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Interim report 1st quarter 2017/2018

October 1, 2017 – December 31, 2017

thyssenkrupp AG

thyssenkrupp in figures

GROUP

		1st quarter ended Dec. 31, 2016	1st quarter ended Dec. 31, 2017	Change	in %
Order intake	million €	9,954	9,741	(213)	(2)
Order intake without Steel Americas[1]	million €	9,600	9,741	140	1
Net sales	million €	10,087	9,817	(270)	(3)
Net sales without Steel Americas[1]	million €	9,718	9,817	99	1
EBIT[2]	million €	240	422	181	75
EBIT without Steel Americas[1]	million €	188	422	234	125
EBIT margin	%	2.4	4.3	1.9	—
EBIT margin without Steel Americas[1]	%	1.9	4.3	2.4	—
Adjusted EBIT[2]	million €	329	444	115	35
Adjusted EBIT without Steel Americas[1] [2]	million €	291	444	153	52
Adjusted EBIT margin	%	3.3	4.5	1.3	—
Adjusted EBIT margin without Steel Americas[1]	%	3.0	4.5	1.5	—
EBT[2]	million €	124	318	195	157
EBT without Steel Americas[2]	million €	74	318	244	327
Net income (loss) or income (loss) net of tax	million €	15	91	75	487
attributable to thyssenkrupp AG's shareholders	million €	8	78	70	++
Net income (loss) or income (loss) net of tax without Steel Americas[1]	million €	(6)	91	96	++
attributable to thyssenkrupp AG's shareholders without Steel Americas	million €	(13)	78	91	++
Earnings per share (EPS)	€	0.01	0.12	0.11	++
Earnings per share (EPS) without Steel Americas[1]	€	(0.02)	0.12	0.14	++
Operating cash flows	million €	(1,450)	(1,276)	174	12
Operating cash flows without Steel Americas[1]	million €	(1,450)	(1,276)	174	12
Cash flow for investments	million €	(362)	(290)	73	20
Cash flow for investments without Steel Americas[1]	million €	(289)	(290)	(1)	0
Cash flow from divestments	million €	20	30	10	49
Cash flow from divestments without Steel Americas[1]	million €	20	30	10	52
Free cash flow	million €	(1,791)	(1,535)	256	14
Free cash flow without Steel Americas [3]	million €	(1,719)	(1,535)	184	11
Free cash flow before M&A	million €	(1,736)	(1,549)	188	11
Free cash flow before M&A without Steel Americas[3]	million €	(1,719)	(1,549)	170	10
Net financial debt (Dec. 31)	million €	5,433	3,544	(1,889)	(35)
Total equity (Dec. 31)	million €	3,275	3,280	5	0
Gearing (Dec. 31)	%	165.9	108.0	(58)	—
Employees (Dec. 31)		157,400	159,175	1,775	1
Employees (Dec. 31) without Steel Americas[1]		153,318	159,175	5,857	4

[1] See Note 02.
[2] See reconciliation in segement reporting (Note 07).
[3] See reconciliation in the analysis of the statement of cash flows.

BUSINESS AREAS

	Order intake million €		Net sales million €		EBIT million €		Adjusted EBIT million €		Employees	
	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017	Dec. 31, 2016[1]	Dec. 31, 2017
Components Technology	1,759	1,921	1,743	1,906	58	75	75	77	31,100	33,152
Elevator Technology	1,903	1,959	1,882	1,845	184	201	215	220	51,931	52,909
Industrial Solutions	1,159	846	1,479	1,091	13	10	42	12	19,553	21,694
Materials Services	3,131	3,363	3,032	3,230	38	48	51	51	19,708	19,981
Steel Europe	2,078	2,071	1,908	2,171	25	160	28	160	27,437	27,478
Corporate	37	91	58	93	(126)	(72)	(115)	(75)	3,589	3,961
Consolidation	(468)	(510)	(383)	(518)	(3)	(1)	(4)	(1)		
Group	**9,600**	**9,741**	**9,718**	**9,817**	**188**	**422**	**291**	**444**	**153,318**	**159,175**

[1] Continuing operations (Note 02)

THYSSENKRUPP STOCK / ADR MASTER DATA AND KEY FIGURES

ISIN			Number of shares (total)	shares	622,531,741
Shares (Frankfurt, Düsseldorf stock exchanges)	DE 000 750 0001		Closing price end December 2017	€	24.22
ADRs (over-the-counter trading)	US88629Q2075		Stock exchange value end December 2017	million €	15,078
Symbols					
Shares	TKA				
ADRs	TKAMY				

Contents

Our fiscal year begins on October 1 and ends on September 30 of the following year.

Interim management report

Preliminary remarks

Following the disposal of the discontinued operation Steel Americas at the beginning of September 2017, reporting in the management report for the comparative period 1st quarter 2016/2017 relates to the continuing operations (Group without Steel Americas) (cf. Note 02).

Report on the economic position

Summary

Strong earnings confirm Group's expectations for full year

- Order intake and sales up slightly despite offsetting exchange rate effects
- Best 1st quarter adjusted EBIT since start of Strategic Way Forward:
  - Components Technology and Elevator Technology with profitable growth despite offsetting exchange rate effects
  - Industrial Solutions still clearly down year-on-year, improvements from restructuring yet to take effect
  - Steel Europe and Materials Services profiting from strong materials market
  - Corporate with lower costs for Group initiatives
- €140 million EBIT effects from "impact" enhance efficiency
- Net income in reporting period up significantly: lower special items and improved net interest, partially offset by higher tax expense (incl. one-time non-cash effect from US tax reforms)
- Cash flow improved year-on-year, but as expected temporarily clearly negative: higher net working capital in materials businesses, working down of existing orders at Industrial Solutions, start-up costs for new plants at Components Technology
- Progress on planned joint venture in steel business: approval by IG Metall members
- Full-year forecast confirmed: significant increase in earnings and positive free cash flow before M&A (see forecast report)

Macro and sector environment

Global economic growth will accelerate slightly in 2018

- Compared with start of fiscal year, growth expectations raised further worldwide and in almost all regions
- Industrialized countries: continued upturn with continuing expansionary monetary policy and rising investment
- Emerging economies: increasing momentum, in part due to higher raw material prices
- Risks and uncertainties: interest rate turnaround in USA and impact of US economic policy, geopolitical flashpoints, Brexit negotiations, high volatility in Chinese financial and real estate sectors; currency risks in particular due to appreciation of the euro and volatile material and raw material prices

