/2006: €1,034 million) which would result if the German combined income tax rate of 39.4% (2005/2006: 39.4%) were applied to the Group's income before income taxes. The following table reconciles the expected income tax expense to the income tax expense presented in the income statement.

million €

	Year ended Sept. 30, 2006	in %	Year ended Sept. 30, 2007	in %
Expected income tax expense	1,034	39.4	1,313	39.4
Foreign tax rate differential	(80)	(3.0)	(95)	(2.9)
Changes in tax rates or laws	14	0.5	(195)	(5.8)
Tax consequences of disposal of businesses	(2)	(0.1)	(20)	(0.6)
Permanent items (in fiscal year 2006/2007 mainly EU antitrust fine)	(7)	(0.3)	255	7.7
Effects from previously unrecognized tax losses	(5)	(0.2)	(116)	(3.5)
Changes in other valuation allowances	27	1.0	(3)	(0.1)
Other, net	(62)	(2.3)	1	0.0
Income tax expense as presented on the income statement	**919**	**35.0**	**1,140**	**34.2**

10 EARNINGS PER SHARE

Basic earnings per share are computed as follows:

	Year ended Sept. 30, 2006		Year ended Sept. 30, 2007	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Numerator:				
Net income (attributable to ThyssenKrupp AG's stockholders)	**1,643**	**3.24**	**2,102**	**4.30**
Denominator:				
Weighted average shares	507,731,743		488,764,592	

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

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

The weighted average number of outstanding shares was reduced by the reacquisition of shares on May 06, 2003, and increased by the sale of those shares in the 2nd quarter ended March 31, 2004, the 3rd quarter ended June 30, 2005, and the 1st quarter ended December 31, 2005. In the 4th quarter ended September 30, 2006, the weighted average number of outstanding shares was reduced again by the reacquisition of shares.

There were no dilutive securities in the periods presented.

11 ADDITIONAL DISCLOSURES TO THE CONSOLIDATED STATEMENT OF INCOME

Personnel expenses included in the consolidated statement of income are comprised of:

million €

	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Wages and salaries	7,261	7,306
Social security taxes	1,259	1,253
Net periodic pension costs - defined benefit*	154	91
Net periodic pension costs - defined contribution	34	37
Net periodic postretirement benefit cost other than pensions*	8	(36)
Other expenses for pensions and retirements	125	84
Related fringe benefits	464	434
Total	**9,305**	**9,169**

* excluding expected return on plan assets and interest cost which are recognized as part of interest income/expense.

The annual average number of employees is as follows:

	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Steel	38,833	39,016
Stainless	12,156	12,207
Technologies	55,962	53,950
Elevator	35,164	37,914
Services	37,982	42,223
Corporate	6,475	2,674
Total	**186,572**	**187,984**
This total breaks down to		
Wage earners	119,312	118,858
Salaried employees	62,896	64,839
Trainees	4,364	4,287

As of October 01, 2006, the operations of the Automotive segment remaining after the disposals in North America were combined for the most part with the Technologies segment. The retained assets and liabilities of ThyssenKrupp Budd were assigned to Corporate as of October 01, 2006. Furthermore, in the 2nd quarter ended March 31, 2007, Umformtechnik was regrouped from the Technologies to the Steel segment due to strategic reasons. Prior period presentation has been adjusted accordingly.

Auditors' fees and services

For the services performed by the Group auditors KPMG Deutsche Treuhand-Gesellschaft, Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft and the companies of the worldwide KPMG association in fiscal years 2005/2006 and 2006/2007 the following fees were recognized as expenses:

million €

	Year ended Sept. 30, 2006		Year ended Sept. 30, 2007	
	Total	thereof Germany	Total	thereof Germany
Audit fees	18	9	20	10
Audit-related fees	3	2	1	1
Tax fees	1	0	1	0
Fees for other services	1	1	1	1
Total	**23**	**12**	**23**	**12**

The audit fees include mainly fees for the year-end audit of the consolidated financial statements, the auditors' review of the interim consolidated financial statements, and the statutory auditing of ThyssenKrupp AG and the subsidiaries included in the consolidated financial statements. The audit-related fees essentially comprise the fees for due diligence services in connection with acquisitions and disposals and auditing of the internal control system. The tax fees include in particular fees for tax consulting services for current and planned transactions, for the preparation of tax returns, for tax due diligence services, for tax advice in connection with projects and Group-internal reorganizations as well as tax advice for employees sent to work abroad. The fees for other services are mainly fees for project-related consulting services.

NOTES TO THE CONSOLIDATED BALANCE SHEET

12 INTANGIBLE ASSETS

Changes in the Group's intangible assets were as follows:

million €

	Franchises, trademarks and similar rights and values as well as licenses thereto	Development costs, internally developed software and website	Goodwill	Advance payments on intangible assets	Total
Gross amounts					
Balance as of Sept. 30, 2005	**1,001**	**216**	**5,165**	**37**	**6,419**
Currency differences	(9)	(1)	(86)	0	(96)
Acquisitions/divestitures of businesses	25	(2)	(124)	0	(101)
Additions	57	54	0	35	146
Transfers	5	12	0	(15)	2
Disposals	(21)	(16)	0	0	(37)
Balance as of Sept. 30, 2006	**1,058**	**263**	**4,955**	**57**	**6,333**
Currency differences	(14)	(4)	(158)	0	(176)
Acquisitions/divestitures of businesses	32	(2)	(139)	0	(109)
Additions	97	65	0	9	171
Transfers	33	15	0	(45)	3
Disposals	(18)	(18)	0	(2)	(38)
Balance as of Sept. 30, 2007	**1,188**	**319**	**4,658**	**19**	**6,184**
Accumulated amortization and impairment losses					
Balance as of Sept. 30, 2005	433	106	1,287	0	1,826
Currency differences	(4)	(1)	(35)	0	(40)
Acquisitions/divestitures of businesses	(16)	(2)	(268)	0	(286)
Amortization expense	86	28	0	0	114
Impairment losses	1	1	34	0	36
Reversals of impairment losses	(4)	0	0	0	(4)
Transfers	(1)	1	0	0	0
Disposals	(15)	(1)	0	0	(16)
Balance as of Sept. 30, 2006	**480**	**132**	**1,018**	**0**	**1,630**
Currency differences	(6)	(2)	(44)	0	(52)
Acquisitions/divestitures of businesses	9	(2)	(170)	0	(163)
Amortization expense	90	27	0	0	117
Impairment losses	23	2	60	0	85
Reversals of impairment losses	0	0	0	0	0
Transfers	1	0	0	0	1
Disposals	(13)	(1)	(1)	0	(15)
Balance as of Sept. 30, 2007	**584**	**156**	**863**	**0**	**1,603**
Net amounts					
as of Sept. 30, 2005	**568**	**110**	**3,878**	**37**	**4,593**
as of Sept. 30, 2006	**578**	**131**	**3,937**	**57**	**4,703**
as of Sept. 30, 2007	**604**	**163**	**3,795**	**19**	**4,581**

The balance as of Sept. 30, 2006, includes gross amounts of €82 million as well as accumulated amortization and impairment losses of €82 million resulting in net amounts of €0 million which relate to disposal groups.

Impairment of goodwill

Goodwill impairment losses are in included in other operating expenses.

In 2005/2006 a goodwill impairment loss of €34 million was recognized in the Body business unit of the former Automotive segment as a result of a weakening economic situation. Due to the fact that effective as of October 01, 2006, the operations of the Automotive segment remaining after the disposals in North America were for the most part combined with the Technologies segment, the expenses are allocated to Technologies with the prior period adjusted accordingly.

In 2006/2007 the annual impairment test resulted in impairments for the Cash Generating Units (CGU) Construction Elements, Metal Forming and Assembly Plant as the recoverable amount was lower than the carrying amount. The CGU Construction Elements is an operating group of the Industry business unit within the Steel segment and offers building elements made of steel for walls and roofs. The impairment of goodwill in the amount of €9 million is the result of a worsened economic situation for this unit. The recoverable amount has been determined by the value in use, which has been calculated using a discount rate of 8.0% after 7.7% in the prior year. Furthermore, an impairment for the CGU Metal Forming was necessary. This CGU has been newly formed as a result of the dissolution of the Automotive segment and belongs as an operating group to the Auto business unit within the Steel segment. Metal Forming produces body and chassis components for the automotive industry. The impairment is a result both of reduced expected future economic benefits based on a changed strategic direction for this unit and of an increased discount rate from 7.5% to 8.0% as a consequence of the allocation of the unit to the Steel segment. As the required impairment amount for Metal Forming was higher than the carrying amount of goodwill of €50 million, the segment recorded additional impairments on fixed assets in the amount of €26 million. Based on a reduced expected future economic benefit, the CGU Assembly Plant impaired the carrying amount of its goodwill by €1 million.

Impairment of other intangible assets

Impairment losses of intangible assets other than goodwill are included in cost of sales.

In 2006/2007 the Elevator segment recorded an impairment on capitalized software in the amount of €23 million, as certain software modules will not be used in the future in their currently existing form. The amount has been determined based on the capitalized development costs for these modules.

Emission rights

On January 01, 2005, the Group began to participate in the European Union Emissions Trading Scheme (ETS). The Group received notification from the national emissions-trading agency that it is entitled to receive allowances to emit 56.0 million tons in CO_2 (one third is allocated to 2005) during the compliance period 2005 to 2007. The majority of the total allowances are allocated to the Steel segment. The rights are capitalized at cost as an intangible asset. If the emissions are expected to exceed the amount covered by the available allowances, the Group records an obligation for the purchase of additional allowances.

Goodwill

Goodwill (excluding goodwill of equity method investments) has been allocated to cash generating units within all segments. The recoverable amount of each cash generating unit is determined based on a value in use calculation using after-tax cash flow projections based on bottom-up prepared financial budgets approved by ThyssenKrupp AG's management covering a five-year period. The cash flows beyond the four-year period are generally determined as the average of the four-year period. No growth rate is taken into account to extrapolate the four-year average. The weighted average cost of capital discount rate is based on a risk-free interest rate of 4.5% and risk premiums for equity and debt capital of 5.0 percentage-point and 0.75 percentage-point, respectively. Moreover for each CGU an individual beta derived from the relevant peer group, an individual tax rate and an individual capital structure is used. The following after-tax discount rate ranges have been applied to the cash flow projections by segment:

in %

	After tax discount rate ranges	
	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Steel	7.5 - 7.8	7.7 - 8.4
Stainless	6.9 - 8.9	7.1 - 9.2
Technologies	6.7 - 8.8	5.1 - 9.0
Elevator	5.6 - 6.2	6.2 - 7.2
Services	6.5 - 8.3	6.8 - 8.4
Corporate	7.9	7.5

The values in use for the CGUs are generally calculated on the basis of expected price inflation in the country in which the CGU is located and on the basis of estimated sales growth rates. These figures are determined based on both historical data and expected forecast market performance. The values assigned to the key assumptions are generally consistent with external information sources.

49 CGUs were identified in the ThyssenKrupp Group, of which 41 report goodwill. Total goodwill as of September 30, 2006, amounts to €3,937 million. 54% of this goodwill relates to the CGUs Metallurgy, Surface Vessel, Submarine and Americas, as shown in the following table:

SIGNIFICANT GOODWILL

CGU (Segment)	Carrying amount of goodwill allocated to CGU (million €)	Proportion of total goodwill (in %)	Description of key assumptions of budgeting	Procedure used to determine key assumptions
Metallurgy (Steel)	227	6%	- Selling prices - Procurement prices - Business cycles	Internal estimates of sales and purchasing departments concerned and consideration of economic assumptions set by ThyssenKrupp AG (Economic Affairs and Market Research)
Surface Vessel (Technologies)	397	10%	- Market growth rates	Naval shipbuilding: Consideration of long-term budget plans of potential customers and if appropriate concrete negotiations with customers Merchant ships: Consideration of increasing quantity of goods and containers, confirmation by external market studies
Submarine (Technologies)	670	17%	- Market growth rates	Estimates based on long-term budget plans and if appropriate concrete negotiations
Americas (Elevator)	840	21%	- Procurement prices - Business cycles	Consideration of economic assumptions set by ThyssenKrupp AG and external local market studies

In the case of the CGUs Construction Elements, Metal Forming and Assembly Plant a goodwill impairment had to be recognized because the recoverable amount was less than the respective carrying amount of the CGU. The recoverable amount of the CGU Tinplate exceeded the carrying amount of the CGU by less than 10%:

CRITICAL GOODWILL

CGU (Segment)	Carrying amount of CGU (million €)	Recoverable amount of CGU (million €)	Description of key assumptions of budgeting	Procedure used to determine key assumptions
Tinplate (Steel)	621	673	- Selling prices - Procurement prices - Business cycles - Cost trend	Internal estimates of sales and purchasing departments concerned taking into account the economic parameters specified by ThyssenKrupp AG (Economic Affairs and Market Research)

A 10% increase in the discount rate of the CGU Tinplate would result in an impairment of goodwill. However, the Management of ThyssenKrupp believes in the case of this CGU that no reasonably possible change in any of the key assumptions used in calculating the recoverable amount would cause the carrying amount of the CGU to exceed the respective recoverable amount.

The change in the carrying amount of goodwill (excluding goodwill of equity method investments) is as follows:

million €

	Steel	Stainless	Technologies	Elevator	Services	Corporate	Total*
Balance as of Sept. 30, 2005	**382**	**348**	**1,587**	**1,285**	**251**	**25**	**3,878**
Currency differences	0	(5)	(8)	(36)	(2)	0	(51)
Acquisitions/(divestitures)	2	1	25	41	84	(9)	144
Impairment	0	0	(34)	0	0	0	(34)
Balance as of Sept. 30, 2006	**384**	**344**	**1,570**	**1,290**	**333**	**16**	**3,937**
Currency differences	0	(10)	(6)	(95)	(2)	0	(113)
Acquisitions/(divestitures)	(1)	0	10	(8)	31	(1)	31
Impairment	(59)	0	(1)	0	0	0	(60)
Balance as of Sept. 30, 2007	**324**	**334**	**1,573**	**1,187**	**362**	**15**	**3,795**

* excluding goodwill of equity method investments

13 PROPERTY, PLANT AND EQUIPMENT

Changes in the Group's property, plant and equipment were as follows:

million €

	Land, leasehold rights and buildings including buildings on third-party land	Technical machinery and equipment	Other equipment, factory and office equipment	Assets under finance lease	Assets under operating lease	Construction in progress and advance payments on property, plant and equipment	Total
Gross amounts							
Balance as of Sept. 30, 2005	**5,356**	**14,628**	**2,240**	**281**	**10**	**638**	**23,153**
Currency differences	(37)	(98)	(21)	0	0	(8)	(164)
Acquisitions/divestitures of businesses	(134)	(276)	(18)	2	0	3	(423)
Additions	95	587	282	7	2	511	1,484
Transfers	81	412	28	(8)	17	(520)	10
Disposals	(109)	(461)	(216)	(21)	0	(14)	(821)
Balance as of Sept. 30, 2006	**5,252**	**14,792**	**2,295**	**261**	**29**	**610**	**23,239**
Currency differences	(60)	(168)	(38)	(2)	(1)	(9)	(278)
Acquisitions/divestitures of businesses	(18)	(388)	7	5	0	(11)	(405)
Additions	165	679	290	47	1	1,555	2,737
Transfers	17	284	15	(3)	14	(353)	(26)
Disposals	(230)	(480)	(217)	(21)	0	(47)	(995)
Balance as of Sept. 30, 2007	**5,126**	**14,719**	**2,352**	**287**	**43**	**1,745**	**24,272**
Accumulated depreciation and impairment losses							
Balance as of Sept. 30, 2005	2,500	10,192	1,539	111	8	31	14,381
Currency differences	(14)	(55)	(12)	0	0	(1)	(82)
Acquisitions/divestitures of businesses	(117)	(247)	(22)	(3)	0	(3)	(392)
Depreciation expense	161	851	216	24	1	0	1,253
Impairment losses	79	144	9	0	0	4	236
Reversals of impairment losses	(1)	(1)	0	0	0	0	(2)
Transfers	(2)	39	(3)	(5)	0	(28)	1
Disposals	(71)	(418)	(170)	(17)	0	0	(676)
Balance as of Sept. 30, 2006	**2,535**	**10,505**	**1,557**	**110**	**9**	**3**	**14,719**
Currency differences	(24)	(108)	(18)	(1)	0	0	(151)
Acquisitions/divestitures of businesses	11	(301)	(5)	3	0	(2)	(294)
Depreciation expense	155	820	217	40	1	0	1,233
Impairment losses	13	53	4	6	1	0	77
Reversals of impairment losses	(3)	(1)	0	0	0	0	(4)
Transfers	(8)	9	(1)	(4)	(4)	0	(8)
Disposals	(119)	(421)	(181)	(15)	0	0	(736)
Balance as of Sept. 30, 2007	**2,560**	**10,556**	**1,573**	**139**	**7**	**1**	**14,836**
Net amounts							
as of Sept. 30, 2005	**2,856**	**4,436**	**701**	**170**	**2**	**607**	**8,772**
as of Sept. 30, 2006	**2,717**	**4,287**	**738**	**151**	**20**	**607**	**8,520**
as of Sept. 30, 2007	**2,566**	**4,163**	**779**	**148**	**36**	**1,744**	**9,436**

The balance as of Sept. 30, 2006, includes gross amounts of €516 million as well as accumulated depreciation and impairment losses of €393 million resulting in net amounts of €123 million which relate to the disposal groups.

Impairment losses of property, plant and equipment are included in cost of sales.

In 2005/2006, impairment losses of €35 million were recognized in the Stainless segment as a result of a fire, of which €12 million related to buildings and €23 million to technical machinery and equipment. The level of impairment was determined in cooperation with independent experts. In this context, the segment received insurance compensation of €45 million, calculated on the basis of replacement costs, which are reported in other operating income. In 2005/2006, impairment losses were recognized in the Body business unit of the former Automotive segment as a result of the weakening economic situation in the amount of €25 million for buildings, €13 million for technical machinery and equipment and €1 million for other equipment, factory and office equipment; the recoverable amounts used to calculate the impairment losses correspond in each case to the values in use. A discount rate of 8.7% was used to calculate values in use. Due to the fact that effective as of October 01, 2006, the operations of the Automotive segment remaining after the disposals in North America were for the most part combined with the Technologies segment, the expenses are allocated to Technologies with the prior period adjusted accordingly. In addition, asset impairment losses in the total amount of €98 million were recognized in the former Automotive segment in connection with the initiated disposal of the North American body and chassis business, relating mainly to technical machinery and equipment. The impairment losses were calculated by comparing the carrying amounts with the fair values less costs to sell. In this context, an impairment of €48 million had already been recognized on the assets of the Canadian Kitchener plant in the 2nd quarter 2005/2006, relating mainly to buildings (€9 million) and technical machinery and equipment (€34 million). The recoverable amount used to calculate the impairment loss is the value in use. Due to the fact that the expected future cash flows are solely negative, a value in use of zero was recognized. Due to the fact that effective as of October 01, 2006, ThyssenKrupp Budd was assigned to Corporate, the expenses are allocated to Corporate with the prior period adjusted accordingly.

In 2006/2007, as a result of a weakening economic situation, impairment losses of €8 million were recognized in the Auto business unit of the Steel segment of which €7 million related to land and buildings and €1 million to technical machinery and equipment. The recoverable amounts used to calculate the impairment losses correspond in each case to the values in use. A discount rate of 12.1% was used to calculate values in use. Furthermore the Stainless segment recorded in the ThyssenKrupp Acciai Speciali Terni business unit an impairment in the amount of €14 million on technical equipment due to a lack of future technical use of parts of this equipment. The impairment amount has been determined on the basis of fair value less cost to sell. Also, the Technologies segment recorded impairments of €26 million as a result of a weakening economic situation in the Marine Systems, Mechanical Components and Automotive Solutions business units. €2 million of the total impairment refer to land and buildings, €22 million to technical machinery and equipment and €2 million to other equipment, factory and office equipment. The recoverable amounts used to calculate the impairment losses correspond in each case to the values in use. A discount rate of 11.5% was used to calculate values in use.

Property, plant and equipment include leased buildings, technical machinery and equipment and other equipment that have been capitalized, where the terms of the lease require the Group, as lessee, to assume substantially all of the benefits and risks of use of the leased asset ("finance lease").

million €

	Gross amounts		Accumulated depreciation and impairment losses		Net amounts	
	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007
Land, leasehold rights and buildings including buildings on third-party land	91	86	34	40	57	46
Technical machinery and equipment	125	157	47	71	78	86
Other equipment, factory and office equipment	45	44	29	28	16	16
Assets under finance lease	261	**287**	110	**139**	151	**148**

Property, plant and equipment has been pledged as security for financial payables of €216 million (2006: €277 million).

14 INVESTMENT PROPERTY

Changes in the Group's investment property were as follows:

million €

	2006	2007
Gross amounts		
Balance as of Sept. 30, 2005 and Sept. 30, 2006, respectively	830	754
Currency differences	(1)	(1)
Acquisitions/divestitures of businesses	0	0
Additions	4	5
Transfers	(11)	20
Disposals	(68)	(209)
Balance as of Sept. 30, 2006 and 2007, respectively	**754**	**569**
Accumulated depreciation and impairment losses		
Balance as of Sept. 30, 2005 and Sept. 30, 2006, respectively	273	253
Currency differences	0	0
Acquisitions/divestitures of businesses	(3)	0
Depreciation expense	7	5
Impairment losses	6	9
Reversals of impairment losses	(1)	0
Transfers	(1)	7
Disposals	(28)	(94)
Balance as of Sept. 30, 2006 and 2007, respectively	**253**	**180**
Net amounts		
as of Sept. 30, 2005	557	—
Balance as of Sep. 30, 2006 and 2007, respectively	**501**	**389**

The fair value of the Group's investment property is determined using various internationally accepted valuation methods such as the gross rental method, discounted cash flow method, asset value method and comparison to current market prices of similar real estate. Investment property located in Germany is primarily determined based on internally prepared valuations using the gross rental method which is regulated in Germany by the "Verordnung über Grundsätze für die Ermittlung der Verkehrswerte von Grundstücken – WertV". Investment property located outside Germany is determined by independent external appraisers.

As of September 30, 2007, the total fair value of the Group's investment property is €502 million (2006: €677 million) of which €23 million (2006: €27 million) are based on valuations of independent external appraisers.

Additions which are disclosed in the gross amounts include subsequent expenditure of €1 million (2006: €0 million).

The lease of investment property resulted in rental income of €43 million (2005/2006: €46 million) and direct operating expense of €27 million (2005/2006: €27 million). Direct operating expense of €16 million (2005/2006: €11 million) resulted from investment property that does not generate rental income.

15 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates

As of September 30, 2007, the fair value of an investment in an associate accounted for using the equity method for which there is a published price quotation was €58 million (2006: €28 million).

Summarized financial information of associates accounted for using the equity method is presented in the table below. The information given represents 100% and not the Group's interest in the associates.

million €

	Sept. 30, 2006	Sept. 30, 2007
Total assets	982	701
Total liabilities	799	487

	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Net sales	1,086	852
Net income	14	90

In 2006/2007, the unrecognized share of losses of an associate accounted for using the equity method amounts to €0.6 million (2005/2006: €0.6 million). The unrecognized losses cumulate to €1.4 million (2005/2006: €0.9 million).

ThyssenKrupp has a significant investment of 20.56% in RAG Aktiengesellschaft. The Group is not able to exert significant influence over the operating and financial policies of RAG because of the Group's inability to obtain timely reviewed IFRS financial information on a quarterly basis. With contract as of August, 07, 2007, the sale of the shares to the RAG foundation was agreed upon. The transfer of the shares is scheduled for end of November 2007.

Joint ventures

The following table shows the summarized financial information of the Group's joint ventures. The information given represents the Group's interest in the joint ventures.

million €

	Sept. 30, 2006	Sept. 30, 2007
Current assets	678	683
Non-current assets	385	422
Current liabilities	370	477
Non-current liabilities	212	304

	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Net sales	1,457	1,366
Net income	41	25

The significant joint ventures are included in the list of the Group's subsidiaries and equity interests investments which is presented in Note 37.

16 OPERATING LEASE AS LESSOR

The Group is the lessor of various commercial real estate under operating lease agreements.

As of September 30, 2007, the future minimum lease payments to be received on non-cancelable operating leases are as follows:

million €

Not later than one year	30
Between one and five years	39
Later than five years	33
Total	**102**

The amounts reflected as future minimum lease payments do not contain any contingent rentals. No contingent rentals have been recognized in the consolidated statements of income in 2006/2007 (2005/2006: 0).

17 FINANCIAL ASSETS

million €

	Sept. 30, 2006	Sept. 30, 2007
Investments in non-consolidated subsidiaries	42	14
Loans to non-consolidated subsidiaries	4	2
Other investments	62	67
Loans to Associated Companies and other investees	2	1
Securities classified as financial assets	14	12
Other loans	54	37
Total	**178**	**133**

Impairment losses of €8 million (2005/2006: €3 million) are recognized in the income statement.

18 INVENTORIES

million €

	Sept. 30, 2006	Sept. 30, 2007
Raw materials	1,606	1,987
Supplies	445	472
Work in process	1,990	2,184
Finished products, merchandise	3,498	4,221
Advance payments to suppliers	603	616
Total	**8,142**	**9,480**

Inventories of €1,953 million are carried at fair value less cost to sell. Inventories of €1 million (2006: €1 million) have a remaining term of more than 1 year. Inventories of €42,291 million (2006: €39,142 million) are recognized as an expense during the period. Included in cost of sales are write-downs of inventories of €157 million (2006: €7 million), while €0 million (2006: €5 million) of reversals of write-downs reduced cost of sales.

19 TRADE ACCOUNTS RECEIVABLE

million €

	Sept. 30, 2006	Sept. 30, 2007
Receivables from sales of goods and services	6,077	6,349
Amounts due from customers for construction work	1,187	1,228
Total	**7,264**	**7,577**

Receivables from the sales of goods and services in the amount of €778 million (2006: €740 million) have a remaining term of more than 1 year. As of September 30, 2007 cumulative impairment losses of €300 million (2006: €327 million) are recognized for doubtful accounts.

Amounts due from customers for construction work are calculated as follows:

million €

	Sept. 30, 2006	Sept. 30, 2007
Contract costs incurred and recognized contract profits (less recognized losses)	2,488	2,840
Less advance payments received	(1,301)	(1,612)
Total	**1,187**	**1,228**

Contract costs incurred include collateralized assets of €16 million (2006: €89 million). Sales from construction contracts of €5,082 million were recognized in the period (2005/2006: €4,829 million).

The Group regularly primarily sells credit insured trade accounts receivable under asset backed securitization programs and other programs as well as under one-time transactions.

As of September 30, 2007, sales of receivables in the amount of €9 million (2006: €40 million) did not result in a derecognition from the balance sheet because the Group retained substantially all the risks and rewards of ownership. The corresponding liability is included in financial liabilities (see also Note 25). The sales resulted in net proceeds in the amount of €9 million (2005/2006: €40 million).

The amount of receivables sold and derecognized from the balance sheet as of September 30, 2007, was €929 million (2006: €989 million), resulting in net proceeds in the amount of €899 million (2005/2006: €959 million). In some cases, when the Group sells receivables it retains rights and immaterial obligations; these retained interests mainly consist of servicing as well as providing limited cash reserve accounts and dilution reserves. The recognized assets and provided guarantees which serve as a cash reserve account amounted to €70 million (2006: €68 million) as of September 30, 2007. Continuing involvement primarily resulting from the dilution reserve was €26 million (2006: €27 million) as of September 30, 2007.

20 OTHER RECEIVABLES

million €

	Sept. 30, 2006	Sept. 30, 2007
Receivables due from non-consolidated subsidiaries	49	11
Receivables due from Associated Companies and other investees	114	84
Prepayments	124	147
Other assets	1,070	1,171
Current securities	104	202
Total	**1,461**	**1,615**

Other assets include tax refund claims in the amount of €67 million (2006: €94 million) as well as the positive fair values of foreign currency derivatives including embedded derivatives, interest rate and commodity derivatives in the amount of €254 million (2006: €205 million) (see also Note 29).

Other receivables in the amount of €91 million (2006: €70 million) have a remaining term of more than 1 year. As of September 30, 2007 cumulative impairments amount to €113 million (2006: €141 million).

21 TOTAL EQUITY

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

million €, except number of shares

		Equity attributable to ThyssenKrupp AG's stockholders							
	Number of shares outstanding	Capital stock	Additional paid in capital	Retained earnings	Cumulative income and expense directly recognized in equity	Treasury stock	Total	Minority interest	Total equity
Balance as of Sept. 30, 2005	**499,149,151**	**1,317**	**4,684**	**2,237**	**(315)**	**(368)**	**7,555**	**389**	**7,944**
Net income				1,643			1,643	61	1,704
Income and expense directly recognized in equity					273		273	(7)	266
Tax effects on income and expense directly recognized in equity					(118)		(118)	0	(118)
Profit attributable to minority interest							0	(27)	(27)
Dividend payment				(412)			(412)	0	(412)
Treasury stock purchased	(25,724,452)					(697)	(697)	0	(697)
Treasury stock sold	15,339,893			(100)		368	268	0	268
Share-based compensation				1			1	0	1
Other changes				(11)	11		0	(2)	(2)
Balance as of Sept. 30, 2006	**488,764,592**	**1,317**	**4,684**	**3,358**	**(149)**	**(697)**	**8,513**	**414**	**8,927**
Net income				2,102			2,102	88	2,190
Income and expense directly recognized in equity					10		10	(3)	7
Tax effects on income and expense directly recognized in equity					(111)		(111)	0	(111)
Profit attributable to minority interest							0	(32)	(32)
Dividend payment				(489)			(489)	0	(489)
Share-based compensation				3			3	0	3
Other changes				(11)	9		(2)	(46)	(48)
Balance as of Sept. 30, 2007	**488,764,592**	**1,317**	**4,684**	**4,963**	**(241)**	**(697)**	**10,026**	**421**	**10,447**

€(7) million, €(15) million and €(19) million of the balance of cumulative income and expense directly recognized in equity result from associates as of Sept. 30, 2005, Sept. 30, 2006 and Sept. 2007, respectively. €(4) million (2005/2006: €(8) million) of the changes of cumulative income and expense directly recognized in equity result from associates.

