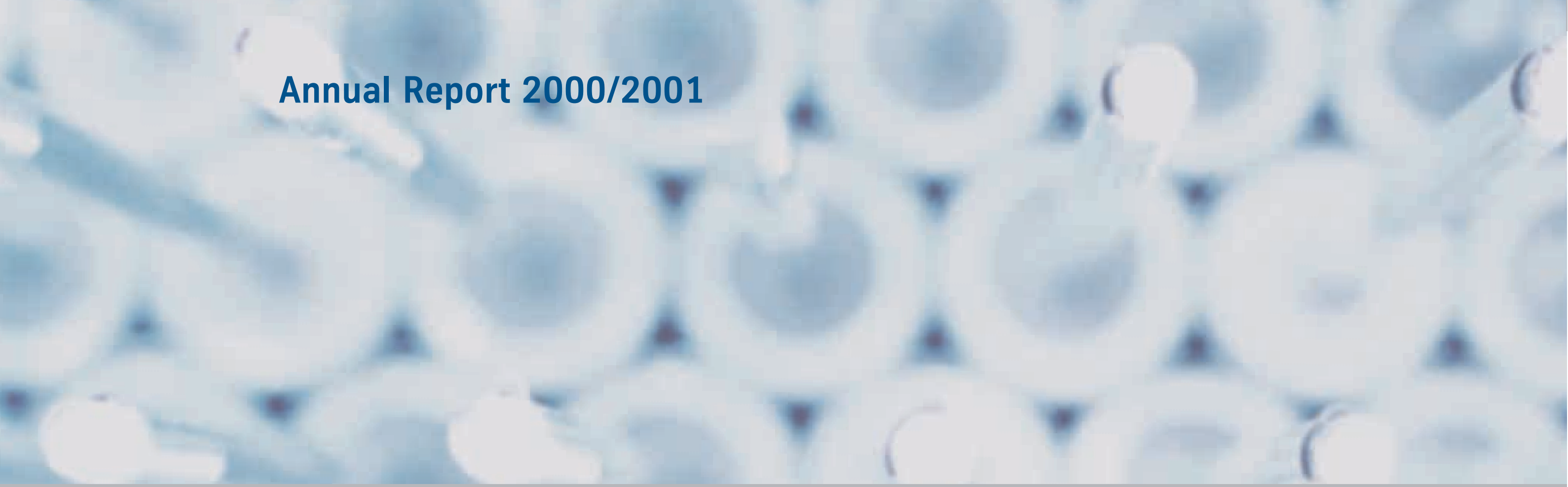
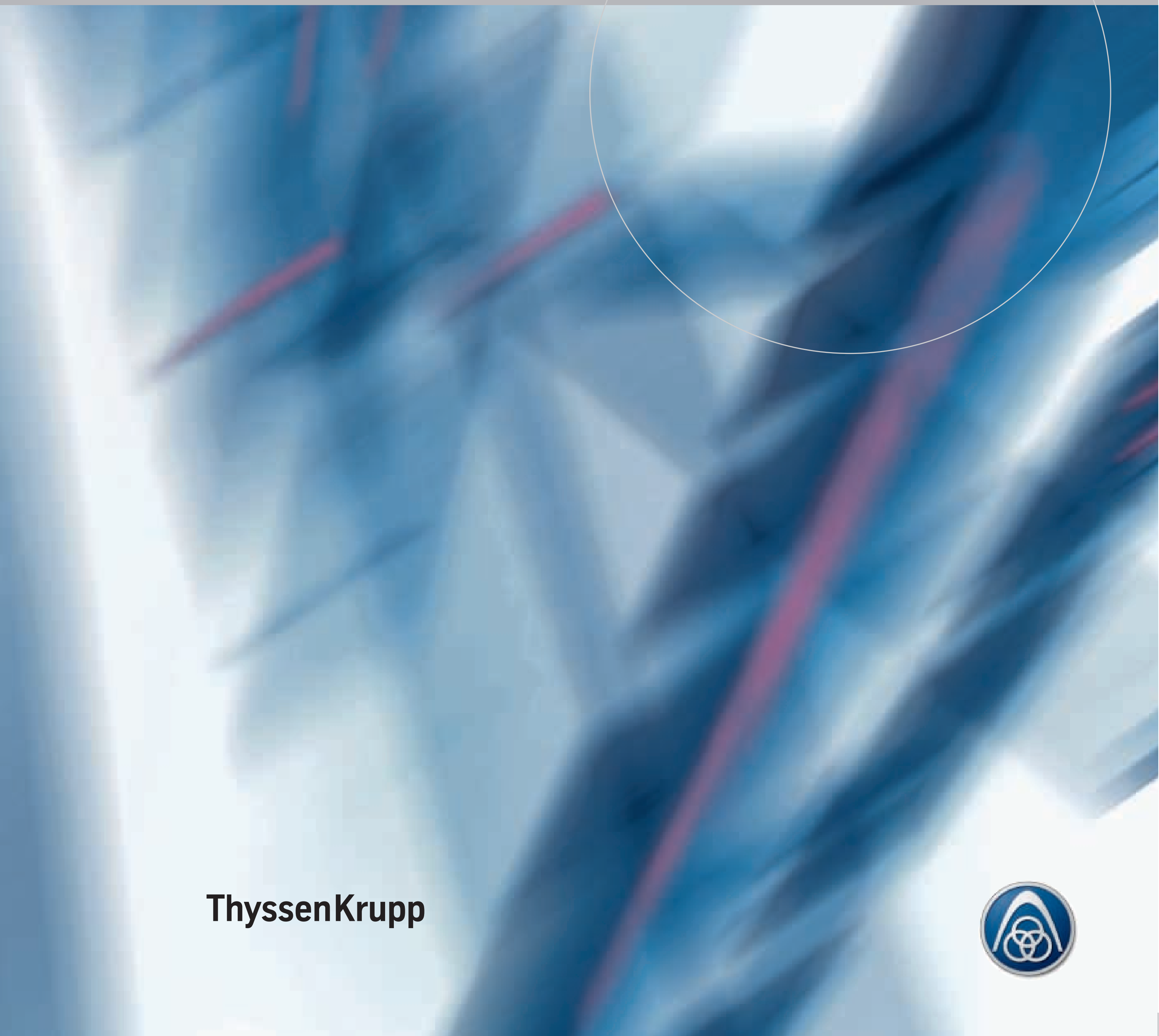
Annual Report 2000/2001