GROSS DOMESTIC PRODUCT

Real change compared to previous year in %	2017[1]	2018[1]
Euro zone	2.5	2.2
Germany	2.2	2.4
Russia	1.8	2.0
Rest of Central/Eastern Europe	4.0	3.4
USA	2.3	2.7
Brazil	1.0	2.1
Japan	1.6	1.2
China	6.9	6.5
India	6.7	7.4
Middle East & Africa	3.3	3.5
World	**3.6**	**3.7**

[1] In part still forecasts
Sources: IHS Markit, IMF, consensus forecasts, misc. banks and research institutes, own estimates

Automotive

- Continued slight growth in global sales and production of cars and light trucks in 2018
- Europe: following higher sales in 2017, stable in 2018
- NAFTA: sales in 2017 down from record previous year, further slight decline in 2018
- China: car sales and production up slightly in 2017 with reduced government incentives, further moderate growth in 2018
- Heavy trucks: global production output in 2017 positive, buoyed by strong growth in China and incipient recovery in NAFTA; China expected to be weaker in 2018 due to pull-forward effects, positive forecast for other markets

Machinery

- Germany: growth forecast for 2018 revised upwards again due to rising capital investment and exports
- USA: production growth to continue in 2018 at slightly slower pace
- China: need to modernize economy will keep growth at solid level in 2018

Construction

- Germany: further growth increase in 2017; housing and public sector construction will continue to be main drivers in 2018
- USA: growth subdued in 2017, slightly faster in 2018
- China and India: slowing growth in China in 2018, appreciable increase in output in India

IMPORTANT SALES MARKETS

	2017[1]	2018[1]
Vehicle production, million cars and light trucks		
World	92.4	93.8
Western Europe (incl. Germany)	14.8	15.1
Germany	5.8	5.8
USA	11.0	11.1
Mexico	3.9	4.2
Japan	9.2	8.8
China	27.6	27.9
India	4.3	4.7
Brazil	2.6	2.8
Machinery production, real, in % versus prior year		
Germany	3.0	3.5
USA	3.5	2.9
Japan	9.1	3.0
China	10.6	5.7
Construction output, real, in % versus prior year		
Germany	4.5	2.6
USA	2.0	3.0
China	4.6	4.2
India	2.0	7.2

[1] Forecast
Sources: IHS Markit, Oxford Economics, national associations, own estimates

Steel

- Global finished steel demand around 3 % higher year-on-year in 2017; growth prospects for 2018 still positive but slightly more moderate; slower growth in particular in the industrialized countries
- EU carbon flat steel market with slight growth in robust market; imports remain high overall but declining slightly since mid-2017
- Market environment remains extremely challenging structurally – with continuing global overcapacities, risks from trade imbalances and highly volatile raw material prices

Group and business area review

Order intake and sales up slightly despite offsetting exchange rate effects; best 1st quarter adjusted EBIT since start of Strategic Way Forward

ORDER INTAKE BY BUSINESS AREA

million €	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017	Change in %	Change on a comparable basis[2] in %
Components Technology	1,759	1,921	9	14
Elevator Technology	1,903	1,959	3	8
Industrial Solutions	1,159	846	(27)	(28)
Materials Services	3,131	3,363	7	10
Steel Europe	2,078	2,071	0	0
Corporate	37	91	143	143
Consolidation	(468)	(510)	—	—
Order intake Group	**9,600**	**9,741**	**1**	**4**

[1] Continuing operations (Note 02)
[2] Excluding material currency and portfolio effects

Order intake of **capital goods businesses**:

- Increase at Components Technology and Elevator Technology, offsetting exchange rate effects
- Industrial Solutions temporarily below strong prior-year quarter, project pipeline remains strong

Components Technology

- Car components: growth in particular in axle assembly and camshaft modules; demand remains robust in China and Western Europe, declining in USA
- Heavy truck components: market improvement in China and USA, Europe stable, growth in Brazil from a low level
- Industrial components: demand weaker in wind energy sector, in particular in Brazil and India, rising demand for construction equipment components from low level in generally improved environment

Elevator Technology

- Order intake remains high, positive performance despite offsetting exchange rate effects (USD and CNY)
- Growth driven by new installations and modernization in USA and Canada and supported by major projects, in particular in South Korea; China lower year-on-year under price pressure; Europe up from prior year

Industrial Solutions

- Chemical plant engineering with solid 1st quarter: medium-size refinery contract in Germany and smaller orders for engineering services and plants
- Cement with medium-size orders for customers in Mexico
- Mining with small orders; investment in new plant and equipment still subdued

- System Engineering with positive outlook despite quarter-on-quarter decline in orders; lively demand for production systems for the automotive industry, above all in Europe
- Marine Systems: smaller maintenance and service orders

Orders in the **materials businesses** overall higher due to higher prices:
- Steel Europe level with prior year, order volumes down slightly (2.6 million tons)
- Materials Services up sharply year-on-year, mainly due to stronger warehousing and service business

NET SALES BY BUSINESS AREA

million €	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017	Change in %	Change on a comparable basis[2] in %
Components Technology	1,743	1,906	9	14
Elevator Technology	1,882	1,845	(2)	3
Industrial Solutions	1,479	1,091	(26)	(30)
Materials Services	3,032	3,230	7	9
Steel Europe	1,908	2,171	14	14
Corporate	58	93	59	59
Consolidation	(383)	(518)	—	—
Total sales Group	**9,718**	**9,817**	**1**	**3**

[1] Continuing operations (Note 02)
[2] Excluding material currency and portfolio effects

Sales in the **capital goods businesses**:
- Sales at Components Technology mirrored the positive order intake; Elevator Technology down slightly year-on-year due to offsetting exchange rate effects
- Industrial Solutions down sharply mainly due to temporarily lower billing progress at Marine Systems; significant increase still expected for the full year

All **materials businesses** increased their sales significantly year-on-year mainly due to higher prices.