The following table shows the changes of the foreign currency translation adjustment which is part of cumulative income and expense directly recognized in equity:

million €

	Foreign currency translation adjustment
Balance as of Sept. 30, 2005	**137**
Change in unrealized gains/(losses), net	(84)
Net realized (gains)/losses	2
Balance as of Sept. 30, 2006	**55**
Change in unrealized gains/(losses), net	(247)
Net realized (gains)/losses	(10)
Balance as of Sept. 30, 2007	**(202)**

Capital stock

The capital stock of ThyssenKrupp AG consists of 514,489,044 no-par bearer shares of stock, all of which have been issued, with 488,764,592 outstanding as of September 30, 2006 and 2007, respectively. Each share of common stock has a stated value of €2.56.

All shares grant the same rights. The stockholders are entitled to receive dividends as declared and are entitled to one vote per share at the stockholders' meetings.

Additional paid in capital

Additional paid in capital include the effects of the business combination of Thyssen and Krupp as well as premiums resulting from capital increases at subsidiaries with minority interest.

Retained earnings

Retained earnings include prior years' undistributed consolidated income.

Treasury stock

On the basis of the authorization granted by the Annual Stockholders' Meeting on January 27, 2006, the Executive Board of ThyssenKrupp AG resolved on July 03, 2006, to acquire up to a total of 5% of the current capital stock issued. In the period from July 04, 2006 to August 21, 2006, ThyssenKrupp AG purchased a total of 25,724,452 treasury shares, representing almost 5% of the capital stock, at an average price of €27.09. This represents a total amount of €697 million.

As of November 21, 2005, 15,339,893 treasury shares were sold at the market price of €17.44 to the Alfried Krupp von Bohlen and Halbach Foundation. This disposal has to be classified as a related party transaction. As a result of this transaction and the sale of employee shares in the 2nd quarter of 2003/2004 and the 3rd quarter of 2004/2005, ThyssenKrupp AG has sold all the treasury shares purchased from the IFIC Holding AG in May 2003.

Authorizations

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

By resolution of the Annual Stockholders' Meeting on January 23, 2004, the Executive Board is authorized, subject to the approval of the Supervisory Board, to issue bearer bonds with a total par value up to €500 million and to grant the bond holders the right to convert the bonds into bearer shares of the Company (convertible bonds). The authorization is valid until January 22, 2009. In addition, by resolution of the Annual Stockholders' Meeting on January 19, 2007, ThyssenKrupp is authorized through July 18, 2008, to purchase treasury stock for certain defined purposes up to a total of 10% of the current capital stock issued.

Dividend proposal

The Executive Board and Supervisory Board have agreed to propose to the stockholders' meeting a dividend in the amount of €1.30 per share entitled to dividend to be distributed from unappropriated net income of the stand-alone entity ThyssenKrupp AG for fiscal 2006/2007 as determined in conformity with the principles of the German Commercial Code (HGB). This would result in a dividend payout of €635 million in total.

22 SHARE-BASED COMPENSATION PROGRAMS

Management incentive plans

In 1999, ThyssenKrupp introduced a performance-based long-term management incentive plan (the "incentive plan") of which Executive Board members as well as selected managerial employees in Germany and foreign countries are eligible to participate. In accordance with the incentive plan, over a period of five years, beneficiaries were granted appreciation rights ("phantom stocks") annually with a performance period of approximately three years for each installment. These appreciation rights were remunerated in cash at the end of each performance period if certain performance hurdles are met. These performance hurdles required that either the market price of ThyssenKrupp stock must have increased at least 15% or that the market price of ThyssenKrupp stock has outperformed the DJ STOXX index during the performance period. If at least one of the two performance hurdles was met, then remuneration was calculated based on the difference between the current market price and the base price of stock. The current market price was calculated based on the average of the first five trading days after the regular stockholders' meeting with which the respective installment of the incentive plan occurs. The base price was derived from the current market price decreased by a market

price/index performance deduction and a price change deduction. The market price/index performance deduction was determined by multiplying the percentage of over or underperformance of the ThyssenKrupp stock in relation to the DJ STOXX by the current stock price during the particular performance period. The price change deduction was equal to one-half of the absolute change in ThyssenKrupp stock price during a particular performance period. The two deductions were combined and then deducted from the current stock price to obtain the base price. The remuneration per appreciation right during any performance period was limited to €25. If the performance hurdles were not met at the end of the performance period, the stock appreciation rights expired and no payment or expense was recorded by the Group.

In the 2nd quarter of 2005/2006, the 2.4 million appreciation rights granted in the fifth installment of the incentive plan were settled with a payment of €40.8 million, as result of the performance hurdles being met at the end of the performance period. In total, in 2005/2006 the Group recorded compensation expense for the long-term management incentive plan in the amount of €11.5 million. Because of the completion of the long-term management incentive plan program in 2005/2006, there are no outstanding obligations from the plan as of September 30, 2006 and 2007, respectively.

In 2003, ThyssenKrupp implemented a performance based mid-term incentive plan which issues stock rights to eligible participants. All Executive Board members of ThyssenKrupp AG are eligible to participate. Starting with the second installment which was issued in 2004, the group of beneficiaries was expanded to include the segment lead companies as well as several other selected executive employees. As of September 30, 2007, 523,908 stock rights were issued in the 3rd installment, 544,179 stock rights in the 4th installment and 308,811 stock rights in the 5th installment.

The number of stock rights issued will be adjusted at the end of each performance period based on the average economic value added (EVA) over the three-year performance period, beginning October 01 of the year the stock rights were granted, compared to the average EVA over the previous three fiscal year period. At the end of the performance period the stock rights will be settled in cash based on the average price of ThyssenKrupp stock during the three month period immediately following the performance period.

To determine the fair value of the stock rights used to calculate the pro-rata liability as of the balance sheet date forward prices of the ThyssenKrupp stock are calculated taking into account partial caps in the 3rd, 4th and 5th installment. The forward calculation is carried out for predefined periods (averaging periods) taking into account the ThyssenKrupp stock price and the Euro interest rate curve as of the balance sheet date and the dividends assumed to be paid until the maturity of the stock rights. The following assumptions were used for the determination of the fair values as of September 30, 2006 and as of September 30, 2007:

	2nd installment	3rd installment	4th installment
Maturity	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008
Averaging period	Oct. 01 to Dec. 31, 2006	Oct. 01 to Dec. 31, 2007	Oct. 01 to Dec. 31, 2008
ThyssenKrupp stock price as of balance sheet date	€26.57	€26.57	€26.57
Assumed dividend payment(s) per stock until maturity	—	€1.00 on Jan. 22, 2007	€1.00 on Jan. 22, 2007 €1.00 on Jan. 21, 2008
Average dividend yield	—	3.47%	3.64%
Average interest rate (averaging period)	3.27%	3.78%	3.80%
Fair value as of Sept. 30, 2006	**€26.45**	**€25.46**	**€24.52**

	3rd installment	4th installment	5th installment
Maturity	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2009
Averaging period	Oct. 01 to Dec. 31, 2007	Oct. 01 to Dec. 31, 2008	Oct. 01 to Dec. 31, 2009
ThyssenKrupp stock price as of balance sheet date	€44.66	€44.66	€44.66
Assumed dividend payment(s) per stock until maturity	—	€1.30 on Jan. 21, 2008	€1.30 on Jan. 21, 2008 €1.30 on Jan. 26, 2009
Average dividend yield	—	2.64%	2.76%
Average interest rate (averaging period)	4.44%	4.65%	4.53%
Fair value as of Sept. 30, 2007			
- without caps	**€44.38**	**€43.15**	**€41.93**
- with caps	**€24.71**	**€23.62**	**€36.20**

In the 1st quarter of 2006/2007, the 2nd installment of the mid-term incentive plan was settled in cash with €29.90 per stock right resulting in a total payment of €27.6 million. In the 1st quarter of 2005/2006, the 1st installment of the mid-term incentive plan was settled in cash with €17.26 per stock right resulting in a total payment of €4.4 million. In total, in 2006/2007 the Group recorded compensation expense for the mid-term incentive plan in the amount of €69.6 million (2005/2006: €43.4 million). The liability arising from the mid-term incentive plan amounts to €101 million as of September 30, 2007 (2006: €58 million).

In February 2006, the Group implemented a Share Purchase Program for selected executive employees who are not beneficiaries of the mid-term incentive plan. Under the Program the beneficiaries are entitled to purchase up to a fixed amount ThyssenKrupp shares at a discount. In the 2nd quarter ended March 31, 2007, the Group's Share Purchase Program was settled with the purchase of 125,977 shares at a discount. This resulted in compensation expense of €4.5 million in 2006/2007, having already recognized compensation expense of €2.7 million in 2005/2006. At the same time, in March 2007 it was decided to renew the Program for fiscal year 2006/2007. Under the program, again selected executive employees are entitled to purchase up to a fixed amount ThyssenKrupp shares at a discount. In 2006/2007 the Group recorded compensation expense from the new program of €8.1 million; €4.4 million were recognized in equity and the remaining amount as an obligation.

Employee share purchase program

In the 3rd quarter of 2005/2006 and in the 3rd quarter of 2006/2007, the Group primarily offered eligible members of its domestic and French workforce the right to purchase up to €270 in ThyssenKrupp shares at a 50% discount as part of an employee share purchase program. The program resulted in the Group recording compensation expense of €8.0 million and €6.6 million, respectively.

23 ACCRUED PENSION AND SIMILAR OBLIGATIONS

million €

	Sept. 30, 2006	Sept. 30, 2007
Accrued pension liability	6,597	5,896
Accrued postretirement obligations other than pensions	1,137	915
Other accrued pension-related obligations	377	328
Total	**8,111**	**7,139**

Pensions and similar obligations in the amount of €6,504 million (2006: €7,374 million) have a remaining term of more than 1 year.

Pension plans

The Group maintains defined benefit pension plans and defined contribution plans that cover the majority of the employees in Germany, the USA, Canada and the United Kingdom. In some other countries, eligible employees receive benefits in accordance with the respective local requirements.

In Germany, benefits generally take the form of pension payments that are indexed to inflation. Benefits for some senior staff are based on years of service and salary during a reference period, which is generally three years prior to retirement. Other employees receive benefits based on years of service. In addition, ThyssenKrupp offers certain German employees the opportunity to participate in a defined benefit program which allows for the deferral of compensation which earns interest at a rate of 6.00% per year.

In the USA and Canada, hourly paid employees receive benefits based on years of service. Salaried employee benefits are typically based on years of service and salary history. In the United Kingdom, employee benefits are based on years of service and an employee's final salary before retirement.

Defined benefit obligations and funded status

The reconciliation of the changes in the defined benefit obligations and the fair value of plan assets are as follows:

million €

	Sept. 30, 2006		Sept. 30, 2007	
	Germany	Outside Germany	Germany	Outside Germany
Change in defined benefit obligations (DBO):				
DBO at beginning of fiscal year	6,494	2,715	6,114	2,541
Service cost	79	60	73	39
Interest cost	249	127	266	123
Participant contributions	0	8	0	8
Past service cost	5	3	0	1
Actuarial (gain)/loss	(224)	(95)	(258)	(149)
Acquisitions/(divestitures)	(74)	(60)	(1)	(99)
Curtailments and settlements	0	(7)	0	(24)
Termination benefits	0	10	0	0
Currency differences	0	(60)	0	(141)
Benefit payments	(415)	(162)	(420)	(148)
Others	0	2	(1)	7
DBO at end of fiscal year	**6,114**	**2,541**	**5,773**	**2,158**
Change in plan assets:				
Fair value of plan assets at beginning of fiscal year	99	1,838	127	1,940
Expected return on plan assets	7	137	9	131
Actuarial gains/(losses)	0	(4)	0	69
Acquisitions/(divestitures)	0	(35)	0	(84)
Employer contributions	29	180	38	100
Participant contributions	0	8	0	8
Settlements	0	0	0	(2)
Currency differences	0	(42)	0	(124)
Benefit payments	(8)	(143)	(8)	(135)
Others	0	1	1	7
Fair value of plan assets at end of fiscal year	**127**	**1,940**	**167**	**1,910**

As of the balance sheet date, defined benefit obligations related to plans that are wholly unfunded amount to €5,696 million (2006: €6,088 million) and defined benefit obligations that relate to plans that are wholly or partly funded amount to €2,235 million (2006: €2,567 million).

Actual return which amounts to €209 million (2006: €140 million) is calculated as the total of expected return on plan assets and actuarial gains and losses, respectively.

The following represents the funded status of these plans:

million €

	Sept. 30, 2006		Sept. 30, 2007	
	Germany	Outside Germany	Germany	Outside Germany
Funded status at end of fiscal year	(5,987)	(601)	(5,606)	(248)
Not recognized as an asset due to asset ceiling	0	(2)	0	(6)
Unrecognized past service cost	1	1	0	0
Net amount recognized	**(5,986)**	**(602)**	**(5,606)**	**(254)**
Amounts recognized in the consolidated balance sheets consist of:				
Other receivables	0	9	0	36
Accrued pension liability	(5,986)	(611)	(5,606)	(290)
Net amount recognized	**(5,986)**	**(602)**	**(5,606)**	**(254)**

Net periodic pension cost

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

million €

	Sept. 30, 2006		Sept. 30, 2007	
	Germany	Outside Germany	Germany	Outside Germany
Service cost	79	60	73	39
Interest cost	249	127	266	123
Expected return on plan assets	(7)	(137)	(9)	(131)
Past service cost	7	5	0	1
Settlement and curtailment loss/(gain)	0	(7)	0	(22)
Termination benefit expense	0	10	0	0
Net periodic pension cost	**328**	**58**	**330**	**10**

The interest cost and the expected return on plan assets components of net periodic pension cost are included in the line item "Interest expense" and "Interest income", respectively in the Group's consolidated statement of income.

Assumptions

The assumptions for discount rates and the rates of compensation increase on which the calculation of the obligations are based were derived in accordance with standard principles and established for each country as a function of their respective economic conditions. The expected return on plan assets is determined based on detailed studies conducted by the plans' third party investment and actuarial advisors. The studies take into consideration the long-term historical returns and the future estimates of long-term investment returns based on the target asset allocation.

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

in %

	Sept. 30, 2006		Sept. 30, 2007	
	Germany	Outside Germany	Germany	Outside Germany
Weighted-average assumptions:				
Discount rate	4.50	5.29	5.25	5.82
Expected return on plan assets	6.00	7.54	6.00	7.29
Rate of compensation increase	2.50	2.52	2.50	2.29

Plan assets

In the Group, the majority of reported plan assets associated with the funded pension plans are located in the USA, Canada, the United Kingdom and to a lesser extent in the Netherlands and Germany. The Group invests in diversified portfolios consisting of an array of asset classes that attempt to maximize returns while minimizing volatility. The asset classes include national and international stocks, fixed income government and non-government securities and real estate. Plan assets do not include any direct investments in ThyssenKrupp debt or equity securities.

The Group uses professional investment managers to invest plan assets based on specific investment guidelines developed by the plans' Investment Committees. The Investment Committees consist of senior financial management especially from treasury and other appropriate executives. The Investment Committees meet regularly to approve the target asset allocations, and review the risks and performance of the major pension funds and approve the selection and retention of external managers.

The Group's target portfolio structure has been developed based on asset-liability studies that were performed for the major pension funds within the Group.

The pension plan asset allocation and target allocation are as follows:

	Plan assets as of		Target allocation
	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2008
Equity securities	62%	59%	50-65%
Debt securities	35%	37%	35-45%
Real estate/other	3%	4%	0-10%
Total	100%	100%	

Pension plan funding

In general, the Group's funding policy is to contribute amounts to the plans sufficient to meet the minimum statutory funding requirements relevant in the country in which the plan is located. In the USA and Canada, certain plans require minimum funding based on collective bargaining agreements. The Group may from time to time make additional contributions at its own discretion. ThyssenKrupp's expected contribution in fiscal year 2007/2008 is €88 million related to its funded plans, all of which is expected to be as cash contributions.

Pension benefit payments

In fiscal year 2006/2007, pension benefit payments to the Group's German and Non-German plans were €420 million (2005/2006: €415 million) and €148 million (2005/2006: €162 million) respectively. The estimated future pension benefits to be paid by the Group's defined benefit pension plans are as follows:

million €

(for fiscal year)	Germany	Outside Germany
2007/2008	432	166
2008/2009	430	130
2009/2010	432	131
2010/2011	432	134
2011/2012	429	136
2012/2013-2016/2017	2,070	704
Total	**4,225**	**1,401**

Amounts recognized for the current and the previous periods for defined benefit pension plans are as follows:

million €

	Sept. 30, 2005	Sept. 30, 2006	Sept. 30, 2007
Present value of defined benefit obligation	9,209	8,655	7,931
Fair value of plan assets	1,937	2,067	2,077
Surplus/(deficit) in the plan	(7,272)	(6,588)	(5,854)
Experience adjustments on plan liabilities	(43)	(52)	(89)
Experience adjustments on plan assets	112	13	44

Defined Contribution Plans

The Group also maintains domestic and foreign defined contribution plans. Amounts contributed by the Group under such plans are based upon percentage of the employees' salary or the amount of contributions made by the employees. The total cost of such contributions in the current fiscal year was €34 million (2005/2006: €34 million). In addition, contributions paid to public/state pension insurance institutions amounted to €332 million (2005/2006: €311 million).

Postretirement obligations other than pensions

The Group provides certain postretirement health care and life insurance benefits to retired employees in the USA and Canada who meet certain minimum requirements regarding age and length of service. The plans primarily relate to the retained assets and liabilities of ThyssenKrupp Budd.

In December 2003, the US government signed into law the Medicare Prescription Drug, Improvement and Modernization Act. This law provides for a federal subsidy to sponsors of retiree health care benefit plans that provide benefit that is at least actuarially equivalent to the benefit established by the law. The Group accounts for these federal subsidies as reimbursement rights in accordance with IAS 19.

The changes in accumulated postretirement benefit obligations and reimbursement rights are as follows:

million €

	Sept. 30, 2006 US, Canada	Sept. 30, 2007 US, Canada
Change in accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation at beginning of fiscal year	1,290	1,122
Service cost	22	12
Interest cost	65	54
Past service cost	(4)	(9)
Actuarial loss/(gain)	(70)	5
Acquisitions/(divestitures)	(67)	(79)
Curtailments and settlements	(39)	(43)
Termination benefits	37	0
Currency differences	(53)	(103)
Benefit payments	(56)	(66)
Others	(3)	0
Accumulated postretirement benefit obligation at end of fiscal year	**1,122**	**893**
Change in reimbursement rights relating to postretirement benefits:		
Fair value of reimbursement rights at beginning of fiscal year	79	90
Expected return on reimbursement rights	6	5
Actuarial gains/(losses)	24	(9)
Acquisitions/(divestitures)	(12)	(4)
Settlements	0	(3)
Employer contributions	3	3
Currency differences	(4)	(9)
Benefit payments	(3)	(6)
Others	(3)	0
Fair value of reimbursement rights at end of fiscal year	**90**	**67**

The following represents the unfunded status of these plans:

million €

	Sept. 30, 2006 US, Canada	Sept. 30, 2007 US, Canada
Unfunded status at end of fiscal year	(1,122)	(893)
Unrecognized past service cost	(15)	(22)
Net amount recognized for postretirement obligations other than pensions	**(1,137)**	**(915)**

Assumptions

The determination of the accumulated postretirement benefit obligations is based on the following weighted average assumptions:

in %

	Sept. 30, 2006 US, Canada	Sept. 30, 2007 US, Canada
Weighted-average assumptions:		
Discount rate	5.85	6.38
Health care cost trend rate for the following year	9.08	9.71
Ultimate health care cost trend rate (expected in 2015)	5.40	4.94

Net periodic postretirement benefit cost

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

million €

	Year ended Sept. 30, 2006 US, Canada	Year ended Sept. 30, 2007 US, Canada
Service cost	22	12
Interest cost	65	54
Expected return on reimbursement rights	(6)	(5)
Past service cost	(6)	(3)
Settlement and curtailment loss/(gain)	(39)	(40)
Termination benefit expense	37	0
Net periodic postretirement benefit cost	73	18

The interest cost component of net periodic postretirement benefit cost is included in the line item "Interest expense" in the Group's consolidated statement of income.

The effects of a one-percentage-point increase or decrease in the assumed health care cost trend rates are as follows:

million €

	one-percentage-point	
	Increase	Decrease
Effect on service and interest cost components	10	(8)
Effect on postretirement benefit obligation	110	(93)

Amounts recognized for the current and the previous period for postretirement obligations other than pensions are as follows:

million €

	Sept. 30, 2005	Sept. 30, 2006	Sept. 30, 2007
Present value of defined benefit obligation	1,290	1,122	893
Fair value of reimbursement rights	79	90	67
Surplus/(deficit)	(1,290)	(1,122)	(893)
Experience adjustments on plan liabilities	(19)	(33)	13
Experience adjustments on reimbursement rights	1	31	0

Other pension related obligations

Some companies of the Steel segment grant termination benefits to employees on a contractual basis. The termination benefits comprise severance payments that vest based on a formula that considers years of service and certain allowances that are paid to older employees between termination of employment and retirement age. The measurement of the plans was determined on an actuarial basis. The liability reflects benefits earned by the employees from the inception of employment. Future service cost is allocated to the periods in which it is incurred. As of September 30, 2007, the liability was €0 million (2006: €4 million).

Some German companies have obligations resulting from partial retirement agreements. Under these agreements, employees work additional time prior to retirement, which is subsequently paid for in installments after retirement. For these obligations, accruals in the amount of €273 million (2006: €271 million) were recognized in accordance with IAS 19 "Employee Benefits".

24 OTHER PROVISIONS

million €

	Product warranties and product defects	Other contractual costs	Employee compensation and benefit costs	Restructurings	Decom-missioning obligations	Environmental obligations	Other obligations	Total
Balance as of Sept. 30, 2006	380	231	627	166	259	22	571	**2,256**
Currency differences	(13)	(1)	(5)	(2)	0	(1)	(6)	**(28)**
Acquisitions/(divestitures)	2	13	(8)	0	0	6	58	**71**
Additions	124	158	315	68	7	13	207	**892**
Accretion	0	0	0	0	1	0	3	**4**
Amounts utilized	(47)	(88)	(210)	(57)	(9)	(2)	(146)	**(559)**
Reversals	(70)	(46)	(63)	(38)	(7)	(1)	(156)	**(381)**
Balance as of Sept. 30, 2007	376	267	656	137	251	37	531	**2,255**

As of September 30, 2007, €1,559 million (2006: €1,604 million) of the total of other provisions are current, while €696 million (2006: €652 million) are non-current. Provisions of €349 million (2006: €548 million) have a remaining term of more than 1 year.

Product warranties and product defects represent the Group's responsibility for the proper functioning of the goods sold (product warranty) as well as the obligation that arise from the use of the products sold (product defect).

Provisions for other contractual costs represent pending losses from uncompleted contracts.

Provisions for employee compensation and benefit costs primarily represent employment anniversary bonuses and obligations for the management incentive plans, while social plan and related costs pertaining to personnel related structural measures are reflected in the provision for restructuring activities. Pension related obligations for partial retirement agreements and early retirement programs are part of the provision for pensions and similar obligations.

The provision for restructurings consists of provisions for employee termination benefits and exit costs which have been established by operating divisions for costs incurred in connection with activities which do not generate any future economic benefits for the Group. Restructurings are being carried out in all segments. The balance as of September 30, 2007, consists of €80 million within the Technologies segment, €21 million within the Services segment and €20 million within the Steel segment.

The provision for decommissioning obligations mainly consists of obligations associated with mining activities and recultivating landfills. Obligations associated with mining activities and recultivating landfills are generally handled over long periods of time, in some cases more than 30 years. The technical parameters are very complex. As a result, uncertainty exists with regard to the timing and concrete amount of the expenses.

Provisions for environmental obligations refer primarily to rehabilitating contaminated sites, redevelopment and water protection measures.

25 FINANCIAL LIABILITIES

CARRYING AMOUNTS million €

	Sept. 30, 2006	Sept. 30, 2007
Bonds	1,995	1,996
Notes payable	150	50
Liabilities to financial institutions	639	604
Acceptance payables	0	2
Finance lease obligations	146	136
Other loans	16	25
Non-current financial liabilities	**2,946**	**2,813**
Notes payable	150	100
Liabilities to financial institutions	584	629
Liabilities due to sales of receivables not derecognized from the balance sheet	40	9
Acceptance payables	22	25
Finance lease obligations	36	37
Other loans	26	25
Current financial liabilities	**858**	**825**
Financial liabilities	**3,804**	**3,638**

Current financial liabilities include financial liabilities with a remaining term up to one year, while the non-current financial liabilities have a remaining term of more than one year.

Financial liabilities in the amount of €216 million (2006: €277 million) are collateralized by real estate.

As of September 30, 2007, the financial liabilities reflect a total discount in the amount of €4 million (2006: €5 million) and did not contain any premiums (2006: €0 million). Amortization of discounts of financial liabilities is included in "Financial income/(expense), net".

BONDS, NOTES PAYABLE

	Carrying amount in million € Sept. 30, 2006	Carrying amount in million € Sept. 30, 2007	Notional amount in million € Sept. 30, 2007	Interest rate in %	Fair value in million € Sept. 30, 2007	Maturity Date
ThyssenKrupp Finance Nederland B.V. bond (€500 million) 02/09	499	499	500	7.000	515	03/19/2009
ThyssenKrupp AG bond (€750 million) 04/11	747	748	750	5.000	752	03/29/2011
ThyssenKrupp AG bond (€750 million) 05/15	749	749	750	4.375	705	03/18/2015
ThyssenKrupp AG note loan (€100 million) 00/07	100	—	—	6.000	—	02/21/2007
ThyssenKrupp AG note loan (€50 million) 00/07	50	—	—	5.800	—	03/16/2007
ThyssenKrupp AG note loan (€100 million) 01/07	100	100	100	5.450	105	10/25/2007
ThyssenKrupp AG note loan (€50 million) 04/09	50	50	50	4.500	51	01/19/2009
Total	**2,295**	**2,146**	**2,150**		**2,128**	

ThyssenKrupp AG has assumed the unconditional and irrevocable guarantee for the payments pursuant to the terms and conditions of the bond of ThyssenKrupp Finance Nederland B.V.

All bonds and note loans are interest only with principle due at maturity.

As of September 30, 2007, the financing structure of liabilites to financial institutions and other loans comprise the following:

LIABILITIES TO FINANCIAL INSTITUTIONS, OTHER LOANS

	Carrying amount in million € Sept. 30, 2006	**Carrying amount in million € Sept. 30, 2007**	Amount thereof in €	Weighted average interest rate % Sept. 30, 2007	Amount thereof in USD	Weighted average interest rate % Sept. 30, 2007	Amount thereof in other currencies	Fair value in million € Sept. 30, 2007
Revolving bilateral bank loans (at variable interest rates)	36	—	—	—	—	—	—	—
Other loans at variable interest rates	980	1,045	190	4.71	329	6.14	526	1,045
At fixed interest rates (excluding real estate credits)	249	238	202	5.42	1	5.58	35	246
Real estate credits at fixed interest rates	—	—	—	—	—	—	—	—
Total	1,265	**1,283**	392	5.08	330	6.14	561	1,291

As of September 30, 2007, ThyssenKrupp has available a €2.5 billion syndicated joint credit multi-currency-facility agreement. The agreement was fixed in July 2005 and had an original term of 5 years with two extension options of one year each at the end of the first and second year. In May 2007 the facility was extended in accordance with the participating banks to July 01, 2014. The facility agreement was not utilized as of the balance sheet date.

Another component of financial liabilities are revolving credit agreements with banking institutions whereby ThyssenKrupp AG, ThyssenKrupp Finance USA, Inc. or ThyssenKrupp Finance Nederland B.V. can borrow in Euros, u.s. dollars or in British pounds Sterling up to approximately €2.2 million. Of these facilities, 82% have a remaining term of more than 5 years and 18% a remaining term of up to 5 years. As of September 30, 2007, there were no cash loans outstanding.

In total the Group has available unused, committed credit lines amounting to €4.6 billion.

The Group's Commercial Paper Program also provides up to €1.5 billion in additional financing. As of September 30, 2007, the program was not used.

As of September 30, 2007, the future minimum lease payments reconcile to their present value (= finance lease obligation) as follows:

million €

	Sept. 30, 2007			Sept. 30, 2006
	Future minimum lease payments	**Interest**	**Present value (finance lease obligation)**	Present value (finance lease obligation)
Not later than one year	40	3	37	36
Between one and five years	145	31	114	80
Later than five years	29	7	22	66
Total	**214**	**41**	**173**	182

Maturities of financial liabilities are as follows:

million €

(for fiscal year)	Total financial liabilites	thereof: Liabilities to financial institutions
2007/2008	825	629
2008/2009	846	244
2009/2010	94	68
2010/2011	789	25
2011/2012	67	22
thereafter	1,017	245
Total	**3,638**	**1,233**

26 TRADE ACCOUNTS PAYABLE

Trade accounts payable in the amount of €11 million (2006: €23 million) have a remaining term of more than 1 year.

27 OTHER LIABILITIES

million €

	Sept. 30, 2006	Sept. 30, 2007
Liabilities to non-consolidated subsidiaries	21	7
Liabilities to Associated Companies and other investees	158	277
Amounts due to customers for construction work	3,050	3,301
Advance payments received for inventories	732	844
Selling and buying market related liabilities	906	694
Liabilities from derivative financial instruments	242	333
Accrued interest liabilities	90	82
Liabilities due to put options	228	340
Liabilities to the employees	822	904
Liabilities for social security	109	107
Deferred income	180	189
Tax liabilities (without income taxes)	311	404
Miscellaneous liabilities	406	615
Other liabilities	**7,255**	**8,097**
thereof: non-current	50	147
current	7,205	7,950

Other liabilities amounting to €1,539 million (2006: €1,238 million) have a remaining term of more than 1 year.

The liabilities to non-consolidated subsidiaries originated mainly from intercompany financing and from profit and tax sharing agreements.

Amounts due to customers for construction work are calculated as follows:

million €

	Sept. 30, 2006	Sept. 30, 2007
Contract costs incurred and recognized contract profits (less recognized losses)	4,597	4,328
Less advance payments received	(7,647)	(7,629)
Total	**(3,050)**	**(3,301)**

Liabilities from derivative financial instruments refer to the negative fair market values of foreign currency derivatives including embedded derivatives, interest rate derivatives and commodity derivatives (see also Note 29).

28 CONTINGENCIES AND COMMITMENTS

Contingencies

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

million €

	Maximum potential amount of future payments as of		Provision as of	
	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007
Advance payment bonds	246	**107**	1	0
Performance bonds	202	**112**	0	1
Third party credit guarantee	40	**40**	0	0
Residual value guarantees	45	**45**	1	1
Other guarantees	510	**167**	1	2
Total	**1,043**	**471**	**3**	**4**

Compared to the previous year, the decline of contingencies primarily results from the fulfillment of secured obligations in line with the contractual conditions.

Guarantees include €3 million (2006: €5 million) of contingent liabilities of associates and €217 million (2006: €400 million) of contingent liabilities of joint ventures.

The terms of these guarantees depend on the type of guarantee and may range from three months to ten years (e.g. rental payment guarantees).

The basis for possible payments under the guarantees is always the non-performance of the principal debtor under a contractual agreement, e.g. late delivery, delivery of non-conforming goods under a contract, non-performance with respect to the warranted quality or default under a loan agreement.

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

ThyssenKrupp bears joint and several liability as a member of certain civil law partnerships, ordinary partnerships and consortiums.

Former stockholders of Thyssen and of Krupp have petitioned per Art. 305 UmwG (Reorganization Act) for a judicial review of the share exchange ratios used in the merger of Thyssen AG and Fried. Krupp AG Hoesch-Krupp to form ThyssenKrupp AG. The proceedings are pending with the Düsseldorf Regional Court. Should a ruling be made in favor of the petitioners, the Court would require settlement to be made via an additional cash payment plus interest. The additional payment also would be required to be made to all affected stockholders, even if they were not petitioners in the judicial proceedings. However, the Group expects no such payments to become due as the exchange ratios were duly determined, negotiated between unrelated parties and audited and confirmed by the auditor that has been appointed by court.

As a result of the integration of Thyssen Industrie AG into Thyssen AG, the Group is defendant to court proceedings from minority stockholders of Thyssen Industrie AG to examine the appropriateness of the merger consideration received. If the court rules that the consideration offered was inappropriate, the increased consideration will be granted to all outside stockholders by an additional cash payment.

The Group is involved in pending and threatened litigation in connection with the purchase and sale of certain companies, which may lead to partial repayment of purchase price or to the payment of damages. In addition, damage claims may be payable to customers, consortium partners and subcontractors under performance contracts. Certain of these claims have proven unfounded or have expired under the statute of limitations. Some of these lawsuits are still pending.

Besides this, lawsuits which may have a material impact on the Group's financial condition or results of operations are neither pending nor, to the knowledge of the Group, threatened.

Special purpose entities

ThyssenKrupp has leased a facility used in the production of coke. The application of the rules of this Interpretation SIC 12 "Consolidation – Special Purpose Entities" to the company acting as operator of this facility resulted in considering this company to be a special purpose entity under the scope of the Interpretation which has to be consolidated. The consolidation of this company does not have a material effect on the results of operations or the financial position of the Group. In addition, upon review of the owner company, that is also considered to be a special purpose entity under the scope of the Interpretation, it was determined that the Group does not control this company and consequently will not include this entity in the consolidated financial statements. The obligations of the Group existing under the leasing and purchasing agreement are included in the future minimum lease payments from operating lease as disclosed below in "Commitments and other contingencies". The Group's maximum exposure to loss from this facility amounts to approximately €45 million and results from the residual value guarantee for the asset at the end of the lease and purchasing agreement which is mainly covered by third parties.

Commitments and other contingencies

The Group is the lessee to property, plant and equipment classified as operating leases. Rental expense amounting to €232 million (2005/2006: €221 million) resulting from rental contracts, long-term leases and leasing contracts classified as operating leases was incurred in fiscal 2006/2007. It comprises exclusively of minimum rental payments.

The future minimum rental payments, excluding accrued interest from such non-cancelable contracts that have an initial or remaining term of more than one year as of September 30, 2007, are (at face amounts):

million €	
Not later than one year	220
Between one and five years	557
Later than five years	505
Total	**1,282**

The future minimum rental income from non-cancelable sublease contracts amounting to €6 million (2005/2006: €6 million) is not included in the total of future minimum rental payments.

The commitment to enter into investment projects amounts to €2,584 million (2006: €1,029 million) and relates mainly to the Steel segment.

Payment commitments and obligations to make further contributions to corporations and cooperative associations exist in the total amount of €9 million (2006: €20 million). In addition, other financial commitments exist in the amount of €3,214 million (2006: €3,904 million), primarily from the commitments to purchase iron ore, coking coal and lime under long term supply contracts and obligations under ship-charter contracts in the Steel segment. In addition, a long term iron ore and iron ore pellets supply contract, and a long term gas supply contract exist which will result in purchasing commitments of €5,859 million in total over a period of 15 and 20 years, respectively beginning in fiscal year 2008/2009.

Under property and business interruption insurance policies, substantial deductibles exist for some production units of the Steel and Stainless segments. One or more damages at these units could significantly impact the Group's net assets, financial position and results of operations.

29 FINANCIAL INSTRUMENTS

Besides the non-derivative financial instruments the Group uses a variety of derivative financial instruments, including foreign currency forward contracts, foreign currency options, interest rate swaps, cross currency swaps and commodity forward contracts. Derivative financial instruments are used generally to hedge existing or anticipated underlying transactions and serve to reduce its exposure to foreign currency, interest rates and commodity price risks.

Central foreign currency exchange management

The international orientation of the Group's business activities entails numerous cash flows in different currencies – in particular in US dollar. Hedging the resulting exchange rate risks is an essential part of our risk management.

Group-wide regulations form the basis for the centrally organized foreign currency management of the ThyssenKrupp Group. Principally, all companies of the ThyssenKrupp Group are obliged to hedge foreign currency positions at the time of their inception. All euro zone subsidiaries are obliged to submit unhedged foreign currency positions from trade activities in the major transaction currencies to the clearing office. The positions offered are, depending on the hedging purpose of the derivatives and the resulting treatment in the balance sheet, hedged under a portfolio-hedge approach or directly hedged with banks on a one-to-one basis. The hedging of financial transactions and the transactions undertaken by the Group's subsidiaries outside the euro zone are performed in close cooperation with central Group management. Compliance with the Group's requirements is regularly examined by our Central Internal Audit Department.

The intention of currency hedging is to fix prices on the basis of hedging rates as protection against unfavorable future exchange rate fluctuations. When hedging anticipated production related ore, coal and coke purchases, favorable developments of the €/US dollar exchange rate are also systematically exploited.

Hedge maturities are generally based on the maturity of the underlying transaction. Foreign currency derivatives usually have maturities of twelve months or less, in exceptional cases significantly longer. Specific hedge maturities apply for hedges of anticipated ore, coal and coke purchases. The specific hedge maturities were set on the basis of the theoretical fair exchange rate (purchasing power parity) and the fluctuation of the US dollar against the Euro according to historical data. In accordance with a set pattern, purchases anticipated for a specific period are hedged with their corresponding maturities whenever defined hedging rates are reached. The maximum period of anticipated ore, coal and coke purchases that can be hedged is 24 months.

In accordance with IAS 39, the hedging of foreign currency risk can be accounted for in two different hedge accounting models. Both models are utilized by the ThyssenKrupp Group:

Cash flow hedges

Foreign currency derivatives that are deemed to hedge future cash flows from foreign currency transactions are hedged with banks on a single transaction basis if they meet the requirements of IAS 39 regarding documentation and effectiveness. These derivatives are accounted for at their fair value. The fluctuations in fair value of these derivatives are directly recognized in equity in the cumulative income and expense position and are released into earnings only when the underlying transaction affects earnings. The fair value changes that are due to the application of the cash flow hedging model for foreign currency derivatives as of September 30, 2007 affect the cumulative income and expense directly recognized in equity in the amount of €(137) million (2006: €(14) million) (after tax). The maximum period of time in which cash flows from future transactions are currently hedged is 60 months.

During the current fiscal year, an amount of €8 million (2006: €(11) million) was released from cumulative income and expense directly recognized in equity into earnings due to the realization of the corresponding underlying transactions. Additionally €1 million (2006: €13 million) has been removed from cumulative income and expense directly recognized in equity and included in the initial cost of the inventories because the income affective realization of the corresponding underlying transaction is still outstanding.

As of September 30, 2007, a net result in the amount of €21 million (2006: €22 million) is included in sales/cost of sales. This result is due to time value changes that are excluded when measuring the hedge effectiveness of the foreign currency derivatives.

The cancellation of cash flow hedges during the current fiscal year led to a reclassification from cumulative income and expense directly recognized in equity into earnings in the amount of €1 million (2006: €0 million). These fluctuations in fair value of foreign currency derivatives were originally treated as not affecting earnings. The reclassification occurred when the realization of the corresponding future transactions was no longer probable.

The release of fair value fluctuations currently recognized in cumulative income and expense directly recognized in equity is expected to impact earnings within fiscal year 2007/2008 in the amount of €(75) million, in fiscal year 2008/2009 in the amount of €(80) million and in fiscal year 2009/2010 in the amount of €(19) million.

Fair value hedges

Some of the subsidiaries within the Group are located in countries where the currency exposure cannot be hedged by entering into foreign currency derivatives. Other subsidiaries conduct business with so called soft-currency countries. The foreign currency exposures arising from outstanding receivables in these countries are partially hedged by obtaining a loan in that foreign currency. The changes in fair value of the loan, as well as the fluctuations of the corresponding underlying binding contractual relationship, are accounted for in sales/cost of sales.

Foreign currency derivatives that hedge realized balance sheet items, or that do not comply with the requirements for hedge accounting under IAS 39, are accounted for at fair value with the changes in fair value directly affecting earnings. Depending on the nature of the underlying hedged transactions, the changes in fair value are recorded as sales, cost of sales or financial income/(expense), net.

Central management of the interest rate sensitivity

Due to the international focus of the Group's business activities, the procurement of funds of the ThyssenKrupp Group in international financial and capital markets is effected in different currencies – predominantly in Euro and US dollar – and with various maturities. The resulting financial liabilities as well as our financial investments are partially exposed to risks from changing interest rates. The goal of the Group's central interest rate management is to manage and optimize the risk from changing interest rates. For this purpose, interest rate analyses are prepared regularly as part of the interest rate management. The interest rate analysis is presented in more detail later on. To hedge its interest rate risk the Group uses derivative financial instruments from case to case. These instruments are contracted with the objective of minimizing the interest rate volatility and the financing costs of the underlying basic transactions.

Parts of the interest rate derivatives are designated directly and immediately to a specific loan (micro hedge). The changes in fair value of these interest rate derivatives are directly recognized in equity in the cumulative income and expense position and amount to €(1) million (2006: €5 million) (after tax) as of September 30, 2007. These amounts will be released income non-effective against the relevant balance sheet item in the future. The interest expense

from the underlying transactions as well as from the interest rate derivatives, which is recognized in the income statement, represents the fixed interest rate from the hedging relationship in total. The release of fair value fluctuations currently recognized in cumulative income and expense directly recognized in equity is expected to impact earnings within fiscal year 2008/2009 in the amount of €(3) million.

Some of the interest rate derivatives are not specifically allocated to an individual loan, but rather hedge a portfolio of loans by means of a macro hedge approach. These macro hedges are also reported at fair value on the balance sheet.

Cross currency swaps have been contracted basically in connection with the financing of the US dollar activities. These instruments are also reported at fair value on the balance sheet. The effect on earnings resulting from changes in the €/US dollar exchange rate that occurred since the beginning of the transaction is to a large extent compensated by the impact on earnings of existing foreign currency positions (intragroup US dollar receivables).

Interest rate analysis

Interest rate instruments can result in cash flow risks, opportunity effects as well as interest rate risks affecting balance sheet and earnings. Refinancing as well as instruments with variable interest rates are subject to a cash flow risk which expresses the uncertainty of future interest payments. The cash flow risk is measured with a cash flow sensitivity. Opportunity effects arise from non-derivative financial instruments, as these in contrast to interest rate derivatives are not reported at fair value, but at historical cost. This difference, the so-called opportunity effect, has no effect on either balance sheet or earnings. Interest rate risks affecting equity result from the valuation of interest rate derivatives designated as micro hedge. Interest rate risks that affect earnings arise from the remaining interest rate derivatives. Opportunity effects as well as interest rate risks with an effect on balance sheet and earnings are determined by calculating the sensitivity of the fair values and their changes.

The interest rate analysis assumes a parallel shift in the yield curves for all currencies by +100/(100) basis points as of September 30, 2007. Such a shift would result in the chances (positive values) and risks (negative values) disclosed in the following table.

million €

	Changes in all yield curves as of Sept. 30, 2007 by	
	+ 100 basispoints	(100) basispoints
Cash flow risk	31	(31)
Opportunity effects	78	(83)
Interest rate risks resulting from interest rate derivatives affecting balance sheet	2	(2)
Interest rate risks resulting from interest rate derivatives affecting earnings	(1)	1

In the previous year the analysis resulted in the chances (positive values) and risks (negative values) disclosed in the following table:

million €

	Changes in all yield curves as of Sept. 30, 2006 by	
	+ 100 basispoints	(100) basispoints
Cash flow risk	38	(38)
Opportunity effects	101	(108)
Interest rate risks resulting from interest rate derivatives affecting balance sheet	4	(4)
Interest rate risks resulting from interest rate derivatives affecting earnings	1	(1)

Hedging against commodity price risk

Certain Group companies use derivative financial instruments in order to minimize commodity price volatility. Hedging is initiated at the local level, subject to strict guidelines, and compliance is checked regularly by our Central Internal Audit Department. Derivatives are limited to marketable instruments. The instruments used are commodity forward contracts and options. Commodity derivatives are reported at their fair value as either other assets or other liabilities. The changes in fair value are in the most cases recognized in sales/cost of sales. Some of the commodity derivatives are designated directly and immediately to a firm commitment (micro hedge). The changes in fair value of these commodity derivatives are directly recognized in equity in the cumulative income and expense position and amount to €(3) million (2006: €(5) million) (after tax)

as of September 30, 2007. The fluctuations in fair value of these derivatives are released into earnings only when the underlying transaction affects earnings. Also in some cases the fair values of certain firm commitments and inventories are hedged by fair value hedges. These commodity derivatives as well as the underlying hedged transactions are reported at their fair value. Depending on the nature of the underlying hedged transactions, the changes in fair value of these commodity derivatives and underlying hedged items are recorded as sales or cost of sales. The release of fair value fluctuations currently recognized in cumulative income and expense directly recognized in equity is expected to impact earnings within fiscal year 2007/2008 in the amount of €(1) million.

Risk of default

With its financial instruments the ThyssenKrupp Group is subject to risk of default, which can result from possible failure of a counterparty. Therefore a risk of default exists up to the positive fair value of the respective financial instrument. Generally, within the ThyssenKrupp Group financial instruments are only closed with counterparties with very good credit quality, so that the risk of default can be considered low. This risk is taken into account by impairment losses for doubtful accounts.

Schemes of derivative and non-derivative financial instruments

The values of the Group's derivative financial instruments are as follows:

million €

	Notional amount Sept. 30, 2006	Carrying amount at Sept. 30, 2006	Notional amount Sept. 30, 2007	Carrying amount at Sept. 30, 2007
Derivative financial instruments				
Assets				
Qualifying foreign currency derivatives	1,830	39	16	18
Non-qualifying foreign currency derivatives	2,286	68	3,093	124
Embedded derivatives	346	11	841	40
Qualifying interest rate derivatives*	24	0	7	0
Non-qualifying interest rate derivatives*	5	0	750	4
Qualifying commodity derivatives	77	3	25	1
Non-qualifying commodity derivatives	725	84	829	67
Total	**5,293**	**205**	**5,561**	**254**
Liabilities				
Qualifying foreign currency derivatives	477	11	51	165
Non-qualifying foreign currency derivatives	1,930	54	4,937	62
Embedded derivatives	709	7	193	14
Qualifying interest rate derivatives*	230	9	147	2
Non-qualifying interest rate derivatives*	750	49	61	4
Qualifying commodity derivatives	74	31	67	2
Non-qualifying commodity derivatives	684	81	760	84
Total	**4,854**	**242**	**6,216**	**333**

* inclusive of cross currency swaps

The carrying amounts of derivative financial instruments equal the fair values.

Embedded derivatives result from trade agreements between subsidiaries and foreign customers or suppliers that are performed in a currency that is not the functional currency (local currency) of either of the parties.

Of all interest rate derivatives with a total carrying amount of €10 million (2006: €58 million) the Group itself values interest rate derivatives with a carrying amount of €4 million (2006: €49 million). In the year ended Sept. 30, 2007, the resulting effect on earnings was €(35) million (2005/2006: €(18) million).

Derivative financial instruments that are not contracted in the functional currency are closed by more than 80% in US dollar.

The values of the Group's non-derivative financial instruments are as follows:

million €

	Carrying amount Sept. 30, 2006	Fair value Sept. 30, 2006	Carrying amount Sept. 30, 2007	Fair value Sept. 30, 2007
Non-derivative financial instruments				
Assets				
Loans	60	60	40	40
Current and non-current securities	118	118	214	214
Trade accounts receivable	7,264	7,264	7,577	7,577
Cash and cash equivalents	4,447	4,447	3,658	3,658
Total	**11,889**	**11,889**	**11,489**	**11,489**
Liabilities				
Financial liabilities	3,804	3,891	3,638	3,628
Trade accounts payable	4,729	4,729	4,960	4,960
Total	**8,533**	**8,620**	**8,598**	**8,588**

Approximately 75% of the financing of the Group is in functional currency. Financial liabilities not in functional currency are for the most part contracted in US dollar. The remaining financial liabilities are spread over more than 20 currencies.

Valuation of financial instruments

The fair values of the derivative financial instruments represent the price at which one party would assume the rights and obligations of the other party. The fair values were determined on the basis of market conditions – interest rates, foreign currency exchange quotations, commodity prices – existing as of the balance sheet date and by using the valuation methods as explained below. The instruments can experience considerable fluctuations, depending on the volatility of the underlying market conditions. The fair value of derivative financial instruments is generally determined independently of developments from underlying hedged transactions that may exist.

The following methods have been applied to determine the fair value of financial instruments:

Foreign currency derivatives including embedded derivatives

The fair value of foreign currency forward contracts is calculated on the basis of the average spot foreign currency rates applicable as of the balance sheet date, adjusted for time-related premiums or discounts for the respective remaining term of the contract, compared to the contracted forward rate.

The fair value of a currency option is determined using generally accepted option pricing models. The fair market value of an option is influenced not only by the remaining term of the option but also by further determining factors, such as the actual value and volatility of the foreign currency or the implied interest rate levels.

Interest rate derivatives

The fair value of interest rate swaps is determined by discounting the anticipated future cash flows. For this purpose, the market interest rates applicable for the remaining term of the contract are used as a basis. The fair value of an interest rate option is calculated in a similar way to the fair value of a foreign currency option.

The fair value of cross currency swaps is determined analogously to the fair value of interest rate swaps by discontinuing the future cash flows that result from the contract. Besides the interest rate applicable as of the balance sheet date, the valuation considers exchange rates for all foreign currencies in which cash flows take place.

Commodity forward contracts

The fair value of commodity derivatives is based on officially quoted prices of these instruments as well as on external valuations of our financial partners. The fair value represents the estimated amounts that the company would expect to receive or pay to terminate the agreements as of the reporting date.

Loans and financial liabilities

The fair market value of quoted bonds or notes is based on the stock quotation as of the balance sheet date. The fair market value of fixed interest bearing loans and financial liabilities is calculated as the present value of the anticipated future cash flows. The future interest and repayment amounts are discounted using the prevailing interest rates available as of the balance sheet date. The fair values of the liabilities subject to variable interest approximate their carrying amounts as they reflect current market rates.

Trade accounts receivable, net and trade accounts payable

The carrying amounts equal the fair values.

Current and non-current securities

The fair value of securities is based on the stock quotation as of the balance sheet date.

Cash and cash equivalents

The carrying amounts values equal the fair values.

Maturities of financial instruments

Disclosed below are the maturities of the derivative financial instruments on the basis of carrying amounts:

million €

	Foreign currency derivatives		Embedded derivatives		Interest rate derivatives		Commodity derivatives		Total	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
(for fiscal year)										
2007/2008	118	158	40	14	0	4	63	81	221	257
2008/2009	23	61	0	0	0	2	2	0	25	63
2009/2010	1	8	0	0	0	0	0	1	1	9
2010/2011	0	0	0	0	0	0	0	0	0	0
2011/2012	0	0	0	0	0	0	0	0	0	0
thereafter	0	0	0	0	4	0	3	4	7	4
Total	**142**	**227**	**40**	**14**	**4**	**6**	**68**	**86**	**254**	**333**

The maturities of non-derivative financial instruments are as follows: loans are classified as non-current while trade accounts receivable and trade accounts payable are classified as current. If trade accounts receivable or trade accounts payable comprise amounts that will be recovered or settled after more than twelve months after the balance sheet date, these amounts will be disclosed in the Notes to the consolidated financial statements. Maturities of financial liabilities are disclosed in Note 25.

Cash flows from foreign currency derivatives, interest rate derivatives and commodity derivatives which meet the requirements of IAS 39 regarding hedge accounting are expected to occur within fiscal year 2007/2008 amounting of €1,699 million and within 2008/2009 and 2009/2010 amounting to €1,394 million and €224 million, respectively.

30 RELATED PARTIES

Based on the notification received in accordance with German Securities Trade Act (WpHG) Art. 21 as of December 21, 2006, the Alfried Krupp von Bohlen und Halbach Foundation holds an interest of 25.10% in ThyssenKrupp AG. Outside the services and considerations provided for in the by-laws (Article 21 of the Articles of Association of ThyssenKrupp AG), there are no other significant delivery and service relations except for the following transactions. In fiscal year 2005/2006, 15,339,893 treasury shares were sold at the market price of €17.44 and in fiscal year 2006/2007 real property was sold to the Foundation at its fair value of €1.6 million resulting in a gain of €0.4 million. Also in 2006/2007, a Group subsidiary received a €2 million elevator modernization contract from an entity belonging to the Alfried Krupp von Bohlen und Halbach Foundation.

To a minor extent, the Group has business relations with non-consolidated subsidiaries. Transactions with these related parties result from the delivery and service relations in the ordinary course of business.

A related party of major importance is Hüttenwerke Krupp-Mannesmann (HKM), in which ThyssenKrupp holds a 50% interest as of September 30, 2006 and 2007 and which is accounted for under the equity method of accounting. Substantial business relations exist with HKM during the current and the previous fiscal year which include the purchase of crude steel (semi-finished continuous casting) and the sale of transport services and coke deliveries. The volume of the transactions is disclosed below:

million €

	Sept. 30, 2006	Sept. 30, 2007
Sales	166	175
Supplies and services	1,130	1,336
Receivables	23	16
Payables	107	231

Furthermore a related party of major importance is the Atlas Elektronik Group, in which ThyssenKrupp holds a 60% interest as of September 30, 2006 and a 51% interest as of September 30, 2007, respectively. The joint venture is accounted for under the equity method of accounting. The existing business relations with Atlas Elektronik include the purchase of sensor and sonar systems for conventional submarines. The volume of the transactions in fiscal year 2005/2006 since the acquisition as of August 03, 2006 and in fiscal year 2006/2007 is disclosed below:

million €

	Sept. 30, 2006	Sept. 30, 2007
Sales	0	0
Supplies and services	8	170
Receivables	87	93
Payables	8	1

Also a related party of major importance is the Thyssen Ros Casares S.A., in which ThyssenKrupp holds a 50% interest as of September 2007. The joint venture is accounted for under the equity method of accounting. Business relations exist with the company, mainly involving the processing and sale of coils. The volume of the transactions is disclosed below:

million €

	Sept. 30, 2007
Sales	50
Supplies and services	0
Receivables	8
Payables	0

Also a related party of major importance is the ANSC-TKS Galvanizing Co., Ltd., in which ThyssenKrupp holds a 50% interest as of September 2007. The joint venture is accounted for under the equity method of accounting. Business relations exist with the company, mainly relating to the hot-dip galvanizing, electroplating and sale of sheet. The volume of the transactions is disclosed below:

million €

	Sept. 30, 2007
Sales	6
Supplies and services	0
Receivables	3
Payables	0

In addition, ESG Legierungen GmbH is classified as a related party due to the fact that a close member of the family of an Executive Board member is a managing director. In 2006/2007 the Group realized sales of €2 million with ESG Legierungen GmbH from the sale of zinc at market conditions. As of September 30, 2007 no receivables exist in connection with this business relationship.

Compensation of current Executive and Supervisory Board members

The Group's key management personnel compensation which has to be disclosed in accordance with IAS 24 comprises of the compensation of the current Executive and Supervisory Board members.

Compensation of the current Executive Board members is as follows:

Thousand €

	Sept. 30, 2006	Sept. 30, 2007
Short-term benefits (without share-based compensation)	21,231	23,945
Post-employment benefits	2,110	2,818
Share-based compensation	1,864	1,487

Service cost resulting from the pension obligations of the current members of the Executive Board is disclosed as post-employment benefits. The disclosure of share-based compensation refers to the fair value at grant date.

In addition, in fiscal 2006/2007, the Executive Board members received payments of €10,762 thousand (2005/2006: €7,185 thousand) from share-based compensation.

As of September 30, 2006 and 2007, respectively, no loans or advance payments were granted to members of the Executive Board; also as in the previous year no contingencies were assumed for the benefit of Executive Board members.

Compensation of the current Supervisory Board members is as follows:

Thousand €

	Sept. 30, 2006	Sept. 30, 2007
Short-term benefits	2,123	2,679
Long-term benefits	587	688

In addition, members of the Supervisory Board of ThyssenKrupp AG received compensation of €150 thousand in fiscal 2006/2007 (2005/2006: €153 thousand) for supervisory board mandates at Group subsidiaries.

As of September 30, 2006 and 2007, respectively, no loans or advance payments were granted to members of the Supervisory Board; also as in the previous year no contingencies were assumed for the benefit of Supervisory Board members.

For individualized presentation and further details of Executive and Supervisory Board compensation refer to the presentation of the audited compensation report which is part of the "Corporate Governance" chapter on pages 28–34 and following of the annual report.

Compensation of former Executive and Supervisory Board members

Total compensation paid to former members of the Executive Board and their surviving dependants amounted to €15.1 million (2005/2006: €15.5 million). Under IFRS an amount of €157.8 million (2006: €157.8 million) is accrued for pension obligations benefiting former Executive Board members and their surviving dependants.

Former Supervisory Board members who left the Supervisory Board prior to October 01, 2006 receive a proportional payment from the long-term compensation component in the total amount of €30 thousand (2005/2006: €98 thousand).

31 SEGMENT REPORTING

The segments provide the primary reporting format of the Group. They follow the internal organizational and reporting structure of the Group. As of October 01, 2006, the operations of the Automotive segment remaining after the disposals in North America were combined for the most part with the Technologies segment so as to pool key capital goods capabilities in the new Technologies segment. The retained assets and liabilities of ThyssenKrupp Budd were assigned to Corporate as of October 01, 2006. Prior period presentation has been adjusted accordingly. Furthermore, in the 2nd quarter ended March 31, 2007, Umformtechnik was regrouped from the Technologies to the Steel segment due to strategic reasons. The 1st quarter ended December 31, 2006 as well as prior period presentation have been adjusted accordingly. Based on the products and services provided, the Group's segments are Steel, Stainless, Technologies, Elevator and Services as well as the Corporate activities.

Steel

The Steel segment concentrates on the production and sale of high-quality carbon steel flat products. The product range is focused on products with high value added along the value chain. The segment's capabilities are characterized by intelligent materials solutions, product-specific processing, services and extensive customer support.

Stainless

This segment combines all production and sales functions for flat-rolled stainless steel, nickel alloys and titanium. With its strong delivery performance, flexibility and full range of services, Stainless supports customers in the manufacture of high-quality end products.

Technologies

The companies of the Technologies segment produce high-tech plants and components. They include Plant Technology, Marine Systems, Mechanical Components, Automotive Solutions and Transrapid. Plant Technology provides project management for the engineering and construction of specialized and large-scale plants for the chemical, petrochemical, cement, mining/handling and coke sectors. Marine Systems specializes in building, repair, conversion and service in particular of naval ships, i.e. conventional submarines and surface vessels. In non-naval shipbuilding, Marine Systems builds mega-yachts and container ships. The Mechanical Components companies produce components for the mechanical engineering and automotive industries, including large-diameter antifriction bearings, assembled camshafts, crankshafts, precision forgings, castings and undercarriages for construction machinery. Automotive Solutions develops solutions to meet the needs of the auto industry. Products and services range from steering and damping systems to the entire body technology process chain, systems solutions for chassis applications to assembly equipment for the auto industry. Transrapid is involved in engineering, project management and construction of high-speed maglev train systems.

Elevator

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

Services

The Services segment is a service provider for industrial materials, raw materials and industrial processes. Alongside the distribution and sale of rolled and specialty steel, tubular products, nonferrous metals and plastics, it offers services ranging from primary processing and logistics to warehouse and inventory management and supply chain management. The process services include production support as well as complex maintenance activities. Other capabilities include the worldwide supply of metallurgical raw materials and development of innovative technical system solutions.

Corporate

Corporate includes the Group's head office and internal service providers as well as inactive companies which could not be assigned to an individual segment. In addition, the non-operating property is managed and utilized centrally by Corporate. Also the retained assets and liabilities of ThyssenKrupp Budd were assigned to Corporate.

Corporate loss before taxes consists of:

million €

	Year ended Sept. 30, 2006	Year ended Sept. 30, 2007
Corporate administration	(206)	(205)
Pension expenses	(56)	(13)
R&D promotion	(23)	0
Interest cost of financial liabilities/receivables	(23)	45
Interest cost of pensions	(155)	(154)
Miscellaneous financial income/(expense)	(26)	(22)
Risk and insurance services	17	21
Special items	33	152
Other Corporate companies	1	(1)
Loss Corporate Headquarters	**(438)**	**(177)**
Loss Corporate Real Estate	**(8)**	**(28)**
Loss Corporate before income taxes	**(446)**	**(205)**

Consolidation

Consolidation essentially contains the elimination of intercompany profits in inventories. The elimination of the income from equity investments in which the segments Steel and Services are jointly involved also takes place in the Group consolidation. These jointly owned companies are fully consolidated by the Steel segment in which they are managed. In the Services segment, the equity method of accounting for investments is used. Within Services, results on investments from intra-group joint ventures amount to €18 million (2005/2006: €11 million).