Materials Services

- Prices relatively stable in almost all product segments with the exception of stainless steel (highly volatile nickel prices)
- Overall materials volumes level with prior year (2.7 million tons shipments)
- Increasing sales in warehousing and service business; clear gains in materials warehousing and distribution in large parts of Europe and North America but decline in direct-to-customer business
- Volumes at AST down from strong prior year

Steel Europe

- Sales increase due to higher average net selling prices while shipments remained stable (2.7 million tons); volume growth with customers in the automotive industry and other industrial customers partly offset by lower volumes in heavy plate due to production-related factors
- Higher market prices across all products and business units

ADJUSTED EBIT BY BUSINESS AREA

million €	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017	Change in %
Components Technology	75	77	2
Elevator Technology	215	220	3
Industrial Solutions	42	12	(72)
Materials Services	51	51	(1)
Steel Europe	28	160	477
Corporate	(115)	(75)	35
Consolidation	(3)	(1)	—
Total adjusted EBIT[2]	**291**	**444**	**52**

[1] Continuing operations (Note 02)
[2] See reconciliation in segement reporting (Note 07).

Adjusted EBIT in the **capital goods businesses**:
- Continued profitable growth at Components Technology and Elevator Technology could not offset decline at Industrial Solutions

Components Technology
- Adjusted EBIT slightly up from prior year despite offsetting exchange rate effects (USD and CNY): lower demand for wind turbine components alongside strong price competition and start-up costs for new plants outweighed mainly by improvements in crankshafts, construction machinery components and camshaft modules
- Margin slightly lower year-on-year at 4.0 % due partly to mix effects from disproportionate growth in axle module assembly sales

Elevator Technology
- Adjusted EBIT higher year-on-year despite offsetting exchange rate effects (USD and CNY) and higher material costs particularly in China
- Margin at 11.9 % 0.5 percentage points higher year-on-year thanks in part to performance program

Industrial Solutions
- Adjusted EBIT down significantly year-on-year, reflecting lower sales, less favorable sales mix, and partial underutilization; positive effects from restructuring measures expected in particular for the second fiscal half

In the **materials businesses** adjusted EBIT was clearly higher year-on-year in a positive market environment, also supported by cost-saving programs.
- Significant improvement at Steel Europe, Materials Services at good prior-year level

Materials Services
- Positive price trend; implementation of performance measures supported earnings
- AST with higher earnings contribution resulting from positive price trend as well as cost and efficiency measures

Steel Europe

- Positive market effects, significant increase from low prior year primarily due to higher selling prices; also supported by cost and efficiency measures
- Pleasing margin growth: adjusted EBIT margin significantly higher year-on-year

Corporate

- Lower project expenditures for IT infrastructure standardization and data and process harmonization
- Positive income effect from real estate sale

Earnings impacted by special items

SPECIAL ITEMS BY BUSINESS AREA

million €	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017	Change
Components Technology	17	2	(16)
Elevator Technology	31	19	(12)
Industrial Solutions	29	2	(27)
Materials Services	13	2	(11)
Steel Europe	2	0	(2)
Corporate	11	(3)	(13)
Consolidation	0	0	—
Special items Group	**104**	**22**	**(81)**

[1] Continuing operations (Note 02)

- Main special items in the reporting period:
  – Elevator Technology: restructuring and reorganization in Europe
  – Corporate: mainly sale of an investment

Results of operations and financial position

Analysis of the statement of income

Income from operations

- Slight growth in net sales in conjunction with virtually unchanged cost of sales; improvement in gross profit margin to 17.2 %
- Decrease in selling expenses mainly due to reduced personnel expenses and lower allowances for trade accounts receivable
- Increase in other income mainly reflecting income from the hedging of operational exchange-rate risks in the reporting period, higher refund entitlements from insurers and suppliers, and electricity price compensation.
- Improvement in other gains/losses mainly gains from the disposal of property, plant and equipment

Financial income/expense and income tax

- Improvement in income from investments accounted for using the equity method in particular due to the absence of the losses reported in the prior year from the measurement of the Atlas Elektronik shares using the equity method
- Net reduction in finance income mainly reflecting lower exchange-rate gains in connection with financial transactions, while income from derivatives in connection with financing was higher
- Net reduction in finance expense mainly due to lower exchange-rate losses from finance transactions and lower expenses from derivatives in connection with financing
- Increased tax expense due to higher earnings alongside once-only effects from the US tax reform

Earnings per share

- Net income up by €96 million to €91 million profit
- Consequently clear €0.14 improvement in earnings per share to €0.12 profit

Analysis of the statement of cash flows

Operating cash flows

- Operating cash flows clearly negative but higher year-on-year mainly due to net increase in operating assets and liabilities
  – higher volumes and strong rise in materials prices in the materials businesses
  – payment deferrals and working down of order backlog at Industrial Solutions

Cash flows from investing activities

- Capital spending at prior-year level; share of capital goods businesses in total capital spending higher at 58 %
- Modernization of IT and harmonization of systems landscape at all business areas and Corporate to enhance efficiency, lower costs and as a basis for Industry 4.0

INVESTMENTS BY BUSINESS AREA

million €	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017	Change in %
Components Technology	91	128	41
Elevator Technology	36	23	(36)
Industrial Solutions	17	17	3
Materials Services	19	15	(23)
Steel Europe	121	88	(28)
Corporate	6	14	130
Consolidation	(2)	4	—
Investments Group	**289**	**290**	**0**

[1] Continuing operations (Note 02)

Components Technology

- Continuation of growth and regionalization strategy
- Global automotive production network progressing further; for example start of deliveries at new plant for electric steering systems in China, expansion of damper system site in Romania well advanced; new plants for three product groups in Hungary being set up along with a further production plant for springs and stabilizers in China

Elevator Technology

- China: 249 m high test tower in Zhongshan almost complete, commissioning scheduled for summer 2018
- Germany: 246 m high elevator test tower in Rottweil complete; MULTI, innovative rope-less elevator system, unveiled in June 2017; development activities now fully up and running

Industrial Solutions

- Cement and Mining: expansion of infrastructure and optimization of technology portfolio to strengthen market position
- Chemical plant construction: continued investment in optimization of technology portfolio
- System Engineering: continued organic growth through order-related investment in e-mobility
- Marine Systems: further implementation of modernization program at Kiel shipyard (currently mainly IT and infrastructure) as well as technology investment

Materials Services

- Modernization and maintenance measures at warehousing and service units and AST

Steel Europe

- New ladle furnace at BOF meltshop 2 to produce high-quality grades, in particular high-strength steels for the auto industry; start-up planned in current fiscal year
- Successful start-up of pickling section of coupled pickling and tandem mill in Dortmund in 1st quarter after extensive modernization

Corporate

- Investments for the Carbon2Chem project (technical center: building and power supply)

The slight increase in cash inflows from divestments was mainly the result of proceeds in the reporting period from the disposal of a German investment classed as non-operating.