Apart from the compensation for expenses outlined above, the accounting principles for the segments are the same as those described for the Group in the summary of significant accounting principles. The measure of segment profit and loss, which is used to evaluate the performance of the operating segments of the Group, is the "Income before income taxes" line item presented in the consolidated statements of income.

Inter-segment pricing is determined on an arm's length basis.

INFORMATION BY SEGMENTS million €

	Steel	Stainless	Technologies	Elevator	Services	Corporate	Consolidation	Group
For the fiscal year ended Sept. 30, 2006								
External sales	10,755	5,803	11,297	4,293	13,537	1,440	0	**47,125**
Internal sales within the Group	1,332	634	69	5	667	29	(2,736)	**0**
Total sales	12,087	6,437	11,366	4,298	14,204	1,469	(2,736)	**47,125**
Equity in the net income of investees accounted for using the equity method	16	2	5	0	16	2	(13)	**28**
Aggregate investment in investees accounted for using the equity method	204	15	143	2	56	29	(4)	**445**
Income from continuing operations before taxes	1,406	423	410	391	482	(446)	(43)	**2,623**
Segment assets	10,824	5,119	12,750	4,265	7,367	14,284	(18,948)	**35,661**
Depreciation and amortization expense	629	142	344	52	128	81	(2)	**1,374**
Impairment losses of intangible assets, property, plant and equipment and investment property	3	36	83	1	2	154	(1)	**278**
Impairment losses of investments accounted for using the equity method and of financial assets	1	0	1	0	1	0	0	**3**
Reversals of impairment losses of intangible assets, property, plant and equipment and investment property	0	0	6	0	0	1	0	**7**
Segment liabilities	5,981	3,234	10,172	2,778	5,395	17,432	(18,837)	**26,155**
Significant non-cash expenses	198	40	349	135	147	104	(1)	**972**
Capital expenditures (property, plant, equipment, investment property and intangible assets)	556	221	424	95	244	88	(7)	**1,621**
For the fiscal year ended Sept. 30, 2007								
External sales	11,722	7,695	11,455	4,708	15,878	265	0	**51,723**
Internal sales within the Group	1,487	1,053	68	4	833	23	(3,468)	**0**
Total sales	13,209	8,748	11,523	4,712	16,711	288	(3,468)	**51,723**
Equity in the net income of investees accounted for using the equity method	29	1	5	0	34	0	(18)	**51**
Aggregate investment in investees accounted for using the equity method	240	15	154	2	52	4	(6)	**461**
Income from continuing operations before taxes	1,662	777	544	(113)	704	(205)	(39)	**3,330**
Segment assets	11,646	6,031	13,475	4,702	8,979	18,904	(26,407)	**37,330**
Depreciation and amortization expense	615	152	341	62	156	29	0	**1,355**
Impairment losses of intangible assets, property, plant and equipment and investment property	93	14	29	24	2	9	0	**171**
Impairment losses of investments accounted for using the equity method and of financial assets	2	0	3	0	2	1	0	**8**
Reversals of impairment losses of intangible assets, property, plant and equipment and investment property	0	3	1	0	0	0	0	**4**
Reversals of impairment losses of investments accounted for using the equity method and of financial assets	1	0	2	0	0	0	0	**3**
Segment liabilities	7,846	3,750	10,968	3,240	6,647	19,944	(26,306)	**26,089**
Significant non-cash expenses	171	88	306	130	117	81	3	**896**
Capital expenditures (property, plant, equipment, investment property and intangible assets)	1,614	327	530	93	222	124	(37)	**2,873**

Segment assets and segment liabilities reconcile to total assets and total liabilities (incl. disposal groups) as presented in the balance sheet as follows:

million €

	Sept. 30, 2006	Sept. 30, 2007
Segment assets	35,661	**37,330**
+ Current income tax assets (incl. disposal groups)	94	359
+ Deferred tax assets (incl. disposal groups)	707	385
Total assets as per balance sheet	36,462	**38,074**

	Sept. 30, 2006	Sept. 30, 2007
Segment liabilities	26,155	**26,089**
+ Current income tax liabilities (incl. disposal groups)	562	592
+ Deferred tax liabilities (incl. disposal groups)	818	946
Total liabilities as per balance sheet (incl. disposal groups)	27,535	**27,627**

The secondary reporting format of the Group is based on geographical areas. In presenting information for these geographical areas, allocation of sales is based on the location of the customer. Allocation of segment assets and capital expenditures is based on the location of the assets.

The geographical segment "Other EU" comprises of all member states of the European Union (besides Germany) as of the current reporting date. European countries which are currently not member of the European Union are part of the "Other countries" segment. The "Americas" segment includes the countries of the Nafta and of South America. The "Asia/Pacific" segment consists of Asia and Australia.

Due to the high volume of customers and the variety of business activities, there are no individual customers that generate sales values that are material to the Group's consolidated net sales.

INFORMATION BY GEOGRAPHICAL AREA million €

	Germany	Other EU*	Americas	Asia/Pacific	Other countries	Group
External sales (location of the customer)						
Year ended Sept. 30, 2006	15,837	13,293	11,609	4,123	2,263	47,125
Year ended Sept. 30, 2007	18,545	16,198	10,218	4,146	2,616	**51,723**
Segment assets (location of the assets)						
Sept. 30, 2006	20,600	6,151	6,547	1,758	605	35,661
Sept. 30, 2007	20,941	6,685	7,132	1,878	694	**37,330**
Capital expenditures (intangible assets, property, plant and equipment and investment property) (location of the assets)						
Sept. 30, 2006	761	341	329	119	71	1,621
Sept. 30, 2007	1,171	373	1,157	77	95	**2,873**

* member states as expanded as of January 01, 2007

32 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management estimates and assumptions that affect reported amounts and related disclosures. All estimates and assumptions are made to the best of management's knowledge and belief in order to fairly present the Groups financial position and results of operations. The following accounting policies are significantly impacted by management's estimates and judgements.

Business combinations

As a result of acquisitions the Group recognized goodwill in its balance sheet. In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair value. One of the most significant estimates relates to the determination of the fair value of these asset and liabilities. Land, buildings and equipment are usually independently appraised while marketable securities are valued at market price.

If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, the Group either consults with an independent external valuation expert or develops the fair value internally, using an appropriate valuation technique which is generally based on a forecast of the total expected future net cash flows. These evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

Goodwill

As stated in the accounting policy in Note 1, the Group tests annually and in addition if any indicators exist, whether goodwill has suffered an impairment. If there is an indication, the recoverable amount of the cash-generating unit has to be estimated which is the greater of the fair value less costs to sell and the value in use. The determination of the value in use involves making adjustments and estimates related to the projection and discounting of future cash flows (see Note 12). Although management believes the assumptions used to calculate recoverable amounts are appropriate, any unforeseen changes in these assumptions could result in impairment charges to goodwill which could adversely affect the future financial position and operating results.

Recoverability of assets

At each balance sheet date, the Group assesses whether there is any indication that the carrying amounts of its property, plant and equipment, investment property or intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the fair value less costs to sell and the value in use. In assessing the value in use, discounted future cash flows from the related assets have to be determined. Estimating the discounted future cash flows involves significant assumptions, including particularly those regarding future sale prices and sale volumes, costs and discount rates. Although management believes that its estimates of the relevant expected useful lives, its assumptions concerning the economic environment and developments in the industries in which the Group operates and its estimations of the discounted future cash flows are appropriate, changes in the assumptions or circumstances could require changes in the analysis. This could lead to additional impairment charges in the future or to reversal of impairments if the trends identified by management reverse or the assumptions or estimates prove incorrect.

Revenue recognition on construction contracts

Certain Group entities, particularly in the Technologies and Elevator segments, conduct a portion of their business under construction contracts which are accounted for using the percentage-of-completion method, recognizing revenue as performance on the contract progresses. This method requires accurate estimates of the extent of progress towards completion. Depending on the methodology to determine contract progress, the significant estimates include total contract costs, remaining costs to completion, total contract revenues, contract risks and other judgements. The managements of the operating companies continually review all estimates involved in such construction contracts and adjust them as necessary.

Income taxes

The Group operates and earns income in numerous countries and is subject to changing tax laws in multiple jurisdictions within the countries. Significant judgements are necessary in determining the worldwide income tax liabilities. Although management believes they have made reasonable estimates about the ultimate resolution of tax uncertainties, no assurance can be given that the final tax outcome of these matters will be consistent with what is reflected in the historical income tax provisions. Such differences could have an effect on the income tax liabilities and deferred tax liabilities in the period in which such determinations are made.

At each balance sheet date, the Group assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgement on the part of management with respect to, among other things, benefits that could be realized from available tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available tax strategies are lowered, or if changes in current tax regulations are enacted that impose restrictions on the timing or extent of the Group's ability to utilize future tax benefits. See Note 9 for further information on potential tax benefits for which no deferred tax asset is recognized.

Employee benefits

The Group accounts for pension and other postretirement benefits in accordance with actuarial valuations. These valuations rely on statistical and other factors in order to anticipate future events. These factors include key actuarial assumptions including the discount rate, expected return on plan assets, expected salary increases, mortality rates and health care cost trend rates. These actuarial assumptions may differ materially from actual developments due to changing market and economic conditions and therefore result in a significant change in postretirement employee benefit obligations and the related future expense. (See Note 23 for further information regarding employee benefits).

Legal Contingencies

ThyssenKrupp companies are parties to litigations related to a number of matters as described in Notes 28. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. For the assessments internal and external lawyers are used. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against ThyssenKrupp companies or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

33 SUBSEQUENT EVENTS

No reportable events occurred.

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

34 ADDITIONAL INFORMATION TO THE CONSOLIDATED CASH FLOW STATEMENT

The liquid funds considered in the consolidated cash flow statement correspond to the “Cash and cash equivalents” line item in the balance sheet.

Non-cash investing activities

In fiscal 2006/2007, the acquisition and first-time consolidation of companies created an increase in fixed assets of €38 million (2005/2006: €134 million).

The non-cash addition of assets under capital leases in fiscal 2006/2007 amounts to €47 million (2005/2006: €7 million).

Non-cash financing activities

In fiscal 2006/2007, the acquisition and first-time consolidation of companies resulted in an increase in gross financial payables in the amount of €0 million (2005/2006: €4 million).

OTHER INFORMATION

35 DECLARATIONS OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH ART. 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

On October 01, 2007, the Executive Board and the Supervisory Board of ThyssenKrupp AG issued the declaration of conformity in accordance with Art. 161 of the Stock Corporation Act (AktG) and posted it on the company’s website. ThyssenKrupp AG complies with all recommendations of the German Corporate Governance Code as amended on June 14, 2007.

The declaration of conformity of our exchange-listed subsidiary Eisen- und Hüttenwerke AG was issued on September 19, 2007 and is now available to the shareholders.

36 APPLICATION OF ART. 264 PAR. 3 AND ART. 264B OF GERMAN COMMERCIAL CODE (HGB)

The following domestic subsidiaries in the legal form of a capital corporation or a commercial partnership as defined in Art. 264b partly made use of the exemption clause included in Art. 264 Par. 3 and Art. 264b of German Commercial Code.

A	
Aloverzee Handelsgesellschaft mbH,	Duesseldorf
B	
Becker & Co. GmbH,	Neuwied
BERCO Deutschland GmbH,	Ennepetal
BIS Blohm + Voss Inspection Service GmbH,	Hamburg
Bleuel & Röhling GmbH,	Burghaun
Blohm + Voss GmbH,	Hamburg
Blohm + Voss international GmbH,	Hamburg
Blohm + Voss Repair GmbH,	Hamburg
C	
Cadillac Plastic GmbH,	Duesseldorf
Christian Hein GmbH,	Langenhagen
D	
Deutsche Gesellschaft für Verkehrsmittelwartung Pura mbH,	Cologne
Dolores Schiffahrts-Gesellschaft mbH,	Emden
Dortmunder Eisenhandel Hansa GmbH,	Dortmund
Dr. Mertens Edelstahlhandel GmbH,	Offenbach
DSU Gesellschaft für Dienstleistungen und Umwelttechnik mbH & Co. KG,	Duisburg
DWR - Deutsche Gesellschaft für Weißblechrecycling mbH,	Andernach
E	
EBOR Edelstahl GmbH,	Sachsenheim
EH Güterverkehr GmbH,	Duisburg
Eisen und Metall GmbH,	Stuttgart
Eisenbahn und Häfen GmbH,	Duisburg
Eisenmetall Handelsgesellschaft mbH,	Gelsenkirchen
ELEG Europäische Lift + Escalator GmbH,	Duesseldorf
F	
Freiburger Stahlhandel GmbH & Co. KG,	Freiburg i.Br.
G	
GMT Aufzug-Service GmbH,	Ettlingen
GVD Gesellschaft für Verpackungstechnik und Dienstleistungen mbH,	Duisburg
GWH Aufzüge GmbH,	Himmelstadt
H	
Haisch Aufzüge GmbH,	Gingen/Fils
Hanseatische Aufzugsbau GmbH,	Rostock
HDW-Gaarden GmbH,	Kiel
Herzog Coilex GmbH,	Stuttgart
Hoesch Hohenlimburg GmbH,	Hagen
Hövelmann & Co. Eisengroßhandlung GmbH,	Gelsenkirchen
Howaldtswerke-Deutsche Werft GmbH,	Kiel
I	
Immover Gesellschaft für Grundstücksverwaltung mbH,	Essen
Innovative Meerestechnik GmbH,	Emden
J	
Jacob Bek GmbH,	Ulm
K	
KBS Kokereibetriebsgesellschaft Schwelgern GmbH,	Duisburg
König Kunststoffe GmbH,	Duesseldorf
Kraemer & Freund GmbH & Co. KG,	Hagen
Krupp Hoesch Tecna GmbH,	Dortmund
Krupp Industrietechnik GmbH,	Essen
L	
Leichsenring HUS Aufzüge GmbH,	Hamburg
LiftEquip GmbH Elevator Components,	Neuhausen a.d.F.
Liftservice und Montage GmbH,	Saarbrücken
M	
Max Cochius GmbH,	Berlin
Metall Service Partner GmbH,	Gelsenkirchen
MgF Magnesium Flachprodukte GmbH,	Freiberg
MONTAN GmbH Assekuranz-Makler,	Duesseldorf
N	
Nickel GmbH,	Dillenburg
Nobiskrug GmbH,	Rendsburg
Nordseewerke GmbH,	Emden
Nothelfer Planung GmbH,	Wadern-Lockweiler
O	
Otto Wolff Handelsgesellschaft mbH,	Duesseldorf
Otto Wolff Kunststoffvertrieb GmbH,	Duesseldorf
Otto Wolff U.S. Sales GmbH,	Andernach
P	
Peiniger International GmbH,	Gelsenkirchen
Polysius AG,	Beckum
R	
Rasselstein GmbH,	Andernach
Rasselstein Verwaltungs GmbH,	Neuwied
Reisebüro Dr. Tigges GmbH,	Essen
Rothe Erde Beteiligungs GmbH,	Essen
Rothe Erde GmbH,	Dortmund
S	
SBS Brenn- und Schneidbetrieb Rinteln GmbH,	Rinteln
smbChromstahl GmbH,	Hannover-Langenhagen
Stahlhauser Liegenschaften Verwaltungsgesellschaft mbH,	Essen
SVG Steinwerder Verwaltungsgesellschaft mbH,	Hamburg
T	
Tepper Aufzüge GmbH,	Münster
Thomasdünger GmbH,	Duesseldorf
Thyssen Altwert Umweltservice GmbH,	Duesseldorf
Thyssen Duro Metall GmbH,	Kornwestheim

Thyssen Henschel GmbH,	Essen
Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co.KG Industrie,	Essen
Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co.KG Stahl,	Essen
Thyssen Rheinstahl Technik GmbH,	Duesseldorf
Thyssen Schulte Werkstoffhandel GmbH,	Duesseldorf
Thyssen Stahl GmbH,	Duesseldorf
ThyssenKrupp Academy GmbH,	Duesseldorf
ThyssenKrupp Accessibility Holding GmbH,	Essen
ThyssenKrupp AdMin GmbH,	Duesseldorf
ThyssenKrupp Aufzüge GmbH,	Neuhausen a.d.F.
ThyssenKrupp Aufzüge Nordost GmbH,	Berlin
ThyssenKrupp Aufzüge Süd GmbH,	Neuhausen a.d.F.
ThyssenKrupp Aufzüge West GmbH,	Frankfurt a.M.
ThyssenKrupp Aufzugswerke GmbH,	Neuhausen a.d.F.
ThyssenKrupp Automotive Systems GmbH,	Essen
ThyssenKrupp Automotive Systems Leipzig GmbH,	Leipzig
ThyssenKrupp Bauservice GmbH,	Hückelhoven
ThyssenKrupp Bausysteme GmbH,	Kreuztal
ThyssenKrupp Bilstein Suspension GmbH,	Ennepetal
ThyssenKrupp Bilstein Tuning GmbH,	Ennepetal
ThyssenKrupp Coferal GmbH,	Essen
ThyssenKrupp DAVEX GmbH,	Duisburg
ThyssenKrupp DeliCate GmbH,	Duesseldorf
ThyssenKrupp Dienstleistungen GmbH,	Duesseldorf
ThyssenKrupp Drauz Nothelfer GmbH,	Heilbronn
ThyssenKrupp EGM GmbH,	Langenhagen
ThyssenKrupp Electrical Steel GmbH,	Gelsenkirchen
ThyssenKrupp Electrical Steel Verwaltungsgesellschaft mbH,	Gelsenkirchen
ThyssenKrupp Elevator (CENE) GmbH,	Essen
ThyssenKrupp Elevator (ES/PBB) GmbH,	Duesseldorf
ThyssenKrupp Elevator AG,	Duesseldorf
ThyssenKrupp Elevator die Vierte GmbH i.G.,	Duesseldorf
ThyssenKrupp Elevator Research GmbH,	Duesseldorf
ThyssenKrupp Erste Beteiligungsgesellschaft mbH,	Duesseldorf
ThyssenKrupp ExperSite GmbH,	Kassel
ThyssenKrupp Facilities Services GmbH,	Duesseldorf
ThyssenKrupp Fahrtreppen GmbH,	Hamburg
ThyssenKrupp Fahrzeugtechnik GmbH,	Emden
ThyssenKrupp Federn GmbH,	Hagen
ThyssenKrupp Fördertechnik GmbH,	Essen
ThyssenKrupp Gerlach GmbH,	Homburg/Saar
ThyssenKrupp GfT Bautechnik GmbH,	Essen
ThyssenKrupp GfT Gleistechnik GmbH,	Essen
ThyssenKrupp GfT Tiefbautechnik GmbH,	Essen
ThyssenKrupp Grundbesitz Verwaltungs GmbH,	Essen
ThyssenKrupp Grundstücksgesellschaft Dinslaken mbH,	Essen
ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Krupp Hoesch Stahl,	Essen
ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Stahl,	Essen
ThyssenKrupp Immobilienentwicklungs Concordiahütte GmbH,	Oberhausen
ThyssenKrupp Immobilienentwicklungs Krefeld GmbH,	Oberhausen
ThyssenKrupp Industrieservice GmbH,	Cologne
ThyssenKrupp Industrieservice Holding GmbH,	Duesseldorf
ThyssenKrupp Information Services GmbH,	Duesseldorf
ThyssenKrupp Krause GmbH,	Bremen
ThyssenKrupp KST GmbH,	Chemnitz
ThyssenKrupp Langschienen GmbH,	Essen
ThyssenKrupp Mannex GmbH,	Duesseldorf
ThyssenKrupp Marine Systems AG,	Hamburg
ThyssenKrupp Marine Systems Beteiligungen GmbH,	Essen
ThyssenKrupp Materials International GmbH,	Duesseldorf
ThyssenKrupp Materials Zweite Beteiligungsgesellschaft mbH,	Duesseldorf
ThyssenKrupp Metallcenter GmbH,	Karlsruhe
ThyssenKrupp Metallurgie GmbH,	Essen
ThyssenKrupp MinEnergy GmbH,	Essen
ThyssenKrupp Nirosta GmbH,	Krefeld
ThyssenKrupp Nirosta Präzisionsband GmbH,	Krefeld
ThyssenKrupp Nutzeisen GmbH,	Duesseldorf
ThyssenKrupp Präzisionsschmiede GmbH,	Munich
ThyssenKrupp Presta Chemnitz GmbH,	Chemnitz
ThyssenKrupp Presta Ilsenburg GmbH,	Stendal
ThyssenKrupp Presta München/Esslingen GmbH,	Munich
ThyssenKrupp Presta SteerTec GmbH,	Duesseldorf
ThyssenKrupp Presta SteerTec Mülheim GmbH,	Mülheim
ThyssenKrupp Presta SteerTec Schönebeck GmbH,	Schönebeck
ThyssenKrupp Printmedia GmbH,	Duisburg
ThyssenKrupp Real Estate GmbH,	Essen
ThyssenKrupp Rema GmbH,	Oberhausen
ThyssenKrupp Risk and Insurance Services GmbH,	Essen
ThyssenKrupp Röhm Kunststoffe GmbH,	Duesseldorf
ThyssenKrupp RST Rohstoffe und Technik GmbH,	Essen
ThyssenKrupp Sägenstahlcenter GmbH,	Duisburg
ThyssenKrupp Schulte GmbH,	Duesseldorf
ThyssenKrupp Services AG,	Duesseldorf
ThyssenKrupp Sicherheitsdienstleistungen GmbH,	Cologne
ThyssenKrupp Stahl Immobilien GmbH,	Duisburg
ThyssenKrupp Stahlkontor GmbH,	Duesseldorf
ThyssenKrupp Stahl-Service-Center GmbH,	Leverkusen
ThyssenKrupp Stainless AG,	Duisburg
ThyssenKrupp Stainless International GmbH,	Krefeld
ThyssenKrupp Steel AG,	Duisburg
ThyssenKrupp Steel Beteiligungen GmbH,	Duesseldorf
ThyssenKrupp Steel Erste Beteiligungsgesellschaft mbH,	Duisburg
ThyssenKrupp Steel Zweite Beteiligungsgesellschaft mbH,	Duisburg
ThyssenKrupp Systems & Services GmbH,	Duesseldorf
ThyssenKrupp Tailored Blanks GmbH,	Dortmund
ThyssenKrupp Tailored Blanks Nord GmbH,	Duisburg
ThyssenKrupp Technologies AG,	Essen
ThyssenKrupp TKW Verwaltungs GmbH,	Bochum
ThyssenKrupp Transrapid GmbH,	Kassel
ThyssenKrupp Treppenlifte GmbH,	Neuss
ThyssenKrupp Umformtechnik GmbH,	Ludwigsfelde
ThyssenKrupp VDM GmbH,	Werdohl
ThyssenKrupp Verkehr GmbH,	Duisburg
ThyssenKrupp Zweite Beteiligungsgesellschaft mbH,	Duesseldorf

U

Uhde GmbH,	Dortmund
Uhde High Pressure Technologies GmbH,	Hagen
Uhde Services and Consulting GmbH,	Dortmund

37 LIST OF THE GROUP'S SUBSIDIARIES AND EQUITY INTERESTS

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
	STEEL					
	Steelmaking					
1	ThyssenKrupp Steel AG. Duisburg	€	438,771	99.53	672	
2	EH Güterverkehr GmbH, Duisburg	€	1,534	100.00	4	
3	Eisen- und Hüttenwerke AG, Andernach	€	45,056	87.98	1	
4	Eisenbahn und Häfen GmbH, Duisburg	€	2,046	100.00	1	
5	KBS Kokereibetriebsgesellschaft Schwelgern GmbH, Duisburg	€	25	100.00	1	
6	Pruna Betreiber GmbH, Grünwald	€	150	0.00 [1]	1	
7	Thomasdünger GmbH, Duesseldorf	€	563	68.68	1	
8	ThyssenKrupp Printmedia GmbH, Duisburg	€	26	100.00	1	
9	ThyssenKrupp Stahl Immobilien GmbH, Duisburg	€	50	100.00	1	94.90%
					649	5.10%
10	ThyssenKrupp Steel Erste Beteiligungsgesellschaft mbH, Duisburg	€	25	100.00	1	
11	ThyssenKrupp Steel Zweite Beteiligungsgesellschaft mbH, Duisburg	€	25	100.00	1	
12	ThyssenKrupp Verkehr GmbH, Duisburg	€	260	100.00	1	
13	AirSteel Comercial Gases Industriais Ltda., Rio de Janeiro, Brazil	BRL	100	0.00 [1]	1	
14	B.V. Stuwadoors-Maatschappij Kruwal, Rotterdam, Netherlands	€	45	75.00	20	50.00%
					1	25.00%
15	Carbotrans B.V., Rotterdam, Netherlands	€	100	0.00 [1]	1	
16	Ertsoverslagbedrijf Europoort C.V., Rotterdam, Netherlands	€	4,583	75.00	20	50.00%
					1	25.00%
17	ThyssenKrupp CSA Companhia Siderúrgica, Rio de Janeiro, Brazil	BRL	2,837,235	88.57	20	
18	ThyssenKrupp Steel and Stainless USA, LLC, Wilmington, DE, USA	USD	1,000	100.00	701	
19	ThyssenKrupp Steel USA, LLC, Wilmington, DE 1908, USA	USD	1	100.00	18	
20	ThyssenKrupp Veerhaven B.V., Rotterdam, Netherlands	€	5,000	100.00	1	
21	White Martins Steel Gases Industriais Ltda., Rio de Janeiro, Brazil	BRL	100	0.00 [1]	1	
	Industry					
22	AGOZAL Oberflächenveredelung GmbH, Neuwied	€	1,540	100.00	88	
23	Herzog Coilex GmbH, Stuttgart	€	4,100	74.90	26	
24	ThyssenKrupp Bausysteme GmbH, Kreuztal	€	7,670	100.00	1	
25	ThyssenKrupp Sägenstahlcenter GmbH, Duisburg	€	1,023	100.00	1	
26	ThyssenKrupp Stahl-Service-Center GmbH, Leverkusen	€	9,287	99.55	1	55.36%
					488	44.19%
27	ems Nederland B.V., Hedel, Netherlands	€	18	100.00	24	
28	EURISOL S.A., Steenvoorde, France	€	151	75.00	32	
29	Hobone B.V., Veenendaal, Netherlands	€	1,357	100.00	24	
30	Hoesch Bausysteme Gesellschaft m.b.H., Vienna, Austria	€	1,454	100.00	685	
31	Isocab France S.A., Dunkerque, France	€	610	90.00	1	
32	Isocab N.V., Harelbeke-Bavikhove, Belgium	€	4,750	90.01	1	
33	Isocab Vietnam JV Company, Ho Chi Minh, Vietnam	USD	2,400	51.00	32	
34	Isocab-Mondor N.V., Harelbeke-Bavikhove, Belgium	€	1,150	100.00	32	
35	ThyssenKrupp Aceros y Servicios S.A., Santiago, Chile	CLP	4,988,440 [2]	100.00	1	
36	ThyssenKrupp Asia Pacific Trading & Services Pte Ltd, Singapore, Singapore	SGD	500	100.00	20	
37	ThyssenKrupp Building Systems Ltd., Birmingham, Great Britain	GBP	5	100.00	700	
38	ThyssenKrupp Byggesystem A/S, Støvring, Denmark	DKK	500	100.00	24	
39	ThyssenKrupp Comercial Colombia S.A., Bogota, Colombia	COP	272,610 [2]	100.00	35	
40	ThyssenKrupp Electrical Steel India Private Ltd., Mumbai/Nashik, India	INR	3,149,349	100.00	92	100.00% [4]
					93	0.00% [4]

[1] in accordance with IFRS regulations [2] fiscal year not 09/30 [3] incl. paid-in capital [4] Splinter investment as of fourth digit behind decimal point

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in 1.000 € or Domestic currency	Share holdings %	Held by No.	
41	ThyssenKrupp Electrical Steel Italia S.r.l., Milan, Italy	€	2,000	100.00	697	
42	ThyssenKrupp Épitöelemek Kft, Budapest, Hungary	HUF	2,520,000	100.00	30	99.00%
					24	1.00%
43	ThyssenKrupp gradjevinski elementi d.o.o., Lepoglava, Croatia	HRK	20	100.00	30	
44	ThyssenKrupp Service Acier S.A.S., Fosses, France	€	14,000	100.00	695	
45	ThyssenKrupp Sisteme pentru Constructii S.R.L., Bucharest, Rumania	RON	55	100.00	30	
46	ThyssenKrupp Stål Danmark A/S, Copenhagen, Denmark	DKK	800	100.00	1	
47	ThyssenKrupp Stal Serwis Polska Sp. z o.o., Dabrowa Górnicza, Poland	PLN	28,000	100.00	26	
48	ThyssenKrupp stavební systémy s.r.o., Nymburk, Czech Republic	CZK	1,000 [2]	100.00	30	98.00%
					24	2.00%
49	ThyssenKrupp Steel Belgium N.V., Harelbeke-Bavikhove, Belgium	€	16,312	100.00	672	100.00% [4]
					1	0.00% [4]
50	ThyssenKrupp Systembau Austria Gesellschaft m.b.H., Vienna, Austria	€	51	100.00	685	
	Auto					
51	DOC Dortmunder Oberflächencentrum GmbH, Dortmund	€	5,880	75.10	1	
52	MgF Magnesium Flachprodukte GmbH, Freiberg	€	500	100.00	1	
53	ThyssenKrupp DAVEX GmbH, Duisburg	€	26	100.00	54	
54	ThyssenKrupp Tailored Blanks GmbH, Dortmund	€	4,116	100.00	1	
55	ThyssenKrupp Tailored Blanks Nord GmbH, Duisburg	€	8,692	100.00	54	
56	LAGERMEX S.A. de C.V., Puebla, Mexico	MXN	74,774	100.00	488	71.95%
					63	28.05%
57	Sidcomex S.A. de C.V., Puebla, Mexico	MXN	50 [2]	100.00	56	99.99%
					488	0.01%
58	ThyssenKrupp (Wuhan) Tailored Blanks Ltd., Wuhan, PR China	USD	21,000 [2]	100.00	691	68.43%
					54	31.57%
59	ThyssenKrupp Galmed, S.A., Sagunto, Spain	€	48,150	100.00	681	75.00%
					1	25.00%
60	ThyssenKrupp Steel Japan Ltd., Tokyo, Japan	JPY	10,000	100.00	20	
61	ThyssenKrupp Steel North America, Inc., Dover/Delaware, USA	USD	54,501	100.00	701	
62	ThyssenKrupp Tailored Blanks Celik Sanayi VE Ticaret Ltd., Nilüfer, Bursa, Turkey	TRY	100	100.00	64	99.00%
					54	1.00%
63	ThyssenKrupp Tailored Blanks S.A. de C.V., Puebla, Mexico	MXN	64,867	100.00	54	100.00% [4]
					1	0.00% [4]
64	ThyssenKrupp Tailored Blanks S.r.l., Turin, Italy	€	2,000	100.00	697	
65	ThyssenKrupp Tailored Blanks Sverige AB, Olofström, Sweden	€	1,940	100.00	54	
66	TKAS (Changchun) Tailored Blanks Ltd., Changchun, PR China	USD	10,000	55.00	691	
	Metal Forming					
67	ThyssenKrupp Umformtechnik GmbH, Ludwigsfelde	€	15,000	100.00	140	94.99%
					649	5.01%
68	Krupp Camford Pressings Ltd., Llanelli, Great Britain	GBP	24,594	100.00	150	
69	Tallent Engineering Holding Corp., Dover/Delaware, USA	USD	0	100.00	70	
70	ThyssenKrupp Automotive Chassis Products UK PLC, Durham, Great Britain	GBP	10,208	100.00	150	
71	ThyssenKrupp Automotive Tallent Services Ltd., Durham, Great Britain	GBP	1,167	100.00	70	
72	ThyssenKrupp Body Stampings Ltd., Cannock, Great Britain	GBP	132	100.00	150	
73	ThyssenKrupp Camford Engineering PLC, Newton Aycliffe, Great Britain	GBP	5,207	100.00	150	
74	ThyssenKrupp Camford Ltd., Newton Aycliffe, Great Britain	GBP	25	100.00	70	
75	ThyssenKrupp JBM Private Ltd., Chennai, India	INR	248,900	73.89	84	
76	ThyssenKrupp Otomotiv Presleme Ticaret Limited Sirketi, GEBZE Kocaeli, Turkey	TRY	5	100.00	72	99.50%
					150	0.50%
77	ThyssenKrupp Prisma S.A.S., Messempré, France	€	5,400	100.00	695	
78	ThyssenKrupp Sofedit Chassis do Brasil Ltda., Paraná, Brazil	BRL	31,357	100.00	82	