Cash flows from financing activities

- Decrease in cash flows from financing activities mainly due to repayments of financial debt in the reporting period following proceeds from borrowings in the prior year

Free cash flow and net financial debt

RECONCILIATION TO FREE CASH FLOW BEFORE M&A

million €	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017	Change
Operating cash flows (consolidated statement of cash flows)	(1,450)	(1,276)	174
Cash flows from investing activities (consolidated statement of cash flows)	(269)	(259)	10
Free cash flow (FCF)	**(1,719)**	**(1,535)**	**184**
–/+ Cash inflow/cash outflow resulting from material M&A transactions	0	(13)	(13)
Free cash flow before M&A (FCF before M&A)	**(1,719)**	**(1,549)**	**170**

[1] Continuing operations (Note 02)

- FCF before M&A higher year-on-year mainly due to improved operating cash flows but as expected temporarily negative
- Net financial debt higher at €3,544 million at December 31, 2017 due to mainly temporarily negative FCF before M&A
- Ratio of net financial debt to equity (gearing) at 108.0% higher than at September 30, 2017 (57.5%)
- Available liquidity of €7.2 billion (€3.6 billion cash and cash equivalents and €3.6 billion undrawn committed credit lines)

Rating

RATING

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BB	B	watch positive
Moody's	Ba2	not Prime	developing
Fitch	BB+	B	watch positive

Analysis of the statement of financial position

Non-current assets

- Decrease in non-current assets primarily influenced by decline in deferred tax assets mainly as a result of US tax reform

Current assets

- Net decrease in current assets mainly reflects sharp decline in cash and cash equivalents due to negative free cash flow in the reporting period
- Increase in inventories mainly due to significantly higher capital employed in the materials businesses
- Increase in other non-financial assets mainly reflects higher entitlements in connection with non-income taxes

Total equity

- Decline versus September 30, 2017 mainly due to losses recognized in other comprehensive income from the remeasurement of pensions and similar obligations as a result of lower discount rates and from currency translation
- Improvement due to net profit in the reporting period

Non-current liabilities

- Increase in provisions for pensions and similar obligations mainly due to lower discount rates
- Decrease in financial debt mainly reflects reclassification of loan notes due in December 2018 to current financial debt

Current liabilities

- Decrease in current liabilities mainly due to reduced trade accounts payable above all at Components Technology and Industrial Solutions
- Reduction in provisions for current employee benefits mainly due to utilization
- Decrease in financial debt primarily due to the repayment of liabilities to financial institutions and the redemption of loan notes; at the same time increases due to previously mentioned reclassification of loan notes from non-current financial debt
- Net decrease in other non-financial liabilities mainly due to lower advance payments received and reduced liabilities to employees; at the same time increased liabilities in connection with non-income taxes

Compliance

Compliance – a question of mindset

- We build on strong values: reliability, honesty, credibility and integrity
- Compliance is a must
- Our values are anchored in the Group Mission Statement, Code of Conduct and Compliance Commitment
- We investigate reports of violations and clear up the facts; violations are stopped immediately; necessary sanctions are independent of person and function
- Israel: state attorney investigations over naval projects, also into local sales agent of thyssenkrupp Marine Systems; according to current knowledge no investigations into thyssenkrupp companies or employees; in-house investigation report handed to the authorities; we are cooperating with the investigating authorities; where necessary further measures will be taken
- More information on compliance at thyssenkrupp in the 2016 / 2017 Annual Report

Forecast, opportunity and risk report

2017 / 2018 forecast

Overall assessment by the Executive Board

- Order intake and sales slightly higher; best 1st quarter adjusted EBIT since the start of the Strategic Way Forward
- On this basis full-year forecast reaffirmed

For key assumptions and expected economic conditions see forecast section and “Macro and sector environment” in the report on the economic position in the 2016 / 2017 Annual Report and the interim management report.

2017 / 2018 expectations

- **Group sales** to increase in low to mid single-digit percentage range (prior year, continuing operations: €41.4 billion)
- **Adjusted EBIT** of the Group expected at €1.8 billion to €2.0 billion with growth and improvements in our capital goods businesses and depending on the duration of the current favorable environment for the materials businesses and possible translation risks (prior year, continuing operations: €1,722 million), supported by €750 million planned EBIT effects under “impact”
- Capital goods businesses
  - Components Technology: improvement in adjusted EBIT (prior year: €377 million) from increase in sales in mid to high single-digit percentage range and improvement in margin (prior year: 5.0 %)
  - Elevator Technology: improvement in adjusted EBIT (prior year: €922 million) from sales growth in low to mid single-digit percentage range and increase in adjusted EBIT margin by 0.5 to 0.7 percentage points (prior year: 12.0 %)
  - Industrial Solutions: continued good order intake and significant increase in sales in the almost double-digit percentage range; clear improvement in adjusted EBIT (prior year: €111 million) supported by extensive transformation and restructuring measures; margin improvement versus prior year but still noticeably below target range
- Materials businesses
  - Materials Services: adjusted EBIT down slightly year-on-year (prior year: €312 million)
  - Steel Europe: subject to limited visibility adjusted EBIT at prior-year level (prior year: €547 million); assuming prices on the materials markets remain stable at a high level throughout the fiscal year adjusted EBIT higher year-on-year
- **Net income:** with restructuring expenses decreasing, significant improvement year-on-year (prior year net income, continuing operations €271 million)
- **tkVA:** accordingly, also significant improvement (prior year: €(651) million)
- **Capital spending:** expected around €1.5 billion (prior year, continuing operations: €1,535 million)

- **FCF before M&A:** back to positive as a result of further improvement in earnings and expected decline in net working capital, though with continued implementation of restructuring measures (prior year, continuing operations: €(855) million).

Opportunities and risks

Opportunities

- Strong and stable earnings, cash flow and value added through positioning as diversified industrial group and systematic continuation of “impact” measures as well as utilization of advantages in interplay between business areas, regions, corporate functions and service units
- Increasing focus on high-earning capital goods and service businesses
- Announced infrastructure programs and implementation of corporate tax reform in the USA
- Strategic and operational opportunities described in 2016 / 2017 Annual Report continue to apply

Risks

- No risks threatening ability to continue as a going concern; detailed information on risks described in 2016 / 2017 Annual Report continues to apply
- Economic risks from numerous geopolitical flashpoints; increasing volatility in external environment, among other things due to Brexit negotiations with the UK; increased uncertainty over global economy and effects on the Group’s business models
- Trade measures of US administration being continuously monitored
- Risks from attacks on IT infrastructure; countermeasure: further expansion of information security management and security technologies
- Federal Cartel Office investigations: thyssenkrupp Steel Europe AG alongside others is the subject of ongoing investigations into alleged cartel agreements relating to heavy plate and flat carbon steel; thyssenkrupp takes the matter very seriously, immediately launched its own internal investigation; based on the facts currently known significant adverse effects on the Group’s asset, financial and earnings situation cannot be ruled out

Condensed interim financial statements

thyssenkrupp AG – Consolidated statement of financial position

ASSETS

million €	Note	Sept. 30, 2017	Dec. 31, 2017
Intangible assets		4,813	4,780
Property, plant and equipment (inclusive of investment property)		7,605	7,589
Investments accounted for using the equity method		154	159
Other financial assets		43	48
Other non-financial assets		207	217
Deferred tax assets	03	1,680	1,439
Total non-current assets		**14,502**	**14,232**
Inventories		6,957	7,559
Trade accounts receivable		5,734	5,676
Other financial assets		420	519
Other non-financial assets		1,923	2,039
Current income tax assets		220	302
Cash and cash equivalents		5,292	3,542
Total current assets		**20,546**	**19,638**
Total assets		**35,048**	**33,870**

EQUITY AND LIABILITIES

million €	Note	Sept. 30, 2017	Dec. 31, 2017
Capital stock		1,594	1,594
Additional paid-in capital		6,664	6,664
Retained earnings		(5,401)	(5,480)
Cumulative other comprehensive income		33	(12)
Equity attributable to thyssenkrupp AG's stockholders		**2,890**	**2,766**
Non-controlling interest		515	514
Total equity		**3,404**	**3,280**
Accrued pension and similar obligations	04	7,924	8,086
Provisions for other employee benefits		354	346
Other provisions		645	617
Deferred tax liabilities		111	58
Financial debt		5,326	5,205
Other financial liabilities		182	147
Other non-financial liabilities		5	3
Total non-current liabilities		**14,546**	**14,463**
Provisions for current employee benefits		357	241
Other provisions		1,183	1,110
Current income tax liabilities		254	243
Financial debt		1,930	1,887
Trade accounts payable		5,729	5,112
Other financial liabilities		842	893
Other non-financial liabilities		6,802	6,642
Total current liabilities		**17,097**	**16,126**
Total liabilities		**31,643**	**30,589**
Total equity and liabilities		**35,048**	**33,870**

See accompanying notes to consolidated financial statements.

thyssenkrupp AG – Consolidated statement of income

million €, earnings per share in €	Note	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017
Net sales	07	9,718	9,817
Cost of sales		(8,126)	(8,129)
Gross margin		**1,592**	**1,688**
Research and development cost		(85)	(78)
Selling expenses		(689)	(666)
General and administrative expenses		(600)	(594)
Other income		42	71
Other expenses		(40)	(29)
Other gains/(losses), net		(9)	7
Income/(loss) from operations		**212**	**398**
Income from companies accounted for using the equity method		(11)	6
Finance income		320	172
Finance expense		(446)	(258)
Financial income/(expense), net		**(137)**	**(80)**
Income/(loss) from continuing operations before tax		**74**	**318**
Income tax (expense)/income		(80)	(228)
Income/(loss) from continuing operations (net of tax)		**(6)**	**91**
Income/(loss) from discontinued operations (net of tax)	02	**21**	**—**
Net income		**15**	**91**
Thereof:			
thyssenkrupp AG's shareholders		**8**	**78**
Non-controlling interest		7	13
Net income		**15**	**91**
Basic and diluted earnings per share based on	08		
Income/(loss) from continuing operations (attributable to thyssenkrupp AG's shareholders)		(0.02)	0.12
Net income (attributable to thyssenkrupp AG's shareholders)		**0.01**	**0.12**

See accompanying notes to consolidated financial statements.
[1] Figures have been adjusted (cf. Note 02).

thyssenkrupp AG – Consolidated statement of comprehensive income

million €	1st quarter ended Dec. 31, 2016	1st quarter ended Dec. 31, 2017
Net income	**15**	**91**
Items of other comprehensive income that will not be reclassified to profit or loss in future periods:		
Other comprehensive income from remeasurements of pensions and similar obligations		
Change in unrealized gains/(losses), net	626	(180)
Tax effect	(182)	29
Other comprehensive income from remeasurements of pensions and similar obligations, net	444	(152)
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(4)	0
Subtotals of items of other comprehensive income that will not be reclassified to profit or loss in future periods	**440**	**(152)**
Items of other comprehensive income that will be reclassified to profit or loss in future periods:		
Foreign currency translation adjustment		
Change in unrealized gains/(losses), net	206	(71)
Net realized (gains)/losses	(1)	0
Net unrealized (gains)/losses	205	(71)
Unrealized gains/(losses) from available-for-sale financial assets		
Change in unrealized gains/(losses), net	0	2
Net realized (gains)/losses	0	0
Tax effect	0	0
Net unrealized (gains)/losses	0	2
Unrealized gains/(losses) on derivative financial instruments (cash flow hedges)		
Change in unrealized gains/(losses), net	(36)	33
Net realized (gains)/losses	52	(6)
Tax effect	(6)	(7)
Net unrealized (gains)/losses	10	20
Share of unrealized gains/(losses) of investments accounted for using the equity-method	3	(1)
Subtotals of items of other comprehensive income that will be reclassified to profit or loss in future periods	**218**	**(50)**
Other comprehensive income	**658**	**(202)**
Total comprehensive income	**673**	**(111)**
Thereof:		
thyssenkrupp AG's shareholders	653	(119)
Non-controlling interest	20	8
Total comprehensive income attributable to thyssenkrupp AG's stockholders refers to:		
Continuing operations	669	(119)
Discontinued operations[1]	(16)	—