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
79	ThyssenKrupp Sofedit do Brasil Industrial Ltda., Paraná, Brazil	BRL	14,904	100.00	82	
80	ThyssenKrupp Sofedit España, S.A., Valladolid, Spain	€	361	100.00	82	
81	ThyssenKrupp Sofedit Polska Sp.zo.o., Wroclaw, Poland	PLN	3,676	100.00	82	
82	ThyssenKrupp Sofedit S.A.S., Versailles, France	€	8,761	100.00	695	
83	ThyssenKrupp Sofedit Sud Quest S.A.S., Guyancourt, France	€	37	100.00	82	
84	ThyssenKrupp Tallent Ltd., County Durham, Great Britain	GBP	1,000	100.00	70	
85	ThyssenKrupp Zhong-Ren Chassis Company Ltd., Wuhan, PR China	€	10,000 [2]	75.50	691	
	Processing					
86	Becker & Co. GmbH, Neuwied	€	768	100.00	91	
87	DWR - Deutsche Gesellschaft für Weißblechrecycling mbH, Andernach	€	25	100.00	90	
88	Hoesch Hohenlimburg GmbH, Hagen	€	15,340	99.50	1	
89	Otto Wolff U.S. Sales GmbH, Andernach	€	26	100.00	90	
90	Rasselstein GmbH, Andernach	€	40,960	99.50	91	
91	Rasselstein Verwaltungs GmbH, Neuwied	€	93,500	100.00	1	59.23%
					3	40.77%
92	ThyssenKrupp Electrical Steel GmbH, Gelsenkirchen	€	14,000	99.54	93	94.90%
					672	4.64%
93	ThyssenKrupp Electrical Steel Verwaltungsgesellschaft mbH, Gelsenkirchen	€	30,000	100.00	1	62.46%
					3	37.54%
94	ThyssenKrupp Electrical Steel France S.A.S., Paris, France	€	49	100.00	95	
95	ThyssenKrupp Electrical Steel UGO S.A., Isbergues, France	€	5,235	100.00	92	
	STAINLESS					
	ThyssenKrupp Stainless Corporate					
96	ThyssenKrupp Stainless AG, Duisburg	€	110,000	99.61	672	
	ThyssenKrupp Nirosta					
97	EBOR Edelstahl GmbH, Sachsenheim	€	511	100.00	99	
98	smbChromstahl GmbH, Hannover-Langenhagen	€	277	100.00	99	
99	ThyssenKrupp Nirosta GmbH, Krefeld	€	60,000	100.00	96	
100	ThyssenKrupp Nirosta Präzisionsband GmbH, Krefeld	€	1,000	100.00	99	
101	ThyssenKrupp Nirosta North America, Inc., Bannockburn/Delaware, USA	USD	2,000	100.00	701	
	ThyssenKrupp Acciai Speciali Terni					
102	ThyssenKrupp Titanium GmbH, Essen	€	1,534	100.00	108	
103	Aspasiel S.r.l., Rome, Italy	€	260	100.00	106	
104	Società delle Fucine S.r.l., Terni, Italy	€	7,988	100.00	106	
105	Terninox S.p.A., Terni, Italy	€	20,800	100.00	106	
106	ThyssenKrupp Acciai Speciali Terni S.p.A., Terni, Italy	€	159,682	100.00	697	
107	ThyssenKrupp AST USA, Inc., New York, USA	USD	30	100.00	701	
108	ThyssenKrupp Titanium S.p.A., Terni, Italy	€	5,000	100.00	106	
109	Tubificio di Terni S.p.A., Terni, Italy	€	5,944	97.00	106	
	ThyssenKrupp Mexinox					
110	Mexinox Trading S.A. de C.V., Mexico D.F., Mexico	MXN	129,258 [2]	100.00	112	99.98%
					111	0.02%
111	Mexinox USA Inc., Brownsville/Texas, USA	USD	2,000	100.00	112	
112	ThyssenKrupp Mexinox S.A. de C.V., San Luis Potosi, Mexico	MXN	4,621,499 [2]	95.50	96	
	ThyssenKrupp Stainless USA					
113	ThyssenKrupp Stainless USA, LLC, Wilmington, DE 19808, USA	USD	1	100.00	18	
	Shanghai Krupp Stainless					
114	Shanghai Krupp Stainless Co., Ltd., Pudong New Area/Shanghai, PR China	CNY	2,618,815 [2]	60.00	96	

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
	ThyssenKrupp Stainless International					
115	ThyssenKrupp Stainless International GmbH, Krefeld	€	26	100.00	96	
116	ThyssenKrupp Eurinox Paslanmaz Çelik Servis Merkezi A.S., Istanbul, Turkey	€	1,049	100.00	118	
117	ThyssenKrupp SILCO-INOX Szervizközpont Kft, Batonyterenye, Hungary	HUF	765,980	100.00	118	
118	ThyssenKrupp Stainless Benelux B.V., Rotterdam, Netherlands	€	18,151	100.00	699	
119	ThyssenKrupp Stainless DVP, S.A., Barcelona, Spain	€	5,344	100.00	118	
120	ThyssenKrupp Stainless France S.A., Paris, France	€	2,728	100.00	695	
121	ThyssenKrupp Stainless International (Guangzhou) Ltd., Guangzhou, PR China	USD	9,500	100.00	691	
122	ThyssenKrupp Stainless International (HK) Ltd., Hong Kong, PR China	HKD	5 [2]	100.00	115	
123	ThyssenKrupp Stainless Polska Sp.z o o., Dabrowa Goricza, Poland	PLN	33,499	100.00	115	
124	ThyssenKrupp Stainless UK Ltd., Birmingham, Great Britain	GBP	100	100.00	700	
	ThyssenKrupp VDM					
125	ThyssenKrupp VDM GmbH, Werdohl	€	31,620	98.04	96	
126	Precision Rolled Products Inc., Reno/Nevada, USA	USD	0	100.00	701	
127	ThyssenKrupp VDM Australia Pty. Ltd., Mulgrave, Victoria, Australia	AUD	2,000	100.00	125	
128	ThyssenKrupp VDM Austria Gesellschaft m.b.H., Vienna, Austria	€	50	100.00	685	
129	ThyssenKrupp VDM Benelux B.V., Dordrecht, Netherlands	€	51	100.00	125	
130	ThyssenKrupp VDM Canada Ltd., Markham, Canada	CAD	300	100.00	125	
131	ThyssenKrupp VDM Hong Kong Ltd., Hong Kong, PR China	HKD	10 [2]	99.98	125	
132	ThyssenKrupp VDM Italia S.r.l., Sesto San Giovanni, Italy	€	10	100.00	125	
133	ThyssenKrupp VDM Japan K.K., Tokyo, Japan	JPY	30,000	100.00	125	
134	ThyssenKrupp VDM Korea Co. Ltd., Seoul, Korea, Republic	KRW	100,000	100.00	125	
135	ThyssenKrupp VDM Mexico S.A. de C.V., Naucalpan de Juarez, Mexico	MXN	550	100.00	125	
136	ThyssenKrupp VDM S.A.R.L., Rueil-Malmaison, France	€	120	100.00	125	
137	ThyssenKrupp VDM (Switzerland) AG, Basel, Switzerland	CHF	100	99.60	125	
138	ThyssenKrupp VDM UK Ltd., Claygate-Esher, Great Britain	GBP	60	100.00	125	
139	ThyssenKrupp VDM USA Inc., Parsippany/New Jersey, USA	USD	600	100.00	701	
	TECHNOLOGIES					
	Corporate					
140	ThyssenKrupp Technologies AG, Essen	€	130,000	100.00	649	
141	Brüninghaus Schmiede GmbH, Ludwigsfelde	€	511	100.00	140	
142	Buckau-Walther GmbH, Sankt Ingbert	€	9,216	100.00	140	
143	Krupp Hoesch Tecna GmbH, Dortmund	€	3,835	100.00	148	
144	Rothe Erde Beteiligungs GmbH, Essen	€	256	100.00	140	
145	ThyssenKrupp Automotive Erste Beteiligungsgesellschaft mbH, Essen	€	25	100.00	140	
146	ThyssenKrupp EnCoke GmbH, Dortmund	€	26,587	100.00	140	94.90%
					649	5.10%
147	ThyssenKrupp Marine Systems Beteiligungen GmbH, Essen	€	1,857	100.00	140	70.00%
					651	30.00%
148	Uhde Services and Consulting GmbH, Dortmund	€	26	100.00	140	
149	QDF Components Ltd., Derby, Great Britain	GBP	18,862	100.00	150	
150	ThyssenKrupp Automotive (UK) Ltd., Newton Aycliffe, Great Britain	GBP	13,519	100.00	700	
151	ThyssenKrupp Technologies Japan Co., Ltd., Tokyo, Japan	JPY	10,000	100.00	140	
	Plant Technology					
152	CEOS Chemical Engineering and Overseas Services GmbH, Berlin	€	25	100.00	156	
153	GKI-OFU Industrieofenbau GmbH, Dortmund	€	26	100.00	146	
154	Polysius AG, Beckum	DEM	21,000	100.00	140	94.90%
					649	5.10%
155	ThyssenKrupp Fördertechnik GmbH, Essen	€	22,344	100.00	140	94.90%
					649	5.10%

[1] in accordance with IFRS regulations [2] fiscal year not 09/30 [3] incl. paid-in capital [4] Splinter investment as of fourth digit behind decimal point

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
156	Uhde GmbH, Dortmund	DEM	97,000	100.00	140	94.90%
					649	5.10%
157	Uhde High Pressure Technologies GmbH, Hagen	€	1,023	100.00	156	
158	Uhde Inventa-Fischer GmbH, Berlin	€	3,210	100.00	156	79.77%
					197	20.23%
159	Uhde Services GmbH, Haltern am See	€	588	100.00	146	
160	A-C Equipment Services Corp., Milwaukee, WI, USA	USD	4,500	100.00	170	
161	Krupp Canada Inc., Calgary/Alberta, Canada	CAD	5,000	100.00	155	
162	Krupp HAZEMAG S.A.S., Sarreguemines, France	€	1,000	100.00	695	
163	Krupp Servicios S.A. de C.V., Mexico D.F., Mexico	MXN	77	100.00	172	98.00%
					154	2.00%
164	Maerz Ofenbau AG, Zurich, Switzerland	CHF	1,000	100.00	154	
165	OAO Uhde, Dzerzhinsk, Russia	RUB	3,058 [2]	94.79	156	
166	OOO Polysius, Moscow, Russia	RUB	17,000	100.00	154	
167	OSC Process Engineering Ltd., Stockport, Great Britain	GBP	350	90.00	700	
168	Polysius Asia Pacific Pte. Ltd., Singapore, Singapore	SGD	100	100.00	154	
169	Polysius Australia Pty. Ltd., Perth, Australia	AUD	50	100.00	154	
170	Polysius Corp., Atlanta/Georgia, USA	USD	0 [3]	100.00	701	
171	Polysius de Argentina S.A., Buenos Aires, Argentina	ARS	120	100.00	154	
172	Polysius de Mexico S.A. de C.V., Mexico-City, Mexico	MXN	12,000	100.00	154	
173	Polysius del Peru S.A., Arequipa, Peru	PEN	2,238	100.00	154	99.00%
					172	1.00%
174	Polysius do Brasil Ltda., São Paulo, Brazil	BRL	62,179	100.00	154	
175	Polysius Engineering Sdn. Bhd., Kuala Lumpur, Malaysia	MYR	250	100.00	154	
176	Polysius Ltd., Ascot/Berkshire, Great Britain	GBP	300	100.00	700	
177	Polysius Polska Sp. z o.o., Warsaw, Poland	PLN	50	100.00	154	
178	Polysius S.A., Madrid, Spain	€	601	100.00	681	
179	Polysius S.A.S., Aix en Provence, France	€	2,400	100.00	695	
180	Polysius Shanghai Trading Co. Ltd., Shanghai, PR China	€	500	100.00	691	
181	PWH Materials Handling Systems Inc., Calgary/Alberta, Canada	CAD	20	100.00	155	
182	Still Otto Montage Slovakia s.r.o., Lazaretská, Slovakia	SKK	200	100.00	159	85.00%
					146	15.00%
183	ThyssenKrupp BulkTec Trading (Beijing) Ltd., Beijing, PR China	€	1,250 [2]	100.00	691	
184	ThyssenKrupp Engineering (Australia) Pty. Ltd., Perth, Australia	AUD	170	100.00	155	
185	ThyssenKrupp Engineering (Proprietary) Ltd., Sunninghill, Republic South Africa	ZAR	101	100.00	156	60.00%
					155	30.00%
					154	10.00%
186	ThyssenKrupp Engineering (Proprietary) Ltd., Gabarone, Botsuana	BWP	3	100.00	185	99.97%
					154	0.03%
187	ThyssenKrupp Industries India Pvt. Ltd., Pimpri, India	INR	73,398	54.73	142	
188	ThyssenKrupp Ingenieria Chile Ltda., Santiago de Chile, Chile	USD	15	100.00	190	
189	ThyssenKrupp Materials Handling Pty. Ltd., Stirling WA, Australia	AUD	25	100.00	155	
190	ThyssenKrupp Robins Inc., Denver/Colorado, USA	USD	0	100.00	701	
191	Uhde Arabia Ltd., Al-Khobar, Saudi Arabia	SAR	2,000	60.00	156	
192	Uhde Corporation of America, Bridgeville/Pennsylvania, USA	USD	0	100.00	701	
193	Uhde Edeleanu S.E. Asia Pte. Ltd., Singapore, Singapore	SGD	1,000	100.00	156	
194	Uhde Engineering de México, S.A. de C.V., Mexico D.F., Mexico	MXN	8,919	100.00	198	99.99%
					156	0.01%
195	Uhde Fertilizer Technology B.V., Amsterdam, Netherlands	€	18	100.00	699	
196	Uhde India Ltd., Mumbai, India	INR	29,440	80.43	156	
197	Uhde Inventa-Fischer AG, Männedorf, Switzerland	CHF	100	100.00	156	

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
198	Uhde Mexico S.A. de C.V., Mexico City, Mexico	MXN	45,219	100.00	156	98.06%
					681	1.22%
					154	0.72%
	Marine Systems					
199	BIS Blohm + Voss Inspection Service GmbH, Hamburg	€	26	100.00	200	
200	Blohm + Voss GmbH, Hamburg	€	8,950	100.00	212	
201	Blohm + Voss Industries GmbH, Hamburg	€	10,226	100.00	651	
202	Blohm + Voss Repair GmbH, Hamburg	€	2,560	100.00	212	
203	Cryotrans Schiffahrts GmbH, Emden	€	3,630	100.00	207	
204	Dolores Schiffahrts-Gesellschaft mbH, Emden	€	1,841	100.00	207	
205	HDW-Gaarden GmbH, Kiel	€	1,000	100.00	206	
206	Howaldtswerke-Deutsche Werft GmbH, Kiel		30,000	100.00	212	
207	Innovative Meerestechnik GmbH, Emden	€	1,023	100.00	209	
208	Nobiskrug GmbH, Rendsburg	€	2,557	100.00	206	
209	Nordseewerke GmbH, Emden	€	12,790	100.00	212	
210	SVG Steinwerder Verwaltungsgesellschaft mbH, Hamburg	€	30	100.00	212	
211	ThyssenKrupp Fahrzeugtechnik GmbH, Emden	€	1,050	100.00	209	
212	ThyssenKrupp Marine Systems AG, Hamburg	€	34,087	75.00	147	
213	ThyssenKrupp One Ocean GmbH, Hamburg	€	100	100.00	202	
214	Blohm & Voss Industries (China) Ltd., Hong Kong, PR China	HKD	300	100.00	201	
215	Blohm + Voss Industries (Shanghai) Ltd., Shanghai, PR China	USD	140	100.00	214	
216	Greek Naval Shipyards Holdings S.A., Skaramanga, Greece	€	62,265	100.00	206	
217	Hellenic Shipyards S.A., Skaramanga, Greece	€	121,105	100.00	216	
218	Kockums AB, Malmö, Sweden	SEK	50,000	100.00	206	
219	Rolling Stock Company of Greece S.A., Skaramanga, Greece	€	60	100.00	217	
220	ThyssenKrupp Marin Sistem Gemi Sanayi ve Ticaret A.S., Istanbul, Turkey	TRY	200 [2]	60.00	212	
221	ThyssenKrupp Marine Systems Canada Inc., Ottawa, Ontario, Canada	CAD	100	100.00	212	
222	ThyssenKrupp Marine Systems International Pte. Ltd., Singapore, Singapore	SGD	1,000	100.00	212	
	Mechanical Components					
223	BERCO Deutschland GmbH, Ennepetal	DEM	4,668	100.00	140	
224	NORMA Metallbau GmbH, Dortmund	DEM	100	51.13	226	
225	PSL Wälzlager GmbH, Dietzenbach	€	26	100.00	245	
226	Rothe Erde GmbH, Dortmund	€	12,790	100.00	144	80.00%
					663	20.00%
227	ThyssenKrupp Gerlach GmbH, Homburg/Saar	€	34,257	100.00	140	
228	ThyssenKrupp Präzisionsschmiede GmbH, Munich	€	12,000	100.00	140	94.99%
					649	5.01%
229	ThyssenKrupp Presta Chemnitz GmbH, Chemnitz	€	25	100.00	140	
230	ThyssenKrupp Presta Ilsenburg GmbH, Ilsenburg	€	307	100.00	140	94.98%
					649	5.02%
231	Berco of America Inc., Waukesha/Wisconsin, USA	USD	0	100.00	701	
232	Berco S.p.A., Copparo, Italy		38,700	100.00	697	99.95%
					649	0.05%
233	Berco (UK) Ltd., Birmingham, Great Britain	GBP	120	100.00	700	
234	BercoSul Ltda., Diadema-São Paulo, Brazil	BRL	5,367	100.00	232	
235	Defontaine Ibérica S.A., Viana, Spain		721	100.00	239	
236	Defontaine Italia S.r.l., Sesto San Giovanni, Italy		99	100.00	239	
237	Defontaine of America, Inc., New Berlin/Wisconsin, USA	USD	50 [3]	100.00	701	
238	Defontaine (Qingdao) Machinery Co., Ltd., Jiaonan City, Shandong Province, PR China	€	5,500	100.00	691	
239	Defontaine S.A., Saint Herblain, France	€	4,603	100.00	695	99.99%
					226	0.01%

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
240	Defontaine Tunisie S.A., Ben Arous, Tunisia	TND	1,500	50.97	239	
241	Defontaine (U.K.) Ltd., Malmesbury, Great Britain	GBP	200	100.00	239	
242	Nippon Roballo Company Ltd., Minato-ku/Tokyo, Japan	JPY	740,000	100.00	226	
243	Olympic Tracks, Inc., Puyallup/Washington, USA	USD	50	100.00	231	
244	OOO PSL, Moscow, Russia	RUB	100 [2]	100.00	245	99.00%
					225	1.00%
245	PSL a.s., Povazská Bystrica, Slovakia	SKK	234,000	100.00	226	
246	PSL of America Inc., Twinsburg/Ohio, USA	USD	1 [3]	100.00	245	
247	REX (Xuzhou) Slewing Bearing Co., Ltd., Xuzhou, PR China	USD	2,500 [2]	60.00	691	
248	Roballo Engineering Company Ltd., Peterlee, Great Britain	GBP	1,000	100.00	696	
249	Robrasa Rolamentos Especiais Rothe Erde Ltda., Diadema, Brazil	BRL	4,505	100.00	140	
250	Rotek Incorporated, Aurora/Ohio, USA	USD	100	100.00	701	
251	Rothe Erde - Metallurgica Rossi S.p.A., Visano, Italy	€	1,612	100.00	697	
252	Rothe Erde Ibérica S.A., Zaragoza, Spain	€	1,369	100.00	681	
253	Rothe Erde India Private Ltd., Maharashtra, India	INR	212,090	100.00	226	
254	Systrand Presta Engine Systems, LLC, Danville, USA	USD	1,000 [2]	45.00 [1]	293	
255	ThyssenKrupp Birmid Ltd., Newton Aycliffe, Great Britain	GBP	18,750	100.00	150	
256	ThyssenKrupp Crankshaft Co. LLC, Fostoria/Ohio, USA	USD	1	100.00	293	
257	ThyssenKrupp Mavilor S.A., L'Horme, France	€	2,692	99.99	695	
258	ThyssenKrupp Metalúrgica Campo Limpo Ltda., Campo Limpo Paulista, Brazil	BRL	85,000	59.75	649	
259	ThyssenKrupp Metalúrgica de México S.A. de C.V., Puebla, Mexico	MXN	141,800 [2]	100.00	258	
260	ThyssenKrupp Metalúrgica de Servicios S.A. de C.V., Puebla, Mexico	MXN	131 [2]	100.00	259	
261	ThyssenKrupp Metalúrgica Santa Luzia Ltda., Santa Luzia, Brazil	BRL	58,198	100.00	258	
262	ThyssenKrupp Precision Forge Inc., Selma/North Carolina, USA	USD	12,600	100.00	701	
263	ThyssenKrupp Presta Dalian Co. Ltd., Dalian, PR China	CNY	58,011	100.00	691	
264	ThyssenKrupp Presta Danville, LLC, Danville/Illinois, USA	USD	0	100.00	293	
265	ThyssenKrupp Presta TecCenter AG, Eschen, Liechtenstein	CHF	10,000	100.00	230	
266	ThyssenKrupp Waupaca de Mexico, S. de R.L. de C.V., Mexico, Mexico	USD	3	100.00	267	95.00%
					689	5.00%
267	ThyssenKrupp Waupaca, Inc., Waupaca/Wisconsin, USA	USD	0	100.00	689	
268	Xuzhou Rothe Erde Ring Mill Co., Ltd., Xuzhou, PR China	USD	6,000 [2]	100.00	691	
269	Xuzhou Rothe Erde Slewing Bearing Co., Ltd., Xuzhou, PR China	CNY	100,152 [2]	60.00	691	
	Automotive Solutions					
270	Bleuel & Röhling GmbH, Burghaun	DEM	290	51.03	279	
271	Drauz Weinsberg Prototyping GmbH, Weinsberg	€	500	100.00	279	
272	HF Vermögensverwaltungsgesellschaft im Ruhrtal GmbH, Hagen	€	2,098	99.90	281	
273	Kraemer & Freund GmbH & Co. KG, Hagen	€	511	100.00	281	
274	Nothelfer Planung GmbH, Wadern-Lockweiler	€	51	100.00	279	
275	ThyssenKrupp Automotive Systems GmbH, Essen	€	2,557	100.00	140	
276	ThyssenKrupp Automotive Systems Leipzig GmbH, Leipzig	€	100	100.00	275	
277	ThyssenKrupp Bilstein Suspension GmbH, Ennepetal	€	5,982	99.50	140	94.49%
					649	5.01%
278	ThyssenKrupp Bilstein Tuning GmbH, Ennepetal	€	100	100.00	277	
279	ThyssenKrupp Drauz Nothelfer GmbH, Heilbronn	€	11,500	100.00	140	94.90%
					649	5.10%
280	ThyssenKrupp EGM GmbH, Langenhagen	DEM	250	100.00	282	
281	ThyssenKrupp Federn GmbH, Hagen	€	15,595	100.00	277	94.99%
					649	5.01%
282	ThyssenKrupp Krause GmbH, Bremen	€	5,113	100.00	140	
283	ThyssenKrupp KST GmbH, Chemnitz	€	26	100.00	282	
284	ThyssenKrupp Presta Munich/Esslingen GmbH, Munich	€	50	100.00	275	

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
285	ThyssenKrupp Presta SteerTec GmbH, Duesseldorf	DEM	10,000	100.00	140	94.99%
					649	5.01%
286	ThyssenKrupp Presta SteerTec Mülheim GmbH, Mülheim	€	26	100.00	285	
287	ThyssenKrupp Presta SteerTec Schönebeck GmbH, Schönebeck	€	26	100.00	285	
288	Krupp Módulos Automotivos do Brasil Ltda., Sao Jose dos Pinhais Parana, Brazil	BRL	35,838	51.00	275	
289	KS Automotive Suspensions Asia Pte. Ltd., Singapore, Singapore	SGD	15,054 [2]	100.00	281	
290	Liaoyang KS Automotive Spring Company Ltd., Liaoyang/Liaoning, PR China	CNY	169,479 [2]	60.00	289	
291	Nothelfer UK Ltd., Coventry, Great Britain	GBP	130	100.00	700	
292	ThyssenKrupp Automotive Japan Co. Ltd., Tokyo, Japan	JPY	10,000	100.00	140	
293	ThyssenKrupp Automotive Sales & Technical Center, Inc., Troy/Michigan, USA	USD	3	100.00	701	
294	ThyssenKrupp Automotive Systèmes France S.A.R.L., Hambach, France	€	152	100.00	695	
295	ThyssenKrupp Automotive Systems de México S.A. de C.V., Puebla, Mexico	MXN	50	100.00	275	100.00% [4]
					314	0.00% [4]
296	ThyssenKrupp Automotive Systems do Brasil Ltda., São Bernardo do Campo, Brazil	BRL	48,181	100.00	275	91.03%
					258	8.97%
297	ThyssenKrupp Automotive Systems UK Ltd., Coventry, Great Britain	GBP	200	100.00	150	
298	ThyssenKrupp Bilstein Brasil Molas e Componentes de Suspensão Ltda., São Paulo, Brazil	BRL	76,090	100.00	281	100.00% [4]
					141	0.00% [4]
299	ThyssenKrupp Bilstein Compa S.A., Sibiu, Rumania	LEU	30,291	73.00	277	72.82%
					279	0.09%
					281	0.09%
300	ThyssenKrupp Bilstein Ibérica, S.L.U., Alonsotegui, Spain	€	8,297	100.00	681	
301	ThyssenKrupp Bilstein of America Inc., San Diego/California, USA	USD	945	100.00	293	
302	ThyssenKrupp Bilstein Sasa S.A. de C.V., San Luis Potosi, Mexico	MXN	457,561	100.00	281	
303	ThyssenKrupp Bilstein Woodhead Ltd., Leeds, Great Britain	GBP	7,610	100.00	150	
304	ThyssenKrupp Drauz Nothelfer NA, Inc., Janisville, WI, USA	USD	150	100.00	701	
305	ThyssenKrupp Krause, Inc., Auburn Hills/Michigan, USA	USD	1	100.00	701	
306	ThyssenKrupp Krause Ltd., Redhill/Surrey, Great Britain	GBP	580	100.00	700	
307	ThyssenKrupp Krause, S.A., Barcelona, Spain	€	60	100.00	681	
308	ThyssenKrupp Krause, S.A. de C.V., Santiago de Querétaro, Mexico	MXN	4,929 [2]	100.00	282	
309	ThyssenKrupp Krause S.A.S., Ensisheim, France	€	458	100.00	695	
310	ThyssenKrupp Krause Sp. z o.o., Sopot, Gdansk, Poland	PLN	18,464	100.00	282	
311	ThyssenKrupp Nothelfer Kft., Kecskemét, Hungary	€	7,527	100.00	140	
312	ThyssenKrupp Presta Aktiengesellschaft, Eschen, Liechtenstein	CHF	15,000	100.00	227	
313	ThyssenKrupp Presta Cold Forging Danville Inc., Wilmington/Delaware, USA	USD	0	100.00	293	
314	ThyssenKrupp Presta de México S.A. de C.V., Puebla, Mexico	MXN	17,316	100.00	275	33.33%
					317	33.33%
					302	33.33%
315	ThyssenKrupp Presta do Brasil Ltda., Curitiba, Brazil	BRL	36,944	100.00	317	79.63%
					258	10.19%
					275	10.19%
316	ThyssenKrupp Presta Fawer (Changchun) Co. Ltd., Changun, PR China	CNY	52,117 [2]	60.00	317	
317	ThyssenKrupp Presta France S.A.S., Florange, France	€	23,660	100.00	695	
318	ThyssenKrupp Presta HuiZhong Shanghai Co., Ltd., Shanghai, PR China	CNY	91,043 [2]	60.00	317	
319	ThyssenKrupp Presta Servicios de México S.A. de C.V., Puebla, Mexico	MXN	50 [2]	100.00	275	33.33%
					302	33.33%
					317	33.33%
320	ThyssenKrupp Presta SteerTec Poland Sp.z o.o., Meseritz, Poland	PLN	3,664	100.00	285	
321	ThyssenKrupp Presta SteerTec USA LLC, Detroit/Michigan, USA	USD	2,500	100.00	293	
322	ThyssenKrupp Presta Terre Haute, LLC, Terre Haute, Indiana, USA	USD	1,500	100.00	293	

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
323	ThyssenKrupp Production Systems Ltda., Diadema-São Paulo, Brazil	BRL	110,959	100.00	140	99.75%
					298	0.25%
324	ThyssenKrupp Sasa Servicios, S.A.de C.V., San Luis Potosi, Mexico	MXN	50	100.00	302	
	Transrapid					
325	ThyssenKrupp Transrapid GmbH, Kassel	€	767	100.00	140	
	ELEVATOR					
	Corporate Elevator					
326	ThyssenKrupp Elevator AG, Duesseldorf	€	100,000	100.00	649	
327	ELEG Europäische Lift + Escalator GmbH, Duesseldorf	€	51	100.00	326	
328	Rheinstahl Union GmbH, Duesseldorf	€	26	100.00	326	
329	ThyssenKrupp Elevator die Vierte GmbH, Duesseldorf	€	25	100.00	326	
330	ThyssenKrupp Elevator (ES/PBB) GmbH, Duesseldorf	€	25	100.00	326	
331	ThyssenKrupp Elevator Research GmbH, Duesseldorf	€	25	100.00	327	
332	ThyssenKrupp Industries and Services Qatar LLC, Doha, Qatar	QAR	2,000	49.00	140	
	Central/Eastern/Northern Europe (CENE)					
333	Christian Hein GmbH, Langenhagen	€	522	100.00	342	
334	GMT Aufzug-Service GmbH, Ettlingen	€	26	100.00	342	
335	GWH Aufzüge GmbH, Himmelstadt	€	26	100.00	342	
336	Haisch Aufzüge GmbH, Gingen/Fils	€	50	100.00	342	
337	Hanseatische Aufzugsbau GmbH, Rostock	€	33	100.00	342	
338	Leichsenring HUS Aufzüge GmbH, Hamburg	€	51	100.00	342	
339	LiftEquip GmbH Elevator Components, Neuhausen a.d.F.	€	25	100.00	342	
340	Liftservice und Montage GmbH, Saarbrücken	€	51	100.00	342	
341	Tepper Aufzüge GmbH, Münster	€	1,535	100.00	342	
342	ThyssenKrupp Aufzüge GmbH, Neuhausen a.d.F.	€	7,100	100.00	326	
343	ThyssenKrupp Aufzüge Nordost GmbH, Berlin	€	1,000	100.00	342	
344	ThyssenKrupp Aufzüge Süd GmbH, Neuhausen a.d.F.	€	1,000	100.00	342	
345	ThyssenKrupp Aufzüge West GmbH, Frankfurt a.M.	€	700	100.00	342	
346	ThyssenKrupp Aufzugswerke GmbH, Neuhausen a.d.F.	€	10,226	99.50	342	
347	ThyssenKrupp Elevator (CENE) GmbH, Essen	€	6,000	100.00	326	
348	Ascenseurs Drieux-Combaluzier S.A.S., Les Lilas, France	€	892	100.00	368	
349	Associated Lift Services Ltd., Nottingham, Great Britain	GBP	202	100.00	371	
350	Bardeck Lift Engineers Ltd., London, Great Britain	GBP	11	100.00	700	
351	Britannic Lift Company Plc., West Yorkshire, Great Britain	GBP	35	100.00	371	
352	Compagnie de Distribution de Telephone (Coditel) S.A.S., Paris, France	€	101	100.00	368	
353	Compagnie des Ascenseurs et Elevateurs S.A.M. 'CASEL SAM', Monaco, Monaco	€	152	92.00	368	
354	D & A Lifts Ltd., Nottingham, Great Britain	GBP	1	100.00	361	
355	DVG d.o.o., Trzin, Slovenia	SIT	25,215	100.00	685	
356	Hammond & Champness Ltd., Nottingham, Great Britain	GBP	500	100.00	371	
357	HK Services A/S, Bergen, Norway	NOK	351	100.00	372	
358	MGTI SNEV S.A.S., Saint Jeannet, France	€	526	100.00	368	
359	Mulder Liftservice B.V., Nuth, Netherlands	€	18	100.00	376	
360	OOO ThyssenKrupp Elevator, Moscow, Russia	RUB	14,344	100.00	347	
361	Parklands Group Ltd., Nottingham, Great Britain	GBP	63	100.00	371	
362	Proxi-Line E.U.R.L., Angers, France	€	77	100.00	366	
363	Sanne Spesialheiser A/S, Alesund, Norway	NOK	150	100.00	372	
364	Scott Fabrications Ltd., Nottingham, Great Britain	GBP	0	100.00	361	
365	Thyssen Modernisation Ltd., Nottingham, Great Britain	GBP	486	100.00	371	
366	ThyssenKrupp Ascenseurs Holding S.A.S., Saint Denis-la-Plaine Cedex, France	€	34,433	100.00	695	
367	ThyssenKrupp Ascenseurs Luxembourg S.a.r.l., Luxembourg, Luxembourg	€	13,396	100.00	347	

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
368	ThyssenKrupp Ascenseurs S.A.S., Angers, France	€	8,117	100.00	366	
369	ThyssenKrupp Aufzüge AG, Rümlang, Switzerland	CHF	1,165	100.00	347	85.84%
					368	14.16%
370	ThyssenKrupp Aufzüge Gesellschaft m.b.H., Vienna, Austria	€	370	100.00	685	
371	ThyssenKrupp Aufzüge Ltd., Nottingham, Great Britain	GBP	20,990	100.00	696	
372	ThyssenKrupp Aufzüge Norge A/S, Oslo, Norway	NOK	5,200	100.00	347	
373	ThyssenKrupp Aufzugswerk Austria GmbH, Gratkorn, Austria	€	35	100.00	370	
374	ThyssenKrupp Elevator A/S, Oslo, Norway	NOK	100	100.00	372	
375	ThyssenKrupp Elevator A/S, Glostrup, Denmark	DKK	512	100.00	347	
376	ThyssenKrupp Elevator B.V., Krimpen aan den IJssel, Netherlands	€	4,977	100.00	699	
377	ThyssenKrupp Elevator Finland Oy, Helsinki, Finland	€	42	100.00	342	
378	ThyssenKrupp Elevator Ireland, Ltd., Dublin, Ireland	€	63	100.00	371	
379	ThyssenKrupp Elevator Lithuania UAB, Vilnius, Lithuania	LTL	691 [2]	100.00	685	
380	ThyssenKrupp Elevator Manufacturing France S.A.S., Angers, France	€	4,602	100.00	368	
381	ThyssenKrupp Elevator Sp. z o.o., Warsaw, Poland	PLN	10,000	100.00	347	
382	ThyssenKrupp Elevator Sverige AB, Stockholm, Sweden	SEK	8,542	100.00	347	
383	ThyssenKrupp Elevator UK Ltd., Nottingham, Great Britain	GBP	2,300	100.00	371	
384	ThyssenKrupp Koncar dizala d.o.o., Zagreb, Croatia	HRK	14,948	100.00	347	
385	ThyssenKrupp Lift Kft, Budapest, Hungary	HUF	101,480	100.00	370	99.90%
					327	0.10%
386	ThyssenKrupp Liften Ascenseurs S.A., Brussels, Belgium	€	2,480	100.00	342	99.96%
					485	0.03%
					326	0.01%
387	ThyssenKrupp Liften B.V., Krimpen aan den IJssel, Netherlands	€	1,875	100.00	376	
388	ThyssenKrupp Rulletrapper A/S, Oslo, Norway	NOK	100	100.00	372	
389	ThyssenKrupp Vytahy s.r.o., Prague, Czech Republic	CZK	11,200	100.00	347	
390	ThyssenKrupp Vytahy s.r.o., Bratislava, Slovakia	SKK	8,000 [2]	100.00	370	
391	Trapo Küng AG, Basel, Switzerland	CHF	500	100.00	369	
	Southern Europe/Africa/Middle East (SEAME)					
392	ASEL Ascensores S.L., Madrid, Spain	€	7	100.00	415	
393	C.A.F. Assistência a Elevadores, S.A., Queluz, Portugal	€	150	5.50	407	
394	Colla Ascensori S.r.L, Casale Monferato, Italy	€	100	100.00	395	
395	Cont Ascensori S.r.l., Alessandria, Italy	€	72	100.00	411	
396	Lariana Ascensori S.r.L., Como, Italy	€	12 [2]	100.00	411	
397	Marco Bonfedi Ascensori Scale Mobili S.r.l., Milan, Italy	€	50	100.00	411	
398	Massida Ascensori S.r.l., Cagliari, Italy	€	10 [2]	70.00	411	
399	Sabia S.r.l., Modena, Italy	€	15 [2]	100.00	411	
400	S.C. ThyssenKrupp Elevator, S.R.L., Bucharest, Rumania	RON	0 [2]	100.00	415	95.00%
					406	5.00%
401	Scam Ascensori S.r.l., Mestre, Venezia, Italy	€	16 [2]	100.00	411	
402	SIAR S.r.l., Rome, Italy	€	47 [2]	100.00	411	
403	Thyssen Technik Arabia Ltd., Riyadh, Saudi Arabia	SAR	2,000	100.00	342	90.00%
					328	10.00%
404	ThyssenKrupp Asansör Sanayi ve Tic. A.S., Istanbul, Turkey	TRL	943,271,000	75.50	342	51.00%
					326	24.50%
405	ThyssenKrupp Assanbar PJSC (Private Joint Stock Company), Mashhad, Iran	IRR	8,702,400	51.00	326	46.00%
					415	5.00%
406	ThyssenKrupp Eletec Internacional S.A., Madrid, Spain	€	31,366	100.00	681	74.01%
					408	25.99%
407	ThyssenKrupp Elevadores, S.A., Lisbon, Portugal	€	3,586	100.00	415	

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
408	ThyssenKrupp Elevadores, S.L., Madrid, Spain	€	4,942	100.00	415	77.81%
					649	22.19%
409	ThyssenKrupp Elevator Egypt Ltd., Cairo, Egypt	EGP	2,400	100.00	326	
410	ThyssenKrupp Elevator Israel LP, Rishon Le'zion, Israel	ILS		100.00	327	49.90%
					415	49.90%
					776	0.20%
411	ThyssenKrupp Elevator Italia S.p.A., Milan, Italy	€	490	100.00	697	98.00%
					326	2.00%
412	ThyssenKrupp Elevator Jordan Ltd. Co., Amman, Jordan	JOD	1,569	100.00	326	
413	ThyssenKrupp Elevator Manufacturing Spain S.L., Andoain, Spain	€	281	100.00	408	87.02%
					681	12.98%
414	ThyssenKrupp Elevator (South Africa) (Pty.) Ltd., Johannesburg, Republic South Africa	ZAR	111	100.00	326	
415	ThyssenKrupp Elevator Southern Europe, Africa & Middle East, S.L.U., Madrid, Spain	€	115,216	100.00	681	
416	ThyssenKrupp Elevator (U.A.E.) Ltd., Dubai, United Arab Emirates	AED	300	100.00	326	
417	ThyssenKrupp K & M Elevators and Escalators A.E., Athens, Greece	€	240	100.00	326	51.00%
					415	49.00%
418	ThyssenKrupp Kazlift LLP, Almaty, Kazakhstan	KZT	15,900	100.00	415	
419	2G S.r.l., Messina, Italy	€	47 [2]	100.00	411	
	Americas (AMS)					
420	Computerized Elevator Control Corp., New York, USA	USD	8	100.00	435	
421	Mainco Elevator & Electrical Corp., New York, USA	USD	5,005	100.00	435	
422	New York Elevator & Electrical Corporation, New York, USA	USD	6,252	100.00	438	
423	Ontario Ltd., Mississauga/Ontario, Canada	CAD	0	84.00	441	
424	ThyssenKrupp Elevadores, C.A., Caracas, Venezuela	VEB	1,498,525	100.00	406	
425	ThyssenKrupp Elevadores, S.A., Guatemala, Guatemala	GTQ	6,798 [2]	100.00	406	90.00%
					428	10.00%
426	ThyssenKrupp Elevadores, S.A., São Paulo, Brazil	BRL	259,607	99.81	406	
427	ThyssenKrupp Elevadores S.A., Santiago de Chile-Nunoa, Chile	CLP	2,289,533	100.00	406	98.84%
					428	1.16%
428	ThyssenKrupp Elevadores S.A., Buenos Aires, Argentina	ARS	10,328 [2]	100.00	406	95.00%
					427	5.00%
429	ThyssenKrupp Elevadores S.A., Lima, Peru	PEN	8,347 [2]	100.00	406	99.29%
					428	0.71%
430	ThyssenKrupp Elevadores S.A., Bogota, Colombia	COP	5,657,905 [2]	100.00	406	94.00%
					425	1.50%
					427	1.50%
					428	1.50%
					429	1.50%
431	ThyssenKrupp Elevadores S.A., Panama, Panama	USD	867 [2]	100.00	406	
432	ThyssenKrupp Elevadores, S.A. de C.V., Mexico City, Mexico	MXN	58,854	100.00	406	99.90%
					428	0.10%
433	ThyssenKrupp Elevadores, S.R.L., Montevideo, Uruguay	UYU	550	100.00	406	95.00%
					428	5.00%
434	ThyssenKrupp Elevadores, S.R.L., Asunción, Paraguay	PYG	10,000 [2]	100.00	406	99.90%
					428	0.10%
435	ThyssenKrupp Elevator Americas Corp., Delaware, USA	USD	0	100.00	701	
436	ThyssenKrupp Elevator Canada Ltd., Toronto, Canada	CAD	266	100.00	441	
437	ThyssenKrupp Elevator Capital Corp., Delaware, USA	USD	302,250	100.00	438	
438	ThyssenKrupp Elevator Corp., Delaware, USA	USD	26,261	100.00	435	
439	ThyssenKrupp Elevator Inc., San Juan, Puerto Rico	USD	1	100.00	438	

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

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440	ThyssenKrupp Elevator Manufacturing Inc., Collierville/Tennessee, USA	USD	1	100.00	438	
441	ThyssenKrupp Northern Elevator Ltd., Scarborough/Ontario, Canada	CAD	100 [3]	100.00	690	
	Asia/Pacific (AP)					
442	Hang Pak Engineering Ltd., Hong Kong, PR China	HKD	306	100.00	326	
443	PT. ThyssenKrupp Elevator Indonesia, Jakarta, Indonesia	IDR	4,486,250	100.00	326	
444	Sun Rhine Enterprises Ltd., Taipei, Taiwan	TWD	138,075	100.00	326	
445	Thyssen Elevators Co., Ltd., Zhongshan, PR China	CNY	152,086 [2]	100.00	326	
446	ThyssenKrupp Dongyang Elevator Co., Ltd., Seoul, Korea, Republic	KRW	873,220	75.00	326	
447	ThyssenKrupp Elevator & Escalator (Shanghai) Co.Ltd., Shanghai, PR China	USD	500 [2]	100.00	691	
448	ThyssenKrupp Elevator Asia Pacific Ltd., Hong Kong, PR China	HKD	58,000	100.00	326	
449	ThyssenKrupp Elevator Australia Pty. Ltd., Sydney, Australia	AUD	1	100.00	461	
450	ThyssenKrupp Elevator (HK) Ltd., Hong Kong, PR China	HKD	129,970	100.00	326	
451	ThyssenKrupp Elevator (India) Pvt. Ltd., New Delhi, India	INR	681,620	100.00	326	100.00% [4]
					327	0.00% [4]
452	ThyssenKrupp Elevator Installation and Maintenance (China) Co. Ltd., Guanzhou, PR China	USD	6,500 [2]	100.00	691	
453	ThyssenKrupp Elevator Japan Ltd., Tokyo, Japan	JPY	47,000	100.00	326	
454	ThyssenKrupp Elevator Malaysia Sdn. Bhd., Selangor, Malaysia	MYR	500	100.00	326	
455	ThyssenKrupp Elevator New Zealand Pty. Ltd., Auckland, New Zealand	NZD	1	100.00	449	
456	ThyssenKrupp Elevator Queensland Pty. Ltd., Melbourne, Australia	AUD	1	100.00	461	
457	ThyssenKrupp Elevator (Singapore) Pte.Ltd., Singapore, Singapore	SGD	4,800	100.00	326	
458	ThyssenKrupp Elevator (Thailand) Co., Ltd., Bangkok, Thailand	THB	155,776	100.00	326	
459	ThyssenKrupp Elevator Vietnam Co. Ltd., Hanoi, Vietnam	USD	100	100.00	326	
460	ThyssenKrupp Elevators (Shanghai) Co., Ltd., Shanghai, PR China	USD	6,500 [2]	100.00	691	
461	ThyssenKrupp Lifts Pacific Pty. Ltd., Surry Hills, Australia	AUD	10,800	100.00	326	
462	Won Co. Ltd.., Chonan, Korea, Republic	KRW	2,250,000 [3]	100.00	446	
	Escalators/Passenger Boarding Bridges (ES/PBB)					
463	ThyssenKrupp Fahrtreppen GmbH, Hamburg	€	1,311	100.00	342	
464	AVIOTEAM Servizio e Manutenzioni S.r.l., Rome, Italy	€	52 [2]	65.00	465	
465	ThyssenKrupp Airport Services S.L., Mieres / Asturias, Spain	€	150 [2]	100.00	468	
466	ThyssenKrupp Airport Systems Co. (Zhongshan) Ltd., Guangdong, PR China	USD	2,550	100.00	691	
467	ThyssenKrupp Airport Systems Inc., Fort Worth/Texas, USA	USD	3,510	100.00	701	
468	ThyssenKrupp Airport Systems, S.A., Mieres/Oviedo, Spain	€	1,743	100.00	408	100.00% [4]
					472	0.00% [4]
469	ThyssenKrupp Elevator (ES/PBB) Ltd., Staines, Great Britain	GBP	4,135	100.00	700	
470	ThyssenKrupp Elevator Innovation Center, S.A., Mieres/Oviedo, Spain	€	902	100.00	472	
471	ThyssenKrupp Escalator Co. China Ltd., Guangdong, PR China	USD	14,800 [2]	100.00	691	
472	ThyssenKrupp Norte S.A., Mieres/Oviedo, Spain	€	4,147	100.00	681	66.30%
					408	33.70%
	Accessibility (ACC)					
473	ThyssenKrupp Accessibility Holding GmbH, Essen	€	25	100.00	326	
474	ThyssenKrupp Treppenlifte GmbH, Neuss	€	32	100.00	326	
475	ThyssenKrupp Accesibilidad S.L., Madrid, Spain	€	3	100.00	681	
476	ThyssenKrupp Access China, China - Shanghai, PR China	USD	500	100.00	691	
477	ThyssenKrupp Access Corp., Kansas City/Missouri, USA	USD	0 [3]	100.00	701	
478	ThyssenKrupp Access Ltd., Stockton-on-Tees, Great Britain	GBP	100	100.00	696	
479	ThyssenKrupp Access Manufacturing, LLC, Delaware, USA	USD	2,500	100.00	477	
480	ThyssenKrupp Accessibility B.V., Krimpen aan den Ijssel, Netherlands	€	1,270	100.00	376	
481	ThyssenKrupp Acessibilidades, Unipessoal, Lda., Sintra, Portugal	€	5	100.00	326	
482	ThyssenKrupp Ceteco S.r.l., Pisa, Italy	€	500	100.00	411	

[1] in accordance with IFRS regulations [2] fiscal year not 09/30 [3] incl. paid-in capital [4] Splinter investment as of fourth digit behind decimal point

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
483	ThyssenKrupp Monolift AB, Järfälla, Sweden	SEK	100	100.00	376	
484	ThyssenKrupp Monolift AS, Oslo, Norway	NOK	110	100.00	372	
485	ThyssenKrupp Monolift N.V., Gent, Belgium	€	450	100.00	376	
486	ThyssenKrupp Monolift S.A.S., Gennevilliers, France	€	40	100.00	366	
487	ThyssenKrupp Monoliften B.V., Krimpen aan den Ijssel, Netherlands	€	97	100.00	376	
	SERVICES					
	Corporate					
488	ThyssenKrupp Services AG, Duesseldorf	€	283,383	99.84	649	
489	Krupp Hoesch Stahlhandel Bayern GmbH, Duesseldorf	€	26	100.00	488	
490	Krupp Hoesch Stahlhandel GmbH, Berlin	€	26	100.00	488	
491	Thyssen Financial Services B.V., 's-Gravendeel, Netherlands	€	3,857	100.00	585	
	Materials Services International					
492	Cadillac Plastic GmbH, Duesseldorf	€	1,534	100.00	513	
493	Dortmunder Eisenhandel Hansa GmbH, Dortmund	€	34	100.00	488	94.01%
					663	5.99%
494	Dr. Mertens Edelstahlhandel GmbH, Offenbach	€	1,023	100.00	507	
495	Eisen und Metall GmbH, Stuttgart	€	1,023	51.00	488	
496	Eisenmetall Handelsgesellschaft mbH, Gelsenkirchen	€	26	100.00	488	
497	Erich Weit GmbH, Munich	€	356	100.00	505	
498	Freiburger Stahlhandel Beteiligungs-GmbH, Freiburg i.Br.	€	26	51.00	488	
499	Freiburger Stahlhandel GmbH & Co. KG, Freiburg i.Br.	€	2,199	51.00	488	
500	Hövelmann & Co. Eisengroßhandlung GmbH, Gelsenkirchen	€	256	100.00	488	
501	Jacob Bek GmbH, Ulm	€	2,807	79.96	488	
502	König Kunststoffe GmbH, Duesseldorf	€	1,023	100.00	513	
503	Max Cochius GmbH, Berlin	€	920	75.00	488	
504	Metall Service Partner GmbH, Gelsenkirchen	€	3,420	100.00	488	94.00%
					663	6.00%
505	Otto Wolff Handelsgesellschaft mbH, Duesseldorf	€	15,400	99.50	488	
506	Otto Wolff Kunststoffvertrieb GmbH, Duesseldorf	€	6,136	100.00	513	
507	SBS Brenn- und Schneidbetrieb Rinteln GmbH, Rinteln	€	75	100.00	488	
508	Thyssen Duro Metall GmbH, Kornwestheim	€	500	51.00	488	
509	Thyssen Schulte Werkstoffhandel GmbH, Duesseldorf	€	10,226	99.50	488	
510	ThyssenKrupp Materials International GmbH, Duesseldorf	€	1,534	100.00	488	94.00%
					649	6.00%
511	ThyssenKrupp Metallcenter GmbH, Karlsruhe	€	2,557	100.00	488	
512	ThyssenKrupp Nutzeisen GmbH, Duesseldorf	€	500	100.00	585	
513	ThyssenKrupp Röhm Kunststoffe GmbH, Duesseldorf	€	5,113	65.45	488	
514	ThyssenKrupp Schulte GmbH, Duesseldorf	€	26	100.00	488	
515	ThyssenKrupp Services Immobilien GmbH, Duesseldorf	€	50	100.00	488	
516	ThyssenKrupp Stahlkontor GmbH, Duesseldorf	€	600	99.96	488	
517	Alfaplast AG, Steinhausen, Switzerland	CHF	250	100.00	560	
518	Carolina Building Materials Inc., Carolina, Puerto Rico	USD	450	100.00	505	
519	Cimex-Nor S.A., San Sebastian, Spain	€	618	74.00	488	
520	FERROGLAS Glasbautechnik Gesellschaft m.b.H., Hörsching, Austria	€	218	70.00	604	
521	Indu-Light AG, Beromünster/Luzern, Switzerland	CHF	150	53.33	525	
522	Interlux Hirsch Gesellschaft m.b.H., Vienna, Austria	€	182	100.00	530	
523	Laser Works N.V., Merelbeke, Belgium	€	75	100.00	538	
524	Locatelli Aciers S.A.S., Oyonnax, France	€	142	100.00	546	
525	Neomat AG, Beromünster/Luzern, Switzerland	CHF	200	100.00	560	
526	Notz Plastics AG, Biel/Bienne, Switzerland	CHF	1,000	100.00	560	

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
527	OOO ThyssenKrupp Materials, Moscow, Russia	RUB	328,369	88.78	488	
528	PALMETAL Controlo e Armazenagem S.A., Palmela, Portugal	€	1,000	90.00	519	
529	RIAS A/S, Roskilde, Denmark	DKK	23,063	54.15	513	
530	Röhm Austria G.m.b.H., Vienna, Austria	€	727	100.00	513	82.30%
					604	17.70%
531	Röhm Italia S.r.l., Garbagnate Milanese, Italy	€	100	100.00	513	
532	Steba AG, Pfäffikon, Switzerland	CHF	500	100.00	525	
533	STEBA Direktverkauf Kunststoffe + Plexiglas GmbH, Hunzenschwil, Switzerland	CHF	20	100.00	532	
534	Stokvis Plastics B.V., Roosendaal, Netherlands	€	500	100.00	513	
535	Thyssen Trading S.A., São Paulo, Brazil	BRL	19,738 [2]	100.00	488	
536	ThyssenKrupp Autômata Industria de Peças Ltda., São Paulo, Brazil	BRL	335 [2]	80.00	561	
537	ThyssenKrupp Cadillac Plastic SAS, Mitry-Mory, France	€	1,053	100.00	513	
538	ThyssenKrupp Christon N.V., Lokeren, Belgium	€	7,033	100.00	545	53.50%
					509	46.50%
539	ThyssenKrupp Energostal S.A., Torun, Poland	PLN	15,000	84.00	488	
540	ThyssenKrupp Ferroglobus Kereskedelmi ZRt, Budapest, Hungary	HUF	3,244,000	100.00	488	
541	ThyssenKrupp Ferroglobus S.R.L., Timisoara, Rumania	RON	28 [2]	100.00	540	
542	ThyssenKrupp Ferrosta spol. s.r.o., Prague, Czech Republic	CZK	200	90.00	488	
543	ThyssenKrupp Fortinox S.A., Buenos Aires, Argentina	USD	2,100	80.00	488	
544	ThyssenKrupp Materials Austria GmbH, Vienna, Austria	€	2,455	100.00	685	
545	ThyssenKrupp Materials Belgium N.V./S.A., Lokeren, Belgium	€	1,200	100.00	699	85.87%
					509	14.13%
546	ThyssenKrupp Materials France S.A.S., Maurepas, France	€	21,033	100.00	695	
547	ThyssenKrupp Materials Ibérica S.A., Martorelles, Spain	€	3,000	100.00	681	
548	ThyssenKrupp Materials Middle East FZE, Jebel Ali, United Arab Emirates	AED	3,000	100.00	488	
549	ThyssenKrupp Materials Nederland B.V., Veghel, Netherlands	€	9,076	100.00	699	
550	ThyssenKrupp Materials Switzerland AG, Bronschhofen, Switzerland	CHF	4,600	100.00	488	
551	ThyssenKrupp Materials (Shanghai) Co., Ltd., Shanghai, PR China	CNY	23,000	70.00	488	
552	ThyssenKrupp Materials Sverige AB, Göteborg, Sweden	SEK	23,080	100.00	488	
553	ThyssenKrupp Materials (Thailand) Co., Ltd., Bangkok, Thailand	THB	110,000	70.00	488	
554	ThyssenKrupp Materials (UK) Ltd., Smethwick, Great Britain	GBP	12,032	100.00	700	
555	ThyssenKrupp Materials Vietnam LLC, Hanoi, Vietnam	USD	1,000	80.00	488	
556	ThyssenKrupp Metals Company Ltd., Seoul, Korea, Republic	KRW	2,250,000 [3]	60.00	488	
557	ThyssenKrupp Otto Wolff N.V./S.A, Mechelen, Belgium	€	711	100.00	513	
558	ThyssenKrupp Plastic Ibérica SL, Massalfassar (Valencia), Spain	€	3,000	100.00	513	
559	ThyssenKrupp Portugal - Aços e Serviços, Lda., Carregado, Portugal	€	1,150	100.00	488	
560	ThyssenKrupp Röhm B.V., Nijkerk, Netherlands	€	4,500	100.00	513	
561	ThyssenKrupp Serviços do Brasil Ltda., São Paulo, Brazil	BRL	84,363 [2]	100.00	488	
562	ThyssenKrupp Stahlunion Polska Sp. z o.o., Katowitz, Poland	PLN	100	100.00	505	
563	ThyssenKrupp-Jupiter Stomana OOD, Sofia, Bulgaria	BGN	500	80.00	488	
	Materials Services NA					
564	Summit Personnel Services (2002), Inc., Windsor/Ontario, Canada	CAD	0	100.00	565	
565	ThyssenKrupp Industrial Services Canada, Inc., Windsor/Ontario, Canada	CAD	0	100.00	690	
566	ThyssenKrupp Industrial Services NA, Inc., Southfield/Michigan, USA	USD	25	100.00	701	
567	ThyssenKrupp Logistics, Inc., Wilmington/Delaware, USA	USD	1	100.00	570	
568	ThyssenKrupp Materials, LLC, Southfield/Michigan, USA	USD	1	100.00	570	
569	ThyssenKrupp Materials CA Ltd., Concord / Ontario, Canada	CAD	14,778	100.00	570	
570	ThyssenKrupp Materials NA, Inc., Southfield/Michigan, USA	USD	2 [3]	100.00	701	
571	ThyssenKrupp OnlineMetals, LLC, Southfield/Michigan, USA	USD	1,600	100.00	570	
572	ThyssenKrupp Securitization Corp., Southfield/Michigan, USA	USD	0	100.00	701	
573	TKB, Inc., Southfield/Michigan, USA	USD	2,000	100.00	570	