See accompanying notes to consolidated financial statements.
[1] Prior-year figures have been adjusted (cf. Note 02).

thyssenkrupp AG – Consolidated statement of changes in equity

		Equity attributable to thyssenkrupp AG's stockholders									
					Cumulative other comprehensive income						
million €, (except number of shares)	Number of shares outstanding	Capital stock	Additional paid-in capital	Retained earnings	Foreign currency translation adjustment	Available-for-sale financial assets	Derivative financial instruments (cash flow hedges)	Share of investments accounted for using the equity method	Total	Non-controlling interest	Total equity
Balance as of Sept. 30, 2016	**565,937,947**	**1,449**	**5,434**	**(5,255)**	**484**	**6**	**(64)**	**48**	**2,102**	**507**	**2,609**
Net income				8					8	7	15
Other comprehensive income				440	193	0	9	3	645	13	658
Total comprehensive income				**448**	**193**	**0**	**9**	**3**	**653**	**20**	**673**
Profit attributable to non-controlling interest									0	(8)	(8)
Balance as of Dec. 31, 2016	**565,937,947**	**1,449**	**5,434**	**(4,807)**	**677**	**6**	**(55)**	**51**	**2,755**	**519**	**3,275**
Balance as of Sept. 30, 2017	**622,531,741**	**1,594**	**6,664**	**(5,401)**	**34**	**8**	**(50)**	**41**	**2,890**	**515**	**3,404**
Net income				78					78	13	91
Other comprehensive income				(152)	(66)	1	20	(1)	(197)	(5)	(202)
Total comprehensive income				**(74)**	**(66)**	**1**	**20**	**(1)**	**(119)**	**8**	**(111)**
Profit attributable to non-controlling interest									0	(12)	(12)
Changes of shares of already consolidated companies				(5)					(5)	4	(1)
Balance as of Dec. 31, 2017	**622,531,741**	**1,594**	**6,664**	**(5,480)**	**(32)**	**10**	**(30)**	**40**	**2,766**	**514**	**3,280**

See accompanying notes to consolidated financial statements.

thyssenkrupp AG – Consolidated statement of cash flows

million €	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017
Net income	**15**	**91**
Adjustments to reconcile net income to operating cash flows:		
Income/(loss) from discontinued operations (net of tax)	(21)	—
Deferred income taxes, net	34	209
Depreciation, amortization and impairment of non-current assets	259	266
Income/(loss) from companies accounted for using the equity method, net of dividends received	11	(6)
(Gain)/loss on disposal of non-current assets	5	(20)
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes		
– Inventories	(711)	(610)
– Trade accounts receivable	(48)	44
– Accrued pension and similar obligations	(72)	(12)
– Other provisions	(109)	(216)
– Trade accounts payable	(257)	(615)
– Other assets/liabilities not related to investing or financing activities	(557)	(407)
Operating cash flows – continuing operations	**(1,450)**	**(1,276)**
Operating cash flows – discontinued operations	1	—
Operating cash flows – total	**(1,450)**	**(1,276)**
Purchase of investments accounted for using the equity method and non-current financial assets	(1)	(1)
Expenditures for acquisitions of consolidated companies net of cash acquired	(3)	(3)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(259)	(263)
Capital expenditures for intangible assets (inclusive of advance payments)	(26)	(22)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	1	14
Proceeds from disposals of property, plant and equipment and investment property	19	16
Cash flows from investing activities – continuing operations	**(269)**	**(259)**
Cash flows from investing activities – discontinued operations	(73)	—
Cash flows from investing activities – total	**(342)**	**(259)**

million €	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017
Proceeds from liabilities to financial institutions	16	734
Repayments of liabilities to financial institutions	(29)	(829)
Proceeds from/(repayments on) loan notes and other loans	374	(75)
Increase/(decrease) in bills of exchange	2	(1)
(Increase)/decrease in current securities	(1)	0
Profit attributable to non-controlling interest	(8)	(12)
Expenditures for acquisitions of shares of already consolidated companies	0	(1)
Financing of discontinued operations	(99)	0
Other financing activities	(132)	(23)
Cash flows from financing activities – continuing operations	**123**	**(207)**
Cash flows from financing activities – discontinued operations	72	—
Cash flows from financing activities – total	**196**	**(207)**
Net increase/(decrease) in cash and cash equivalents – total	(1,596)	(1,742)
Effect of exchange rate changes on cash and cash equivalents – total	36	(8)
Cash and cash equivalents at beginning of year – total	4,105	5,292
Cash and cash equivalents at end of year – total	**2,545**	**3,542**
[thereof cash and cash equivalents within the discontinued operations]	[101]	—
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows of continuing operations:		
Interest received	18	10
Interest paid	(79)	(71)
Dividends received	0	0
Income taxes paid	(127)	(115)

See accompanying notes to consolidated financial statements.
[1] Figures have been adjusted (cf. Note 02).

thyssenkrupp AG – Selected notes

Corporate information

thyssenkrupp Aktiengesellschaft (“thyssenkrupp AG” or “Company”) is a publicly traded corporation domiciled in Duisburg and Essen in Germany. The condensed interim consolidated financial statements of thyssenkrupp AG and its subsidiaries, collectively the “Group”, for the period from October 1, 2017 to December 31, 2017, were reviewed and authorized for issue in accordance with a resolution of the Executive Board on February 7, 2018.

Basis of presentation

The accompanying Group’s condensed interim consolidated financial statements have been prepared pursuant to section 115 of the German Securities Trading Act (WpHG) and in conformity with IAS 34 “Interim financial reporting”. They are in line with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information effective within the European Union. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

The accounting principles and practices as applied in the condensed interim consolidated financial statements as of December 31, 2017 correspond to those pertaining to the most recent annual consolidated financial statements with the exception of the recently adopted accounting standards. A detailed description of the accounting policies is published in the notes to the consolidated financial statements of our annual report 2016 / 2017.

Recently adopted accounting standards

In fiscal year 2017 / 2018, thyssenkrupp adopted the following amendments to already existing standards that do not have a material impact on the Group’s consolidated financial statements:

- Amendments to IAS 12 “Income Taxes”: “Recognition of Deferred Tax Assets for Unrealised Losses”, issued in January 2016
- Amendments to IAS 7 “Statements of Cash Flows”: “Disclosure Initiative”, issued in January 2016

01 Acquisitions

In the 1st quarter ended December 31, 2017, the Group acquired only some smaller companies that are, on an individual basis, immaterial. The total of the purchase prices amounted to €4 million and refers to intangible assets.