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FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
	Industrial Services					
574	Deutsche Gesellschaft für Verkehrsmittelwartung Pura mbH, Cologne	€	280	100.00	585	
575	DSU Beteiligungs-Gesellschaft für Dienstleistungen und Umwelttechnik mbH, Duisburg	€	30	50.00	585	
576	DSU Gesellschaft für Dienstleistungen und Umwelttechnik mbH & Co. KG, Duisburg	€	11,500	50.00	585	
577	GVD Gesellschaft für Verpackungstechnik und Dienstleistungen mbH, Duisburg	€	250	100.00	585	
578	Nickel GmbH, Dillenburg	€	67	100.00	585	
579	Peiniger International GmbH, Gelsenkirchen	€	1,023	100.00	643	
580	Siegfried Schlüssler Feuerungsbau GmbH, Lüneburg	€	135	74.00	588	
581	Thyssen Altwert Umweltservice GmbH, Duesseldorf	€	6,740	100.00	667	
582	ThyssenKrupp Anlagenservice GmbH, Oberhausen	€	4,536	100.00	488	94.71%
					663	5.29%
583	ThyssenKrupp GfT Gleistechnik GmbH, Essen	€	1,000	100.00	629	
584	ThyssenKrupp Industrieservice GmbH, Cologne	€	15,200	100.00	585	
585	ThyssenKrupp Industrieservice Holding GmbH, Duesseldorf	€	50,000	100.00	488	94.90%
					663	5.10%
586	ThyssenKrupp Rema GmbH, Oberhausen	€	50	100.00	585	
587	ThyssenKrupp Sicherheitsdienstleistungen GmbH, Cologne	€	102	100.00	585	
588	ThyssenKrupp Xervon Energy GmbH, Duisburg	€	1,300	100.00	589	
589	ThyssenKrupp Xervon GmbH, Gelsenkirchen	€	12,000	100.00	643	
590	ThyssenKrupp Xervon Utilities GmbH, Duesseldorf	€	25	100.00	589	
591	DSU - Romania S.r.l., Bucharest, Rumania	RON	6,968	100.00	575	
592	Palmers Ltd., Hampshire, Great Britain	GBP	0	100.00	700	
593	RIP Comércio S.A., São Paolo, Brazil	BRL	619 [2]	51.00	561	
594	RIP Serviços Industriais S.A., São Paulo, Brazil	BRL	20,647 [2]	51.00	561	
595	Rosendaal Services N.V., Kapellen, Belgium	€	125	100.00	589	97.00%
					579	3.00%
596	Sumatec/ Astel-Peiniger (M) Joint Venture, Selangor Darul Ehsan, Malaysia	MYR		56.00	609	
597	ThyssenKrupp Industrial Services, a.s., Prague, Czech Republic	CZK	1,000	51.00	585	
598	ThyssenKrupp Industrieservice (Switzerland) AG i.L., Rüdlingen, Switzerland	CHF	100	100.00	641	
599	ThyssenKrupp Safway, Inc., Wilmington/Delaware, USA	USD	1 [3]	100.00	570	
600	ThyssenKrupp Safway, Inc., Fort Saskatchewan/Alberta, Canada	CAD	2	100.00	599	
601	ThyssenKrupp Services Industriels S.A.S., Creutzwald, France	€	316	100.00	695	
602	ThyssenKrupp Services Ltd., Birmingham, Great Britain	GBP	125	100.00	603	
603	ThyssenKrupp Services (UK) Ltd., Birmingham, Great Britain	GBP	656	100.00	700	
604	ThyssenKrupp Xervon Austria GmbH, Vienna, Austria	€	1,453	100.00	685	
605	ThyssenKrupp Xervon Co. Ltd., Shanghai, PR China	CNY	5,805 [2]	100.00	589	
606	ThyssenKrupp Xervon Corp. Sdn. Bhd., Kuala Lumpur, Malaysia	MYR	500	49.00	609	
607	ThyssenKrupp Xervon Egypt SAE, Cairo, Egypt	EGP	6,750	100.00	608	
608	ThyssenKrupp Xervon Gulf LLC, Sharjah, United Arab Emirates	AED	500	100.00	589	
609	ThyssenKrupp Xervon Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	MYR	2,650 [2]	100.00	589	
610	ThyssenKrupp Xervon Norway AS, Oslo, Norway	NOK	20,000	100.00	589	
611	ThyssenKrupp Xervon Polska Sp. z o.o., Warsaw, Poland	PLN	7,150	100.00	589	
612	ThyssenKrupp Xervon S.A., Taragona, Spain	€	598	100.00	681	
613	ThyssenKrupp Xervon Sweden AB, Stockholm, Sweden	SEK	1,200	100.00	643	
614	ThyssenKrupp Xervon U.A.E. - L.L.C. For Industrial Services, Abu Dhabi, United Arab Emirates	AED	2,000	100.00	608	
615	TTI Service s.r.o., Nymburk, Czech Republic	CZK	1,000	51.00	585	
	Special Products					
616	Aloverzee Handelsgesellschaft mbH, Duesseldorf	€	26	100.00	488	
617	Thyssen Rheinstahl Technik GmbH, Duesseldorf	€	8,948	100.00	488	74.80%
					649	25.20%

[1] in accordance with IFRS regulations [2] fiscal year not 09/30 [3] incl. paid-in capital [4] Splinter investment as of fourth digit behind decimal point

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
618	Thyssen Rheinstahl Technik Projektgesellschaft mbH, Duesseldorf	€	10,000	100.00	488	
619	ThyssenKrupp AT.PRO tec GmbH, Essen	€	42	61.19	628	
620	ThyssenKrupp Bauservice GmbH, Hückelhoven	€	2,557	100.00	629	94.90%
					649	5.10%
621	ThyssenKrupp Coferal GmbH, Essen	€	25	100.00	628	
622	ThyssenKrupp Energievertriebs GmbH, Essen	€	5,113	100.00	629	
623	ThyssenKrupp GfT Bautechnik GmbH, Essen	€	500	70.00	629	
624	ThyssenKrupp GfT Tiefbautechnik GmbH, Essen	€	26	100.00	623	
625	ThyssenKrupp Langschienen GmbH, Essen	€	1,000	100.00	583	
626	ThyssenKrupp Mannex GmbH, Duesseldorf	€	10,000	100.00	488	
627	ThyssenKrupp Metallurgie GmbH, Essen	€	7,107	100.00	629	64.86%
					585	35.14%
628	ThyssenKrupp MinEnergy GmbH, Essen	€	1,023	100.00	629	
629	ThyssenKrupp RST Rohstoffe und Technik GmbH, Essen	€	10,900	100.00	488	
630	B.V.`Nedeximpo` Nederlandse Export- en Importmaatschappij, Amsterdam, Netherlands	€	1,362	100.00	549	
631	Thyssen Sudamerica N.V., Willemstad, Netherlands Antilles	USD	5,463	100.00	549	
632	ThyssenKrupp GfT Polska Sp. z o.o., Crakow, Poland	PLN	9,638	100.00	583	
633	ThyssenKrupp Mannex Asia Pte. Ltd., Singapore, Singapore	USD	154	100.00	626	
634	ThyssenKrupp Mannex Pty. Ltd., Sydney, Australia	AUD	213	100.00	488	
635	ThyssenKrupp Mannex UK Ltd., Woking, Great Britain	GBP	2,175	100.00	700	
636	ThyssenKrupp MinEnergy (Tianjin) Co., Ltd., Tianjin, PR China	USD	200	100.00	628	
637	ThyssenKrupp-Dopravné Stavby Slovensko s.r.o., Bratislava, Slovakia	SKK	1,000 [2]	51.00	583	
638	TOO ThyssenKrupp - Imstalcon COO, Aktau, Kazakhstan	KZT	8,250 [2]	51.00	623	
639	UAB ThyssenKrupp Baltija, Klaipeda, Lithuania	LTL	10 [2]	51.00	623	
	Terminated Businesses					
640	Health Care Solutions GmbH, Duesseldorf	€	4,173	100.00	645	
641	ThyssenKrupp Facilities Services GmbH, Duesseldorf	€	1,816	100.00	488	94.90%
					649	5.10%
642	ThyssenKrupp Information Services GmbH, Duesseldorf	€	41,600	100.00	663	
643	ThyssenKrupp Systems & Services GmbH, Duesseldorf	€	59,310	100.00	488	94.90%
					649	5.10%
644	Vermögensverwaltungsgesellschaft KWT mbH, Grünwald	€	1,278	100.00	641	
645	Vermögensverwaltungsgesellschaft TIS mbH, Grünwald	€	513	100.00	642	
646	Vermögensverwaltungsgesellschaft Xtend mbH, Grünwald	€	10,516	100.00	488	
647	Xtend new media Holding GmbH, Duesseldorf	€	100	100.00	642	
648	Safway Formwork Systems L.L.C, Wilmington/Delaware, USA	USD	25,698 [3]	100.00	599	
	CORPORATE					
	Corporate Headquarters					
649	ThyssenKrupp AG, Duisburg und Essen	€	1,317,092	100.00		
650	Banter See Vermögensverwaltung GmbH, Duesseldorf	€	486	100.00	667	
651	Blohm + Voss Holding GmbH, Hamburg	€	48,573	100.00	649	
652	Bucketwheel Engineering GmbH, Essen	€	26	100.00	142	
653	CCI Crane Cooperation International Handelsgesellschaft mbH, Ludwigsfelde	€	1,534	100.00	649	
654	GLH GmbH, Essen	DEM	30,000	100.00	680	
655	Hoesch AG, Duesseldorf	€	50	100.00	649	
656	Konsortium für Kurssicherung GbR, Duesseldorf	€	62,892	97.84	1	44.03%
					96	18.63%
					649	17.26%
					140	11.71%
					488	5.57%
					326	0.64%

[1] in accordance with IFRS regulations [2] fiscal year not 09/30 [3] incl. paid-in capital [4] Splinter investment as of fourth digit behind decimal point

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
657	Krupp Entwicklungszentrum GmbH, Essen	€	1,534	100.00	706	
658	Krupp Hoesch Handel GmbH, Duesseldorf	€	52	100.00	649	
659	Krupp Industrietechnik GmbH, Essen	€	51,129	100.00	663	94.90%
					649	5.10%
660	Krupp Informatik GmbH, Duesseldorf	€	51	100.00	142	
661	MONTAN GmbH Assekuranz-Makler, Duesseldorf	€	184	53.11	671	
662	Reisebüro Dr. Tigges GmbH, Essen	€	300	76.00	488	
663	Thyssen Stahl GmbH, Duesseldorf	€	935,147	100.00	649	82.64%
					706	17.36%
664	ThyssenKrupp Academy GmbH, Duesseldorf	€	25	100.00	649	
665	ThyssenKrupp AdMin GmbH, Duesseldorf	€	25	100.00	667	
666	ThyssenKrupp DeliCate GmbH, Duesseldorf	€	26	100.00	667	
667	ThyssenKrupp Dienstleistungen GmbH, Duesseldorf	€	15,500	100.00	649	
668	ThyssenKrupp Erste Beteiligungsgesellschaft mbH, Duesseldorf	€	25	100.00	663	
669	ThyssenKrupp Materials Zweite Beteiligungsgesellschaft mbH, Duesseldorf	€	25	100.00	649	
670	ThyssenKrupp Reinsurance AG, Essen	€	3,000	100.00	671	
671	ThyssenKrupp Risk and Insurance Services GmbH, Essen	€	3,000	100.00	649	
672	ThyssenKrupp Steel Beteiligungen GmbH, Duesseldorf	€	446,436	100.00	663	94.90%
					649	5.10%
673	ThyssenKrupp TKW Verwaltungs GmbH, Bochum	€	512	100.00	667	
674	ThyssenKrupp Zweite Beteiligungsgesellschaft mbH, Duesseldorf	€	25	100.00	663	
675	Vermögensverwaltungsgesellschaft EZM mbH, Grünwald	€	4,142	100.00	672	
676	Vermögensverwaltungsgesellschaft KSH mbH, Grünwald bei Munich	€	5,113	100.00	649	
677	Waggonbau Brüninghaus Verwaltungsgesellschaft mbH, Duesseldorf	€	5,216	100.00	649	
678	Budcan Holdings Inc., Kitchener/Ontario, Canada	CAD	0	100.00	689	
679	GD Amalgamations Inc., Hamilton/Ontario, Canada	CAD	0	100.00	678	
680	GLH, LLC, Fond du Lac/Wisconsin, USA	USD	108,993	100.00	701	
681	Grupo ThyssenKrupp S.L., Madrid, Spain	€	16,156	100.00	649	
682	Krupp Automotive Investments of America Inc., Troy/Michigan, USA	USD	1	100.00	689	
683	Thyssen Acquisition Corp., Dover/Delaware, USA	USD	257,214 [3]	100.00	701	
684	Thyssen Stahlunion Holdings Ltd., Smethwick, Great Britain	GBP	16,114	100.00	700	
685	ThyssenKrupp Austria Beteiligungs GmbH, Vienna, Austria	€	35	100.00	687	
686	ThyssenKrupp Austria GmbH, Vienna, Austria	€	35	100.00	649	
687	ThyssenKrupp Austria GmbH & Co. KG, Vienna, Austria	€	35	100.00	649	
688	ThyssenKrupp Budd Canada Inc., Kitchener/Ontario, Canada	CAD	14,368	100.00	678	
689	ThyssenKrupp Budd Company, Troy/Michigan, USA	USD	251,838 [3]	100.00	683	
690	ThyssenKrupp Canada, Inc., Alberta, Canada	CAD	1,000	100.00	649	
691	ThyssenKrupp (China) Ltd., Beijing, PR China	USD	200,000	100.00	649	
692	ThyssenKrupp Finance Canada, Inc., Calgary, Canada	CAD	1	100.00	649	
693	ThyssenKrupp Finance Nederland B.V., Krimpen aan den Ijssel, Netherlands	€	2,300	100.00	649	
694	ThyssenKrupp Finance USA, Inc., Wilmington/Delaware, USA	USD	3	100.00	701	
695	ThyssenKrupp France S.A.S., Rueil-Malmaison, France	€	72,223	100.00	649	
696	ThyssenKrupp Intermediate U.K. Ltd., County Durham, Great Britain	GBP	28,145	100.00	700	
697	ThyssenKrupp Italia S.p.A., Terni, Italy	€	200,000	100.00	649	
698	ThyssenKrupp Knowsley Ltd., Merseyside, Great Britain	GBP	25,610	100.00	140	
699	ThyssenKrupp Nederland B.V., Roermond, Netherlands	€	13,613	100.00	658	
700	ThyssenKrupp UK Plc., County Durham, Great Britain	GBP	76,145	100.00	649	100.00% [4]
					255	0.00% [4]
701	ThyssenKrupp USA, Inc., Troy/Michigan, USA	USD	247,999	100.00	649	
702	Transit America Inc., Philadelphia/Pennsylvania, USA	USD	50,000 [3]	100.00	683	

[1] in accordance with IFRS regulations [2] fiscal year not 09/30 [3] incl. paid-in capital [4] Splinter investment as of fourth digit behind decimal point

FULLY CONSOLIDATED GROUP COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
	Corporate Real Estate					
703	GVZ Ellinghausen Entwicklungs GmbH, Essen	€	50	82.00	649	
704	Hellweg Liegenschaften GmbH, Bochum	€	50	94.00	706	
705	Immover Gesellschaft für Grundstücksverwaltung mbH, Essen	€	4,602	100.00	721	
706	Krupp Hoesch Stahl GmbH, Dortmund	€	181,510	100.00	649	
707	Liegenschaftsgesellschaft Lintorf mbH, Duesseldorf	€	25	94.00	663	
708	Stahlhauser Liegenschaften Verwaltungsgesellschaft mbH, Essen	€	25	94.00	721	88.00%
					649	6.00%
709	Thyssen Draht GmbH, Essen	€	33,300	100.00	721	94.98%
					649	5.02%
710	Thyssen Henschel GmbH, Essen	€	511	99.49	649	
711	Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co.KG Industrie, Essen	€	692	100.00	140	94.90%
					705	5.10%
712	Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co.KG Stahl, Essen	€	511	100.00	663	94.90%
					705	5.10%
713	ThyssenKrupp ExperSite GmbH, Kassel	€	26	100.00	641	
714	ThyssenKrupp Grundbesitz Verwaltungs GmbH, Essen	€	25	100.00	649	
715	ThyssenKrupp Grundstücksgesellschaft Dinslaken mbH, Essen	€	8,692	100.00	721	94.90%
					649	5.10%
716	ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Krupp Hoesch Stahl i.G., Essen	€	1,000	100.00	706	
717	ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Stahl i.G., Essen	€	1,000	100.00	712	
718	ThyssenKrupp Immobilienentwicklungs Concordiahütte GmbH, Oberhausen	€	25	100.00	140	94.80%
					649	5.20%
719	ThyssenKrupp Immobilienentwicklungs Krefeld GmbH, Oberhausen	€	25	100.00	663	
720	ThyssenKrupp Liegenschaften Umformtechnik Verwaltungs GmbH, Essen	€	25	100.00	140	94.80%
					649	5.20%
721	ThyssenKrupp Real Estate GmbH, Essen	€	15,441	100.00	649	
722	Vermögensverwaltungsgesellschaft S + S mbH, Grünwald	€	2,557	100.00	721	51.00%
					649	49.00%
723	Kappel Immobilien AG, Kappel, Switzerland	CHF	3,100	100.00	649	
724	Rhenus Immobilien Gesellschaft m.b.H., Vienna, Austria	€	70	100.00	685	

[1] in accordance with IFRS regulations [2]) fiscal year not 09/30 [3] incl. paid-in capital [4] Splinter investment as of fourth digit behind decimal point

NON CONSOLIDATED COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
	STEEL					
	Steelmaking					
725	DE-VerwaltungsGmbH, Duisburg	€	25	100.00	1	
726	CTA Termoelétrica do Atlântico Ltda., Rio de Janeiro, Brazil	BRL	10	99.00	17	
	Industry					
727	Hoesch Bouwsystemen België N.V., Brussels, Belgium	€	198 [2]	100.00	29	99.75%
					24	0.25%
728	ThyssenKrupp Comercial Iquique Ltda., Iquique, Chile	USD	3 [2]	100.00	35	
	STAINLESS					
	ThyssenKrupp Acciai Speciali Terni					
729	Terni - Società per l'Industria e l'Elettricità s.r.l., Terni, Italy	€	10	100.00	106	
	ThyssenKrupp VDM					
730	VDM-Unterstützungskasse GmbH, Werdohl	€	26	100.00	125	
	TECHNOLOGIES					
	Corporate					
731	AWG Industrieanlagen und Wassertechnik GmbH Berlin, Berlin	DEM	50	100.00	140	
732	Thyssen TPS Vermögensverwaltungs GmbH, Essen	€	26	100.00	140	
733	ThyssenKrupp Industries (Thailand) Ltd., Bangkok, Thailand	THB	1,000	100.00	140	
734	ThyssenKrupp Automotive France S.A.R.L., Rueil Malmaison, France	€	8	100.00	695	
735	ThyssenKrupp Automotive Italia S.r.l., Turin, Italy	€	99	100.00	140	99.00%
					312	1.00%
736	ThyssenKrupp Technologies HELLAS Marketing Services S.A., Athens, Greece	€	60	100.00	140	
	Plant Technology					
737	Gesellschaft für Meß- und Regeltechnik GmbH, Essen	DEM	50	100.00	154	
738	Polysius Wohnungsbau GmbH, Münster	DEM	200	100.00	154	
739	Polysius-Hilfe GmbH, Münster	DEM	50	100.00	154	
740	Edeleanu SDN. BHD., Kuala Lumpur, Malaysia	MYR	1,000	100.00	156	
741	Inventa-Fischer Chemical Fiber Equipment (Shanghai) Ltd., Shanghai, PR China	CNY	1,655	100.00	691	
742	Krupp Uhde Venezuela, C.A., Caracas, Venezuela	VEB	5,500 [2]	100.00	156	
743	Maerz Ofenbau SRL, Timisoara, Rumania	€	204	100.00	164	
744	Marine Technology Namibia (Pty.) Ltd., Windhoek, Namibia	ZAR	0	100.00	185	
745	RCE Industrieofenbau GmbH, Radentheim, Austria	€	35	100.00	164	
746	ThyssenKrupp Materials Handling Ltd., Daventry, Great Britain	GBP	5	100.00	696	
747	Uhde do Brasil Ltda., São Paulo, Brazil	BRL	798	100.00	156	100.00 [4]
					152	0.00% [4]
748	Uhde Edeleanu s.r.o., Brno, Czech Republic	CZK	1,000 [2]	100.00	156	
749	Uhde Engineering Consulting (Shanghai) Co., Ltd., Shanghai, PR China	€	1,389 [2]	100.00	691	
750	Uhde Engineering Egypt S.A.E., Cairo, Egypt	EGP	250	100.00	156	
	Marine Systems					
751	Barthels & Lüders GmbH, Hamburg	€	50	100.00	202	
752	Blohm + Voss international GmbH, Hamburg	€	26	100.00	200	
753	IKL Ingenieurkontor Lübeck GmbH, Kiel	€	26	100.00	206	
754	Schiffahrtskontor "MARITIM" GmbH, Kiel	€	26	100.00	206	
755	Blohm + Voss Industries (Malaysia) Sdn. Bhd., Petaling Jaya, Malaysia	MYR	250	100.00	201	
756	Blohm + Voss (Korea) Ltd., Pusan, Korea, Republic	KRW	75,000	75.00	201	
757	Maritime Development Enterprise Sdn. Bhd., Kuala Lumpur, Malaysia	MYR	100	100.00	200	
758	Maritime Services Consultant Enterprise Sdn.Bhd., Petaling Jaya, Malaysia	MYR	300	100.00	200	

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NON CONSOLIDATED COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
759	ThyssenKrupp Marine Systems Australia Pty Ltd, Canberra, Australia	AUD	101	100.00	200	
760	United Stirling, Malmö, Sweden	SEK	100	100.00	218	
	Mechanical Components					
761	ThyssenKrupp BLW-Hilfe GmbH, Munich	€	26	100.00	228	
762	Definox (Beijing) Stainless Steel Equipment Ltd., Beijing, PR China	CNY	1,341 [2]	100.00	239	
763	Roballo France S.A.R.L., Rueil-Malmaison, France	€	180	100.00	695	
	Automotive Solutions					
764	IGM Internationale Gesellschaft für Montageelemente mbH, Bremen	€	26	100.00	282	
765	ThyssenKrupp Car Body Technologies Co. Ltd. (Shanghai), Shanghai, PR China	€	500 [2]	100.00	691	
766	ThyssenKrupp Drauz Nothelfer S.L., Barcelona, Spain	€	200	100.00	681	
767	ThyssenKrupp Krause S.r.l., Turin, Italy	€	120	100.00	697	98.00%
					282	2.00%
	Transrapid					
768	ThyssenKrupp Transrapid Cargo GmbH, Kassel	€	25	100.00	325	
769	Thyssen Transrapid Australia Pty. Ltd., Mitchell, Australia	AUD	100	100.00	325	
	ELEVATOR					
	Central/Eastern/Northern Europe (CENE)					
770	ThyssenKrupp Elevator d.o.o., Zagreb, Croatia	HRK	300	100.00	347	
771	TOB ThyssenKrupp Elevator Ukraine, Kiev, Ukraine	UAH	690 [2]	100.00	347	
	Southern Europe/Africa/Middle East (SEAME)					
772	Aliança Ibérica Reparadora de Ascensores, Lda., Amadora, Portugal	€	170 [2]	100.00	407	
773	Ascensores Falcao S.A., Massamá, Portugal	€	50 [2]	100.00	407	
774	ASREM-Transport Vertical S.A., Porto, Portugal	€	0 [2]	100.00	407	
775	EDAFA Elevadores Lda., Quarteira, Portugal	€	5 [2]	100.00	407	
776	Herouth Elevators Ltd., Rishon Le'zion, Israel	ILS	[2]	100.00	327	50.00%
					415	50.00%
777	ThyssenKrupp Elevatori d.o.o., Belgrade, Serbia-Montenegro	YUN	8,532 [2]	100.00	370	
	Asia/Pacific (AP)					
778	Sun Rich Enterprises Ltd., Taipei, Taiwan	TWD	6,000	100.00	326	
779	ThyssenKrupp Elevator (BD) Pvt. Ltd., Dhaka, Bangladesch	BDT	10,000	100.00	451	
780	TK Lift & Eskalator Sdn. Bhd., Shah Alam, Malaysia	MYR	500	100.00	454	
	Escalators/Passenger Boarding Bridges (ES/PBB)					
781	TEAM UK Ltd., Birmingham, Great Britain	GBP	0 [2]	100.00	465	
	Accessibility (ACC)					
782	MCG S.r.l., Florence, Italy	€	20	76.00	482	
	SERVICES					
	Corporate					
783	ThyssenKrupp HiServ s.r.o., Kosice, Slovakia	SKK	200 [2]	100.00	488	
	Materials Services International					
784	ThyssenKrupp Maßblech GmbH, Duisburg	€	104	100.00	516	50.25%
					26	49.75%
785	Ferromontan Inc., San Juan, Puerto Rico	USD	20	100.00	505	
786	Metalfast Ltd., Highworth Swindon, Great Britain	GBP	12 [2]	100.00	554	
787	OST-PLUS s.r.o., Teplice, Czech Republic	CZK	1,000 [2]	90.00	497	
788	TOB ThyssenKrupp Materials Ukraine, Kiev, Ukraine	UAH	37 [2]	100.00	539	
789	Vetchberry Ltd., Birmingham, Great Britain	GBP	3,500	100.00	554	

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NON CONSOLIDATED COMPANIES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
	Industrial Services					
790	DvB Aufbereitungs-GmbH zur Behandlung von Metallprodukten, Töging	€	102 [2]	100.00	576	
791	RAP - Refractarios, Aislación y Pintura Limitada, Santiago, Chile	CLP	118,418 [2]	100.00	594	99.79%
					593	0.21%
792	ThyssenKrupp Xervon Dubai (L.L.C.), Dubai, United Arab Emirates	AED	300 [2]	100.00	608	
	Special Products					
793	Thyssen Project Service Ltd., Smethwick, Great Britain	GBP	1	100.00	700	
794	ThyssenKrupp Mannex Sverige AB, Göteborg, Sweden	SEK	2,000	100.00	626	
	CORPORATE					
	Corporate Headquarters					
795	Krupp Industries Ltd., Surrey, Great Britain	GBP	100 [2]	100.00	696	
	Corporate Real Estate					
796	GVZ Projektgesellschaft Feineisenstraße mbH, Dortmund	€	52	80.00	649	

EQUITY-STATED COMPANIES (*=joint venture) (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.
	STEEL				
	Steelmaking				
797	Hüttenwerke Krupp Mannesmann GmbH. Duisburg*	€	103.000 [2]	50.00	1
798	Walzen-Service-Center GmbH, Oberhausen*	€	1,023	50.00	1
799	Nederlandsche Rijnvaartvereeniging B.V., Rotterdam, Netherlands	€	1,820 [2]	27.00	20
800	RKE N.V., Antwerpen, Belgium	€	645 [2]	38.54	1
801	Steel 24-7 N.V., Brussels, Belgium*	€	20,000 [2]	50.00	1
802	Transport- en Handelmaatschappij `Steenkolen Utrecht` B.V., Rotterdam, Netherlands*	€	8,204 [2]	50.00	20
	Industry				
803	Decapanel S.A.S., Perpignan, France	€	2,200	24.70	31
804	SUNSCAPE ISOCAB NEW BUILDING MATERIALS LIMITED, Rizhao City, PR China	USD	11,960 [2]	27.50	32
805	Thyssen Ros Casares S.A., Valencia, Spain*	€	5,000	50.00	26
	Auto				
806	ANSC-TKS Galvanizing Co., Ltd., Dalian, Liaoning Province, PR China*	CNY	972,353 [2]	50.00	1
807	TKAS (Changchun) Steel Service Center Ltd., Changchun, PR China*	USD	12,000 [2]	50.00	691
808	TWB Company, LLC, Detroit, USA*	USD	1,500 [2]	50.00	61
	Processing				
809	Kreislaufsystem Blechverpackungen Stahl GmbH (KBS), Duesseldorf	€	385 [2]	36.00	90
	STAINLESS				
	ThyssenKrupp Acciai Speciali Terni				
810	Euroacciai S.r.l., Sarezzo (BS), Italy	€	1,500 [2]	30.23	106
811	Ilserv S.r.l., Terni, Italy	€	1,924 [2]	35.00	106
812	Terni Frantumati S.p.A., Terni, Italy	€	930 [2]	21.00	106
	ThyssenKrupp Mexinox				
813	Fischer Mexicana S.A. de C.V., Puebla, Mexico*	MXN	108,544 [2]	50.00	112
	ThyssenKrupp Stainless International				
814	TAD Metals Handelsgesellschaft m.b.H., Linz, Austria	€	636 [2]	30.00	118

[1] in accordance with IFRS regulations [2] fiscal year not 09/30 [3] incl. paid-in capital [4] Splinter investment as of fourth digit behind decimal point

EQUITY-STATED COMPANIES (*=joint venture) (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
	TECHNOLOGIES					
	Corporate					
815	Bertrandt AG, Ehningen	€	10,143	25.01	140	15.01%
					1	10.00%
	Plant Technology					
816	Shedden Uhde Pty. Ltd., West Melbourne, Victoria, Australia*	AUD	100	50.00	156	
817	Uhdenora S.p.A., Milan, Italy*	€	3,600 [2]	50.00	156	
	Marine Systems					
818	Atlas Elektronik GmbH, Bremen*	€	22,000 [2]	51.00	140	
819	Cryotrans Schiffahrts GmbH & Co. KG MS "Gaschen Moon", Emden	€	7,138	1.23	203	
820	Cryotrans Schiffahrts GmbH & Co. KG MS "Gaschen Star", Emden	€	7,663	8.32	203	
821	DOLORES Schiffahrtsgesellschaft mbH & Co. KG, Emden	€	15,625	8.32	204	
822	MARLOG Marine Logistik GmbH & Co. KG, Kiel*	€	1,500 [2]	50.00	206	
823	MarineForce International LLP, London, Great Britain*	GBP	693 [2]	50.00	206	
	Mechanical Components					
824	Huizhou Sumikin Forging Company Ltd., Huizhou, PR China*	USD	29,680 [2]	34.00	691	
	Automotive Solutions					
825	BMB Steering Innovation GmbH, Schönebeck*	€	511	50.00	285	
	Transrapid					
826	Transrapid International GmbH & Co. KG, Berlin*	€	4,602	50.00	325	
	ELEVATOR					
	Americas (AMS)					
827	Ascenseurs Nova Inc., Montreal St. Leonard, Canada	CAD	5	40.00	441	
828	Braun ThyssenKrupp Elevator LLC, Madison (Wisconsin), USA*	USD	1,000 [2]	50.00	438	
	Asia/Pacific (AP)					
829	Novoferm (Shanghai) Co. Ltd., Shanghai, PR China*	CNY	0 [2]	50.00	460	
	SERVICES					
	Materials Services International					
830	Aceros de America Inc., San Juan, Puerto Rico*	USD	1,000	50.00	505	
831	Dufer S.A., São Paulo, Brazil	BRL	40,000 [2]	49.00	535	25.10%
					488	23.90%
832	Ferona Thyssen Plastics, s.r.o., Olomouc, Czech Republic*	CZK	16,000 [2]	50.00	488	
833	LAMINCER S.A., Munguia, Spain	€	180 [2]	40.00	519	
834	Leong Jin Corporation Pte. Ltd., Singapore, Singapore	SGD	20,000 [2]	30.00	488	
835	Polarputki Oy, Helsinki, Finland*	€	1,009 [2]	50.00	488	
836	Resopal S.A., Madrid, Spain	€	750 [2]	20.00	558	
	Industrial Services					
837	GfS Gesellschaft für Schlackenaufbereitung mbH, Oberhausen*	€	511	50.00	585	
838	LTS Nordwest GmbH, Oldenburg*	€	500 [2]	50.00	584	
	Special Products					
839	TGHM GmbH & Co. KG, Dortmund*	€	511 [2]	50.00	649	
840	BCCW (Tangshan) Jiahua Coking & Chemical Co., Ltd., Tangshan, Hebei Province, PR China	CNY	400,000 [2]	25.00	628	
841	MRT Track & Services Co., Inc., New Jersey, USA*	USD	100	50.00	583	
842	ThyssenKrupp Metallurgical Supplies Ltd., Durham, Great Britain*	GBP	0 [2]	50.00	628	
	CORPORATE					
	Corporate Real Estate					
843	COMUNITHY Immobilien GmbH, Duesseldorf	€	100 [2]	49.00	721	