Furthermore in fiscal year 2016 / 2017 the Group acquired the 49% share of Atlas Elektronik held by Airbus and after closing in April 2017, the Atlas Elektronik group was fully consolidated. The purchase price allocation has not yet been finalized because the complex and customized structure of the individual projects and the large volume of information required meant that the analysis could not yet be completed; to this extent in particular intangible assets, provisions in connection with projects, and the corresponding goodwill are preliminary. There were no adjustments in the 1st quarter ended December 31, 2017.

02 Discontinued operation

As part of the Strategic Way Forward, thyssenkrupp had reached an agreement with Ternium on the sale of the Brazilian steel mill CSA as essential part of the Steel Americas business area at the end of February 2017. After the approval of the respective competition authorities the sale was closed at the beginning of September 2017 and the business area was deconsolidated. The transaction met the criteria of IFRS 5 for presentation of the Steel Americas business area as a discontinued operation. Consequently in 2016 / 2017 from the beginning of the fiscal year until the disposal of Steel Americas all expense and income was reported separately in the income statement and all cash flows were reported separately in the statement of cash flows.

The results of the Steel Americas business area in the 1st quarter ended December 31, 2016 are presented in the following table:

DISCONTINUED OPERATION STEEL AMERICAS

million €	1st quarter ended Dec. 31, 2016
Net sales	369
Other income	86
Expenses	(406)
Ordinary income/(loss) from discontinued operations (before tax)	**49**
Income tax (expense)/income	(28)
Ordinary income/(loss) from discontinued operations (net of tax)	**21**
Gain/(loss) recognized on disposal of discontinued operations (before tax)	**0**
Income tax (expense)/income	0
Gain/(loss) recognized on disposal of discontinued operations (net of tax)	**0**
Income/(loss) from discontinued operations (net of tax)	**21**
Thereof:	
thyssenkrupp AG's shareholders	21
Non-controlling interest	0

03 Income taxes

The effects of the US tax reform legislation enacted in December 2017 have been taken into account. In particular the valuation of the deferred tax items was adjusted by €114 million.

04 Accrued pension and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of accrued pension obligations was performed as of December 31, 2017.

ACCRUED PENSION AND SIMILAR OBLIGATIONS

million €	Sept. 30, 2017	Dec. 31, 2017
Accrued pension obligations	7,684	7,859
Partial retirement	193	186
Other accrued pension-related obligations	46	41
Total	**7,924**	**8,086**

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

WEIGHTED AVERAGE ASSUMPTIONS

	Sept. 30, 2017			Dec. 31, 2017		
in %	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Discount rate for accrued pension obligations	1.90	2.29	2.00	1.70	2.21	1.83

05 Contingencies and commitments

Contingencies

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

CONTINGENCIES

million €	Maximum potential amount of future payments as of Dec. 31, 2017	Provision as of Dec. 31, 2017
Advance payment bonds	30	1
Performance bonds	2	0
Residual value guarantees	61	15
Other guarantees	7	1
Total	**100**	**17**

All guarantees are issued by or issued by instruction of thyssenkrupp AG or subsidiaries upon request of the principal debtor obligated by the underlying contractual relationship and are subject to recourse provisions in case of default. If such a principal debtor is a company owned fully or partially by a foreign third party, the third party is generally requested to provide additional collateral in a corresponding amount.

thyssenkrupp Steel Europe AG, alongside other steel companies and associations, is the subject of ongoing investigations by the Federal Cartel Office into alleged cartel agreements relating to the product groups heavy plate and flat carbon steel. Based on the facts currently known to us, substantial adverse consequences with regard to the Group's asset, financial and earnings situation cannot be excluded.

Commitments and other contingencies

Due to the high volatility of iron ore prices, in the Steel Europe business area the existing long-term iron ore and iron ore pellets supply contracts are measured for the entire contract period at the iron ore prices applying as of the respective balance sheet date. Compared with September 30, 2017, purchasing commitments decreased by €0.4 billion to €1.7 billion.

There have been no material changes to the other commitments and contingencies since the end of fiscal year 2016 / 2017.

06 Financial instruments

The carrying amounts of trade accounts receivable, other current financial assets as well as cash and cash equivalents equal their fair values. The fair value of loans equals the present value of expected cash flows which are discounted on the basis of interest rates prevailing on the interim balance sheet date.

Available-for-sale financial assets primarily include equity and debt instruments. They are in general measured at fair value, which is based to the extent available on market prices as of the interim balance sheet date. When no quoted market prices in an active market are available and the fair value cannot be reliably measured, equity instruments are measured at cost.

The fair value of foreign currency forward transactions is determined on the basis of the middle spot exchange rate applicable as of the interim balance sheet date, and taking account of forward premiums or discounts arising for the respective remaining contract term compared to the contracted forward exchange rate. Common methods for calculating option prices are used for foreign currency options. The fair value of an option is influenced not only by the remaining term of an option, but also by other factors, such as current amount and volatility of the underlying exchange or base rate.

Interest rate swaps and cross currency swaps are measured at fair value by discounting expected cash flows on the basis of market interest rates applicable for the remaining contract term. In the case of cross currency swaps, the exchange rates for each foreign currency, in which cash flows occur, are also included.

The fair value of commodity futures is based on published price quotations. It is measured as of the interim balance sheet date, both internally and by external financial partners.

The carrying amounts of trade accounts payable and other current liabilities equal their fair values. The fair value of fixed rate liabilities equals the present value of expected cash flows. Discounting is based on interest rates applicable as of the balance sheet date. The carrying amounts of floating rate liabilities equal their fair values.