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OTHER ASSOCIATED AFFILIATES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.	
	STEEL					
	Steelmaking					
844	KSK Kanten Schweißen Komponenten GmbH, Schwerte	€	25 [2]	25.00	88	
845	Acciai di Qualità, Centro Lavorazione Lamiere S.p.A., Genoa, Italy	€	1,731 [2]	24.90	697	
	Industry					
846	UnionStahl Holding GmbH, Duisburg	€	2,000 [2]	36.60	1	
847	Frimatec U.K. Ltd., Flamstead, Great Britain	GBP	150 [2]	33.33	32	
	Auto					
848	JEVISE Corporation, Tokyo, Japan	JPY	10,000 [2]	50.00	1	
	STAINLESS					
	ThyssenKrupp VDM					
849	Evidal Schmöle Verwaltungsgesellschaft mbH, Menden	€	30	50.00	125	
850	MOL Katalysatortechnik GmbH, Merseburg	€	77 [2]	20.12	125	
	TECHNOLOGIES					
	Plant Technology					
851	PAN Grundstücksverwaltung GmbH, Mainz	€	26 [2]	26.00	738	
	Marine Systems					
852	Marlog Verwaltungsgesellschaft mbH, Kiel	€	25 [2]	50.00	206	
853	MARTIME - Gesellschaft für maritime Dienstleistungen mbH, Elsfleth/Unterweser	€	520 [2]	35.00	207	
854	MS "MARITIM FRANKFURT" Schiffahrtskontor "MARITIM" GmbH & Co. KG, Kiel	€	1,218 [2]	42.09	206	
855	MS "MARITIM KIEL" Schiffahrtskontor "MARITIM" GmbH & Co. KG, Kiel	€	22,752 [2]	33.33	206	
856	MTG Marinetechnik GmbH, Hamburg	€	3,068 [2]	50.00	200	20.00%
					206	20.00%
					818	10.00%
857	Australian Marine Technologies Pty. Ltd., Melbourne, Australia	AUD	400 [2]	50.00	759	
858	Bollfilter Japan Ltd., Kobe, Japan	JPY	10,000	25.00	201	
859	LISNAVE-ESTALEIROS NAVAIS S.A., Setubal, Portugal	€	5,000 [2]	20.00	212	
860	Simplex Turbulo Company Ltd., Wherwell, Great Britain	GBP	6	25.10	201	
	Automotive Solutions					
861	ABC Sistemas e Módulos Ltda., São Paulo, Brazil	BRL	600 [2]	33.33	296	
	Transrapid					
862	Transrapid International Verwaltungsgesellschaft mbH, Berlin	€	80	50.00	325	
	SERVICES					
	Materials Services International					
863	BITROS - Thyssen Special Steels S.A., Aspropyrgos, Greece	€	1,000 [2]	40.00	488	
864	Sidecontrol S.L., Gandia, Spain	€	36 [2]	50.00	519	
	Materials Services NA					
865	Metal Partners, LLC, Rochester/NY, USA	USD	1 [2]	49.00	570	
	Industrial Services					
866	NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gelsenkirchen KG, Gelsenkirchen	€	10 [2]	95.00	589	
867	SIB Schell Industrieanlagen-Bau GmbH, Duisburg	€	102	50.00	582	
868	AIF Anlagenservice Integral Ferrostaal Gesellschaft m.b.H., Linz, Austria	€	35 [2]	50.00	589	
	Special Products					
869	Solid Slab Track GmbH, Görschen	€	100	49.00	583	
870	TGHM Verwaltungsgesellschaft mbH, Dortmund	€	26 [2]	50.00	649	
871	Indo German International Private Ltd., New Delhi, India	INR	38,975 [2]	46.16	626	

[1] in accordance with IFRS regulations [2] fiscal year not 09/30 [3] incl. paid-in capital [4] Splinter investment as of fourth digit behind decimal point

OTHER ASSOCIATED AFFILIATES (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.
	CORPORATE				
	Corporate Headquarters				
872	Grundstücksgesellschaft Schlossplatz 1 mbH & Co. KG, Berlin	€	10,000 [2]	20.00	649
	Corporate Real Estate				
873	Fortis Grundstücksverwaltungsgesellschaft mbH, Grünwald	€	26 [2]	26.44	721
874	Gewerkschaft Hermann V GmbH, Essen	€	26	33.33	706
875	Wohnpark Duisburg Biegerhof GmbH, Duesseldorf	€	50	50.00	705
876	Wuppermann Bildungswerk Leverkusen GmbH, Leverkusen	€	57 [2]	45.45	706

OTHER SHAREHOLDINGS (as of September 30, 2007)

No.	Name and domicile of company	Currency	Capital stock in €1,000 or Domestic currency	Share holdings %	Held by No.
	SERVICES				
	Special Products				
877	Cline Mining Corp., Toronto, Canada	CAD	21,693	3.65	628
	Equity	CAD	17,263		
	Result	CAD	(1,327)		
	CORPORATE				
	Corporate Headquarters				
878	RAG Aktiengesellschaft, Essen	€	273,290	20.56	649
	Equity	€	323,900		
	Result	€	(65,000)		
	Corporate Real Estate				
879	VBW Bauen und Wohnen GmbH, Bochum	€	6,574	13.06	706
	Equity	€	59,173		
	Result	€	3,602		

[1] in accordance with IFRS regulations [2] fiscal year not 09/30 [3] incl. paid-in capital [4] Splinter investment as of fourth digit behind decimal point

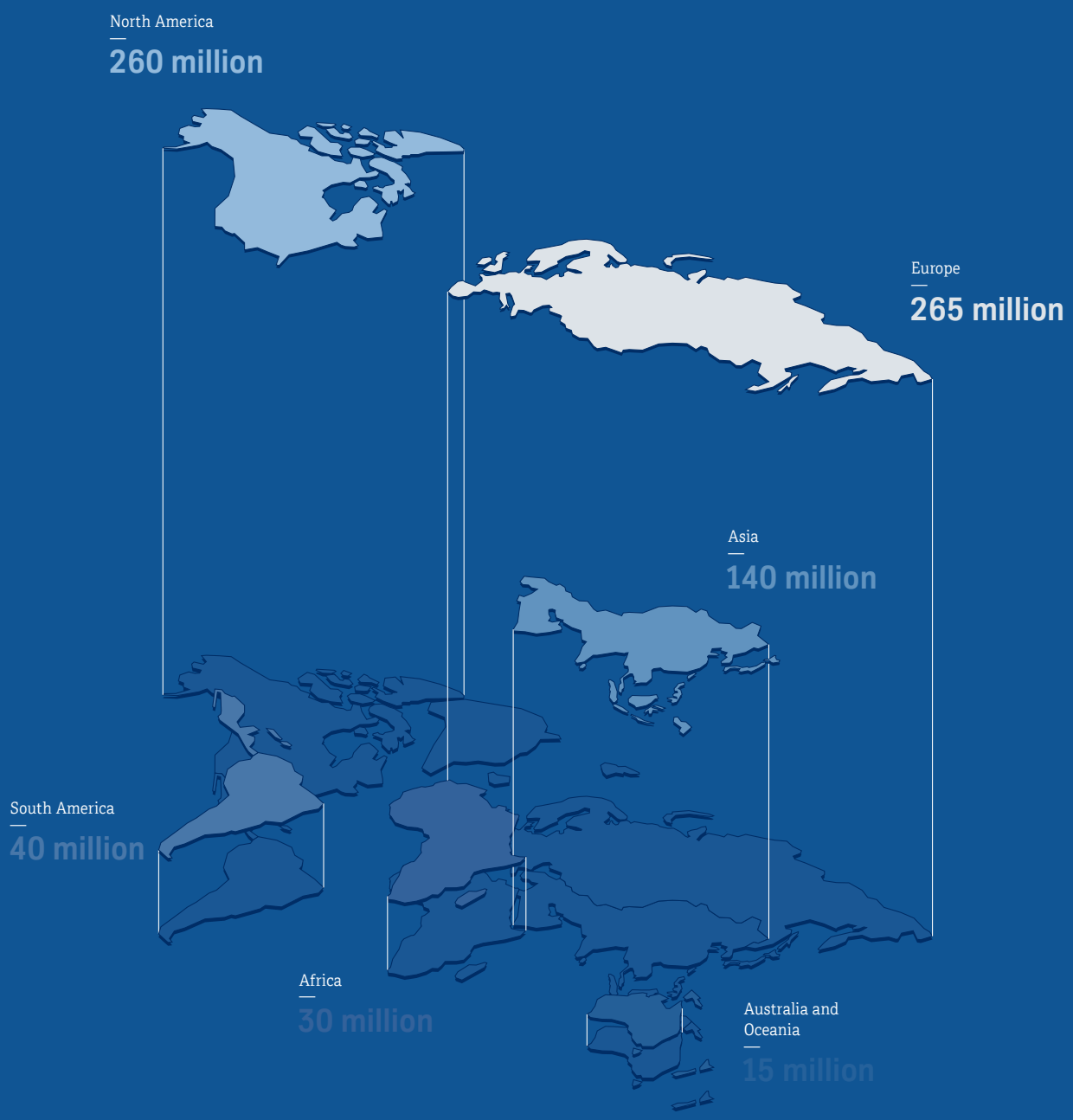
Additional information

The information compiled on the following pages provides details to round out your picture of the ThyssenKrupp Group. It also includes important dates and several aids aimed at helping you find your way around this annual report. Should you have any further questions, our press and investor relations teams will be pleased to help. Or visit us on the internet – at www.thyssenkrupp.com

Multi-year overview — **Page 217** Other directorships held by Executive Board members — **Page 219** Other directorships held by Supervisory Board members — **Page 220** Index — **Page 222** Glossary — **Page 224** List of abbreviations — **Page 225** Contact and 2008 / 2009 dates — **Page 226**

750 million cars. How do they stay mobile?

Find out more in the magazine in the front cover of this Annual Report.



THE WORLD'S CARS Cars per continent

Multi-year overview

THYSSENKRUPP GROUP

		Year ended Sept. 30, 2003[1]	Year ended Sept. 30, 2004[1]	Year ended Sept. 30, 2005	Year ended Sept. 30, 2006	**Year ended Sept. 30, 2007**
Earnings situation (based on continuing operations)						
Net sales	million €	33,487	37,303	42,927	47,125	**51,723**
Gross margin	million €	5,962	6,648	7,232	7,983	**9,432**
EBITDA	million €	2,350	3,036	3,809	4,700	**5,254**
EBIT	million €	963	1,683	2,250	3,044	**3,728**
Income from continuing operations before taxes (EBT)	million €	800	1,477	1,677	2,623	**3,330**
Net income	million €	552	904	1,079	1,704	**2,190**
Earnings per share (income from continuing operations)	€	1.18	1.67	0.85	3.24	**4.30**
Earnings per share	€	1.09	1.81	2.08	3.24	**4.30**
Gross margin	%	17.8	17.8	16.8	16.9	**18.2**
EBITDA margin	%	7.0	8.1	8.9	10.0	**10.2**
EBIT margin	%	2.9	4.5	5.2	6.5	**7.2**
EBT margin	%	2.4	4.0	3.9	5.6	**6.4**
Return on equity (before taxes)	%	10.4	17.7	21.1	29.4	**31.9**
Personnel expense per employee	€	49,534	50,116	48,349	49,879	**48,775**
Sales per employee	€	194,005	215,553	235,955	252,609	**275,146**
Assets situation						
Non-current assets	million €	16,834	16,331	15,230	15,054	**15,385**
Current assets	million €	13,367	14,810	20,792	21,408	**22,689**
Total assets	million €	30,201	31,141	36,022	36,462	**38,074**
Total equity	million €	7,671	8,327	7,944	8,927	**10,447**
Liabilities	million €	22,530	22,814	28,078	27,535	**27,627**
Accrued pension and similar obligations	million €	7,401	7,221	8,994	8,111	**7,139**
Financial payables non-current	million €	–	3,618	3,224	2,946	**2,813**
Financial payables current	million €	–	652	1,776	858	**825**
Financial payables non-current/current	million €	4,948	4,270	5,000	3,804	**3,638**
Trade accounts payable	million €	3,075	3,678	4,048	4,729	**4,960**
Equity ratio	%	25.4	26.7	22.1	24.5	**27.4**
Gearing	%	55.2	34.0	2.2	(8.4)	**(2.1)**
Inventory turnover	days	62.7	61.2	64.8	62.2	**66.0**
Average collection period	days	57.6	56.3	58.3	56.5	**52.7**

[1] The key figures relating to earnings situation, assets situation, value added management, cash flow/capital expenditures up to and incl. fiscal year 2003/2004 are based on US GAAP

THYSSENKRUPP GROUP

		Year ended Sept. 30. 2003[1]	Year ended Sept. 30. 2004[1]	Year ended Sept. 30. 2005	Year ended Sept. 30. 2006	Year ended Sept. 30. 2007
Value management						
Capital employed (average)	million €	19,530	18,870	18,388	17,056	18,000
ROCE	%	7.2	12.0	14.4	17.9	20.7
Weighted average cost of capital (WACC)	%	9.0	9.0	9.0	9.0	9.0
TKVA	million €	(352)	572	997	1,510	2,108
Cash flows/investments						
Operating cash flows	million €	2,027	2,559	2,351	3,467	2,220
Cash flows from disposals	million €	420	733	2,480	344	673
Cash flows from investments	million €	(1,589)	(1,712)	(1,559)	(2,040)	(2,997)
Free Cash flow	million €	858	1,580	3,272	1,771	(104)
Cash flow from financing activities	million €	(1,064)	(865)	(3)	(2,012)	(670)
Investments	million €	1,604	1,734	1,903	2,077	3,001
Cash and cash equivalents	million €	713	1,437	4,823	4,551	3,861
Net financial liabilities/(assets)	million €	4,235	2,833	177	(747)	(223)
Internal financing capability		1.7	2.6	(2.6)	2.0	1.0
Debt to cash flow ratio		2.1	1.1	0.1	–	–
ThyssenKrupp AG						
Net income	million €	406	301	920	1.118	309
Dividend payout	million €	249	299	412[2]	489	635[3]
Dividend per share	€	0.50	0.60	0.80[2]	1.00	1.30[3]

[1] The key figures relating to earnings situation, assets situation, value added management, cash flow/capital expenditures up to and incl. fiscal year 2003/2004 are based on US GAAP
[2] incl. €0.10 special dividend
[3] proposal to the Annual General Meeting

Other directorships held by Executive Board members

Dr.-Ing. Ekkehard D. Schulz
Chairman
—
· AXA Konzern AG *
· Bayer AG *
· Evonik Industries AG (Vice Chair)
· MAN AG *
· RAG AG (Vice Chair)
· RWE AG *
Within the Group:
· ThyssenKrupp Services AG (Chair)
· ThyssenKrupp Steel AG (Chair)
· ThyssenKrupp Technologies AG (Chair)

Dr. Ulrich Middelmann
Vice Chairman
—
· Commerzbank AG *
· E.ON Ruhrgas AG
· Evonik Industries AG
· LANXESS AG *
· LANXESS Deutschland GmbH
· RAG AG
• Hoberg & Driesch GmbH (Chair)
Within the Group:
· ThyssenKrupp Elevator AG (Chair)
· ThyssenKrupp Reinsurance AG (Chair)
· ThyssenKrupp Stainless AG (Chair)
· ThyssenKrupp Steel AG
• ThyssenKrupp Acciai Speciali Terni S.p.A./ Italy
• ThyssenKrupp (China) Ltd./PR China
• ThyssenKrupp Risk and Insurance Services GmbH (Chair)

Dr. Olaf Berlien
—
· Dresdner Bank AG
Within the Group:
· ThyssenKrupp Marine Systems AG (Chair)
· ThyssenKrupp Services AG
• Berco S.p.A./Italy (President)
• ThyssenKrupp (China) Ltd./PR China (Chairman)

Edwin Eichler
—
Within the Group:
• ThyssenKrupp (China) Ltd./PR China
• ThyssenKrupp Industries and Services Qatar LLC/Qatar

Jürgen H. Fechter
—
Within the Group:
· ThyssenKrupp Nirosta GmbH (Chair)
· ThyssenKrupp Technologies AG
· ThyssenKrupp VDM GmbH (Chair)
• Grupo ThyssenKrupp S.L./Spain
• Shanghai Krupp Stainless Co., Ltd./ PR China (Vice Chairman)
• ThyssenKrupp Acciai Speciali Terni S.p.A./ Italy (President)
• ThyssenKrupp (China) Ltd./PR China
• ThyssenKrupp Mexinox S.A. de C.V./ Mexico (Chairman)
• ThyssenKrupp Stainless USA, LLC/USA (Chairman)

Dr.-Ing. Karl-Ulrich Köhler
—
· BASF Coatings AG
· Hüttenwerke Krupp Mannesmann GmbH (Chair)
• ANSC-TKS Galvanizing Co., Ltd./PR China (Chairman)
Within the Group:
· Eisen- und Hüttenwerke AG (Chair)
· Hoesch Hohenlimburg GmbH (Chair)
· Rasselstein GmbH (Chair)
· ThyssenKrupp Stainless AG
· ThyssenKrupp Umformtechnik GmbH
• ThyssenKrupp CSA Companhia Siderúrgica/ Brazil

Ralph Labonte
—
• PEAG Personalentwicklungs- und Arbeitsmarktagentur GmbH (Chair)
Within the Group:
· Polysius AG
· Rothe Erde GmbH
· ThyssenKrupp Bilstein Suspension GmbH
· ThyssenKrupp Drauz Nothelfer GmbH
· ThyssenKrupp Marine Systems AG
· ThyssenKrupp Präzisionsschmiede GmbH
· ThyssenKrupp Steel AG
• Berco S.p.A./Italy

Dr.-Ing. Wolfram Mörsdorf
—
• GETRAG Getriebe- und Zahnradfabrik Hermann Hagenmeyer GmbH & Cie. KG
• INPRO Innovationsgesellschaft für fortgeschrittene Produktionssysteme in der Fahrzeugindustrie mbH
Within the Group:
· Rothe Erde GmbH
· ThyssenKrupp Präzisionsschmiede GmbH (Chair)
· ThyssenKrupp Services AG
• ThyssenKrupp (China) Ltd./PR China
• ThyssenKrupp Presta AG/Liechtenstein
• ThyssenKrupp Waupaca, Inc./USA (Chairman)

Dr. A. Stefan Kirsten resigned from the Executive Board at the close of November 30, 2006. At this date he held the following directorships:
Within the Group:
· ThyssenKrupp Automotive AG
· ThyssenKrupp Marine Systems AG
· ThyssenKrupp Reinsurance AG (Chair)
· ThyssenKrupp Steel AG
• ThyssenKrupp Budd Company/USA
• ThyssenKrupp Risk and Insurance Services GmbH (Chair)

· Membership of statutory supervisory boards within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2007)
* Exchange-listed company
• Membership of comparable German and non-German control bodies of business enterprises within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2007)

Other directorships held by Supervisory Board members

Prof. Dr. h.c. mult. Berthold Beitz, Essen
Honorary Chairman
Chairman of the Board of Trustees of the Alfried Krupp von Bohlen und Halbach Foundation
—

Prof. Dr. Günter Vogelsang, Düsseldorf
Honorary Chairman
—

Dr. Gerhard Cromme, Essen
Chairman
Former Chairman of the Executive Board of ThyssenKrupp AG
—
· Allianz SE
· Axel Springer AG
· Siemens AG (Chair)
• Compagnie de Saint-Gobain (France)

Bertin Eichler, Frankfurt/Main
Vice Chairman
Member of the Executive Committee of the German Metalworkers' Union (IG Metall)
—
· BGAG Beteiligungsgesellschaft der Gewerkschaften GmbH (Chair)
· BMW AG

Markus Bistram, Dinslaken
Trade union secretary at the Düsseldorf branch office of IG Metall
—
Within the Group:
· ThyssenKrupp Technologies AG

Theo Frielinghaus, Ahlen
(since January 04, 2007)
Mechanical engineering technician
Chairman of the Works Council of Polysius AG
—
Within the Group:
· Polysius AG
· ThyssenKrupp Technologies AG

Heinrich Hentschel, Emden
Technical clerk/Hydrostatics
Member of the Works Council of Nordseewerke GmbH
—

Prof. Jürgen Hubbert, Sindelfingen
Former Member of the Executive Board of DaimlerChrysler AG
—
· HWA AG (Chair)
• Häussler Group (Advisory Board Chair)
• Österreichische Industrieholding AG (Austria, Vice Chair)
• TÜV Süddeutschland Holding AG (Member of Stockholder Committee)

Klaus Ix, Siek
Fitter
Chairman of the Works Council of ThyssenKrupp Fahrtreppen GmbH
—
Within the Group:
· ThyssenKrupp Elevator AG
· ThyssenKrupp Fahrtreppen GmbH (Vice Chair)

· Membership of statutory supervisory boards within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2007)
• Membership of comparable German and non-German control bodies of business enterprises within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2007)

Hüseyin Kavvesoglu, Maxdorf
Foreman
Chairman of the Works Council Union
ThyssenKrupp Services
—
Within the Group:
· ThyssenKrupp Industrieservice GmbH
· ThyssenKrupp Services AG

Dr. Martin Kohlhaussen, Bad Homburg
Chairman of the Supervisory Board
of Commerzbank AG
—
· Commerzbank AG (Chair)
· Hochtief AG (Chair)

Dr. Heinz Kriwet, Düsseldorf
Former Chairman of the Executive Board
of Thyssen AG
—

Dr.-Ing. Klaus T. Müller, Dortmund
Team coordinator, quality management and
process technology at ThyssenKrupp Steel AG
—

Prof. Dr. Bernhard Pellens, Bochum
Professor of Business Studies and
International Accounting,
Ruhr University Bochum
—

Dr. Heinrich v. Pierer, Erlangen
Former Chairman of the Supervisory Board
of Siemens AG
—
· Deutsche Bank AG
· Hochtief AG
· Münchener Rückversicherungs-
Gesellschaft AG
· Volkswagen AG

Dr. Kersten v. Schenck, Bad Homburg
Attorney and notary public
—
· Praktiker Bau- und
Heimwerkermärkte AG (Chair)
· Praktiker Bau- und Heimwerkermärkte
Holding AG (Chair)

Peter Scherrer, Brussels
General secretary of the European
Metalworkers' Federation
—
· Adam Opel GmbH
· Opel Powertrain GmbH

Thomas Schlenz, Duisburg
Shift foreman
Chairman of the Group Works Council
of ThyssenKrupp AG
—
• PEAG Personalentwicklungs- und
Arbeitsmarktagentur GmbH
Within the Group:
· ThyssenKrupp Services AG

Dr. Henning Schulte-Noelle, Munich
Chairman of the Supervisory Board
of Allianz SE
—
· Allianz SE (Chair)
· E.ON AG
· Siemens AG

Wilhelm Segerath, Duisburg
Automotive bodymaker
Chairman of the General Works Council
of ThyssenKrupp Steel AG and
Chairman of the Works Council Union
ThyssenKrupp Steel
—

Christian Streiff, Paris
President of PSA Peugeot Citroën S.A.
—
· Continental AG
• Ecole Nationale Supérieure des Mines
de Paris (France)

Prof. Dr. Gang Wan, Shanghai
Minister of Science and Technology of the
People's Republic of China
—

Gerold Vogel resigned from the Supervisory
Board at the close of December 31, 2006.
At this date he held the following directorship:
—
• Versicherungsverein auf Gegenseitigkeit
(VAG) Vorsorgekasse Hoesch

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Glossary

A

Average collection period
Trade accounts receivable divided by sales, multiplied by 360 (the lower the ratio, the faster customers pay)

C

Capital employed
Interest-bearing invested capital

Operating cash flows
Cash receipts/payments, unless caused by investing or financing activities

Corporate governance
Designation in international parlance for company management and company controlling focused on responsible, long-term value creation

Cost of capital
Strategically defined minimum return required by capital providers

Cross selling
Selling additional related products or services to an existing customer

D

DAX
Deutscher Aktien-Index (German Stock Index), compiled by Deutsche Börse. The index reflects the performance of the 30 largest and strongest-selling German stocks, including ThyssenKrupp stock

Declaration of Conformity
Declaration by executive board and supervisory board in accordance with Art. 161 Stock Corporation Act (AktG) on the implementation of the recommendations of the Government Commission on the German Corporate Governance Code

Dual-phase steel
Steel with a microstructure imparting good formability and high strength

E

EBIT
Earnings before interest, taxes

EBITDA
Earnings before interest, taxes, depreciation and amortization

EBT
Earnings before taxes

E-procurement
Purchasing materials using modern electronic media, particularly the internet

Equity ratio
Ratio of total equity to balance sheet total (the higher the ratio, the lower the indebtedness)

F

Fair disclosure
Disclosure of all information to all stakeholders of an exchange-listed company at the same time

First-stage processing
Initial processing of materials in service centers (e.g. blanking, surface treatment)

Free cash flow (before dividend)
Operating cash flows less cash flows from investing activities

G

Gearing
Ratio of financial liabilities to total equity (the lower the ratio, the higher the share of total equity in the interest-bearing capital employed)

Gross income
Net sales less cost of sales

I

Internal financing strength
Ratio of operating cash flows to cash flows from investing activities

International Financial Reporting Standards (IFRS)
The standard international accounting rules are intended to make company data more comparable. Under an EU resolution, accounting and reporting at exchange-listed companies must be done in accordance with these rules.

Inventory turnover
Inventories divided by sales, multiplied by 360 (the lower the ratio, the faster the inventory turnover)

Investment grade
A rating is expressed in a combination of alphanumeric symbols and represents a company's credit standing as assessed by the rating agency. Ratings can be roughly divided into two categories: "Investment grade" (adequate protection) and "Non-investment grade" (speculative).

L

Long Term Management Incentive Plan (LTMI)
Scheme awarding stock appreciation rights to Group executives as a capital-market oriented compensation element. The value of the stock appreciation rights is linked to the performance of ThyssenKrupp stock and the Dow Jones STOXX

M

Mid Term Incentive Plan (MTI)
Mid-term variable compensation for executive board members and other selected executives through stock rights.

R

Rating
Ratings are used to assess the future ability of a company to meet its payment obligations on time and in full. They are based on an analysis of quantitative and qualitative factors, including an evaluation of the company's business and financial risk profile.

ROCE
Return on capital employed

S

Slab
Compact block of crude steel as starting product for sheet or strip

Supply chain management
Integrated planning, control and monitoring of all logistics activities in a supply chain

SWATH
Small Waterplane Area Twin Hull
Type of ship with specially shaped hull that keeps it very stable even in high seas

T

Tailored blank
Metal blank comprising individual steel sheets of different grade, gauge and finish which are welded together and are suitable for deep drawing

ThyssenKrupp best
Program to improve efficiency in all areas of the company. Best stands for "business excellence in service and technology"

ThyssenKrupp Value Added (TKVA)
Central indicator for value-based management, comparing earnings before taxes and interest with cost of capital

V

Volatility
Intensity of price fluctuations of a stock, currency or bulk commodity compared to the market development

List of abbreviations

A

AktG
German stock corporation act (Aktiengesetz)

C

CESR
Committee of European Securities Regulators

CGU
Cash Generating Unit

CSR
Corporate Social Responsibility

D

DAX
German stock index

DEHSt
German emissions trading office

DJ STOXX
Dow Jones STOXX

DRS
German Accounting Standard

DSR
German Accounting Standards Board

E

EPS
Earnings per share

ESMT
European School of Management and Technology

H

HGB
German Commercial Code

I

IAS
International Accounting Standard

IASB
International Accounting Standards Board

IFRIC
International Financial Interpretations Committee

IFRS
International Financial Reporting Standards

K

KonTraG
German Law on Control and Transparency in Business

L

LTMI
Long Term Management Incentive Plan

M

MitbestG
German Codetermination Law

MTI
Mid Term Incentive Plan

P

PoC
Percentage of Completion

R

ROCE
Return on Capital Employed

S

SIC
Standing Interpretations Committee

SPE
Special Purpose Entity

T

TKVA
ThyssenKrupp Value Added

U

US GAAP
United States Generally Accepted Accounting Principles

V

VorstOG
Management Compensation Disclosure Act

W

WACC
Weighted Average Cost of Capital

WpHG
German Securities Trading Act

Contact / 2008 – 2009 dates

For more information, please contact:

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2008 – 2009 dates

January 18, 2008
Annual General Meeting

January 21, 2008
Payment of dividend for the 2006/2007 fiscal year

February 13, 2008
Interim report
1st quarter 2007/2008 (October to December)
Conference call with analysts and investors

May 14, 2008
Interim report
2nd quarter 2007/2008 (January to March)

May 16, 2008
Analysts' and investors' conference

August 14, 2008
Interim report
3rd quarter 2007/2008 (April to June)
Conference call with analysts and investors

November 28, 2008
Annual press conference
Analysts' and investors' conference

January 23, 2009
Annual General Meeting

Forward-looking statements

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

Variances for technical reasons

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

An English translation of the annual report is also available; in the event of variances, the German version of the annual report shall take precedence over the English translation.

Both language versions of the annual report can be downloaded from the internet at http://www.thyssenkrupp.com. An interactive online version of the annual report for the media is also available on our website in both languages.

On request we would be pleased to send you further copies and additional information about the ThyssenKrupp Group free of charge.
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