Financial assets and liabilities measured at fair value could be categorized in the following three level fair value hierarchy:

FAIR VALUE HIERARCHY AS OF SEPT. 30, 2017

million €	Sept. 30, 2017	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial assets held for trading)	65	0	65	0
Derivatives qualifying for hedge accounting	20	0	20	0
Fair value recognized in equity				
Available-for-sale financial assets	20	17	2	0
Derivatives qualifying for hedge accounting	32	0	32	0
Total	**137**	**17**	**120**	**0**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial liabilities held for trading)	59	0	59	0
Derivatives qualifying for hedge accounting	10	0	10	0
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	22	0	22	0
Total	**92**	**0**	**92**	**0**

FAIR VALUE HIERARCHY AS OF DEC. 31, 2017

million €	Dec. 31, 2017	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial assets held for trading)	55	0	55	0
Derivatives qualifying for hedge accounting	20	0	20	0
Fair value recognized in equity				
Available-for-sale financial assets	22	20	3	0
Derivatives qualifying for hedge accounting	35	0	35	0
Total	132	**20**	**113**	**0**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial liabilities held for trading)	63	0	63	0
Derivatives qualifying for hedge accounting	32	0	32	0
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	14	0	14	0
Total	109	**0**	**109**	**0**

The fair value hierarchy reflects the significance of the inputs used to determine fair values. Financial instruments with fair value measurement based on quoted prices in active markets are disclosed in Level 1. In Level 2 determination of fair values is based on observable inputs, e.g. foreign exchange rates. Level 3 comprises financial instruments for which the fair value measurement is based on unobservable inputs.

07 Segment reporting

Segment information for the 1st quarter ended December 31, 2016 and 2017, respectively is as follows:

SEGMENT INFORMATION

million €	Components Technology	Elevator Technology	Industrial Solutions	Materials Services	Steel Europe	Corporate	Steel Americas[1]	Consolidation	Group
1st quarter ended Dec. 31, 2016									
Net sales	1,744	1,883	1,477	2,970	1,607	37	369	0	10,087
Internal sales within the Group	(2)	(1)	2	62	300	21	79	(461)	0
Total sales	1,743	1,882	1,479	3,032	1,908	58	447	(461)	10,087
EBIT	58	184	13	38	25	(126)	52	(3)	240
Adjusted EBIT	75	215	42	51	28	(115)	37	(3)	329
1st quarter ended Dec. 31, 2017									
Net sales	1,904	1,845	1,090	3,167	1,783	29	—	0	9,817
Internal sales within the Group	2	1	0	63	388	64	—	(518)	0
Total sales	1,906	1,845	1,091	3,230	2,171	93	—	(518)	9,817
EBIT	75	201	10	48	160	(72)	—	(1)	422
Adjusted EBIT	77	220	12	51	160	(75)	—	(1)	444

[1] Discontinued operation

In the Industrial Solutions business area average capital employed increased from €430 million as of September 30, 2017 to €523 million as of December 31, 2017.

The reconciliations of net sales and of the earnings figure EBIT to EBT according to the statement of income are presented below:

RECONCILIATION NET SALES

million €	1st quarter ended Dec. 31, 2016	1st quarter ended Dec. 31, 2017
Net sales as presented in segment reporting	**10,087**	**9,817**
– Net sales Steel Americas	(369)	—
Net sales as presented in the statement of income	**9,718**	**9,817**

RECONCILIATION EBIT TO EBT

million €	1st quarter ended Dec. 31, 2016[1]	1st quarter ended Dec. 31, 2017
Adjusted EBIT as presented in segment reporting	**329**	**444**
Special items	(88)	(22)
EBIT as presented in segment reporting	**240**	**422**
+ Finance income	384	172
– Finance expense	(500)	(258)
– Items of finance income assigned to EBIT based on economic classification	(13)	(13)
+ Items of finance expense assigned to EBIT based on economic classification	13	(5)
EBT-Group	**124**	**318**
– EBT Steel Americas	(49)	—
EBT from continuing operations as presented in the statement of income	**74**	**318**

[1] Figures have been adjusted (cf. Note 02).

08 Earnings per share

Basic earnings per share are calculated as follows:

EARNINGS PER SHARE

	1st quarter ended Dec. 31, 2016[1]		1st quarter ended Dec. 31, 2017	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Income/(loss) from continuing operations (net of tax) (attributable to thyssenkrupp AG's shareholders)	(13)	(0.02)	78	0.12
Income/(loss) from discontinued operations (net of tax) (attributable to thyssenkrupp AG's shareholders)	21	0.04	—	—
Net income (attributable to thyssenkrupp AG's shareholders)	**8**	**0.01**	**78**	**0.12**
Weighted average shares	565,937,947		622,531,741	

[1] Figures have been adjusted (cf. Note 02).

The weighted average number of shares increased as a result of the capital increase carried out at the end of September 2017.

There were no dilutive securities in the periods presented.

09 Additional information to the consolidated statement of cash flows

The liquid funds considered in the consolidated statement of cash flows correspond to the “Cash and cash equivalents” line item in the consolidated statement of financial position inclusive of cash and cash equivalents attributable to the discontinued operation. As of December 31, 2017 cash and cash equivalents of €22 million (prior year: €58 million) result from the joint operation HKM.

Essen, February 7, 2018

thyssenkrupp AG
The Executive Board

Hiesinger

Burkhard Kaufmann Kerkhoff

Review report

To thyssenkrupp AG, Duisburg and Essen

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated statement of financial position, the consolidated statement of income and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and selected explanatory notes – and the interim group management report of thyssenkrupp AG, Duisburg and Essen, for the period from October 1, 2017, to December 31, 2017, which are part of the quarterly financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz" German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Essen, February 13, 2018

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Harald Kayser (German Public Auditor)	Michael Preiß (German Public Auditor)

Additional information

Contact and 2018 / 2019 financial calendar

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2018 / 2019 financial calendar

May 15, 2018
Interim report 1st half 2017 / 2018 (October to March)
Conference call with analysts and investors

August 9, 2018
Interim report 9 months 2017 / 2018 (October to June)
Conference call with analysts and investors

November 21, 2018
2017 / 2018 Annual Report (October to September)
Annual press conference
Analysts’ and investors’ conference

February 1, 2019
Annual General Meeting

February 12, 2019
Interim report 1st quarter 2018 / 2019 (October to December)
Conference call with analysts and investors

This interim report was published on February 14, 2018.
Produced in-house using firesys.

We thank our employees for being part of our campaign.
Employee on cover: Julia Zhao

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

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

Variances for technical reasons
Due to statutory disclosure requirements the Company must submit this financial report electronically to the Federal Gazette (Bundesanzeiger). For technical reasons there may be variances in the accounting documents published in the Federal Gazette. German and English versions of the financial report can be downloaded from the internet at www.thyssenkrupp.com. In the event of variances, the German version shall take precedence over the English translation.

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