Global views



ThyssenKrupp

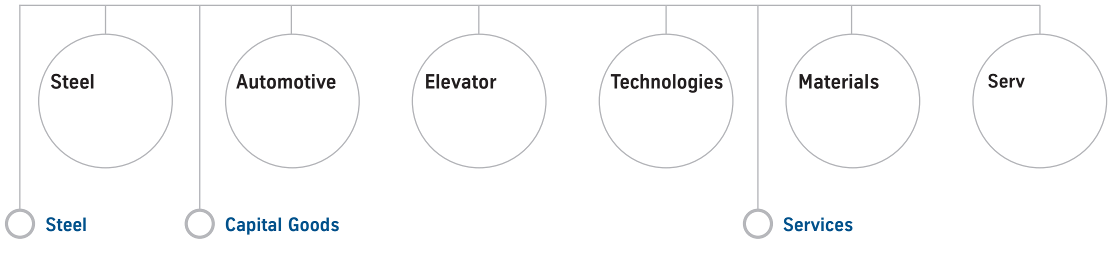
THE GROUP IN FIGURES

		1999/2000	**2000/2001**	Change
Order intake	€ m	38,942	37,869	– 1,073
Sales	€ m	37,209	38,008	+ 799
EBITDA	€ m	3,383	3,267	– 116
EBIT	€ m	1,509	1,349	– 160
Income before taxes and minority interest	€ m	1,090	876	– 214
Consolidated net income	€ m	527	665	+ 138
Basic earnings per share	€	1.02	1.29	+ 0.27
Normalized earnings per share	€	0.89	0.58	– 0.31
Distribution	€ m	386	309 *	– 77
Dividend per share	€	0.75	0.60 *	– 0.15
Net cash provided by operating activities	€ m	1,329	2,245	+ 916
Capital investments	€ m	2,495	2,327	– 168
Return on equity (before taxes and minority interest)	%	12.4	10.0	– 2.4
ROCE	%	8.7	7.7	– 1.0
EVA	€ m	(72)	(298)	– 226
Net financial payables	€ m	7,730	6,407	– 1,323
Stockholders' equity	€ m	8,797	8,786	– 11
Gearing	%	87.9	72.9	– 15
Employees (Sept. 30)		193,316	193,516	+ 200

* Proposal to the Annual Stockholders' Meeting

ThyssenKrupp in brief

The strengths of the ThyssenKrupp Group lie in Steel, Capital Goods and Services. We have over 193,000 employees in more than 70 countries developing products and solutions to meet the challenges of tomorrow. Each of them have their own views, views which help us to keep thinking ahead, to keep moving forward. Worldwide. Global views. ThyssenKrupp



Global views At ThyssenKrupp, thinking forward keeps us moving forward. It is an approach which has served the Group well, unlocking creative potential and paving the way for change. Forward thinking provides ThyssenKrupp with a continuous stream of new ideas, products and services that make life easier for our customers. But thinking ahead also means taking seriously our responsibility to the environment, the community, our customers, stockholders and employees. As an international Group, we not only have the ability to influence the lives of current and future generations, we have a duty to keep on meeting these challenges every day. We have global views on how to achieve these objectives.

Sustainability Business no longer takes place behind closed doors. Every step a company takes is in the public eye. To achieve long-term success, companies have to gear their actions more than ever to the interests of their various stakeholders. That means taking their legitimate needs and expectations seriously – be they ethical, social, ecological or economic – and incorporating them in our decision-making processes and day-to-day business. This is something we recognize and strive to achieve.

Corporate Governance Corporate governance stands for responsible business management geared towards long-term value creation. It calls for efficient cooperation between executive and supervisory boards, respect for the interests of stockholders, and openness and transparency in corporate communication. In 2000, a firm of independent consultants rated the quality of corporate governance at 300 leading stock corporations in nine European countries. Of the four prizes awarded, ThyssenKrupp was ranked first in the category “Rights and duties of shareholders”.

Stockholders Responsibility to our stockholders as the owners of the company is expressed above all in our value-based management system which aims to continuously increase the value of the enterprise. By that we mean achieving a rate of return higher than the cost of capital. This guarantees our stockholders an attractive long-term return on their investment and at the same time improves our chances of attracting new capital, which can be invested in further growth.

Customer focus It is our customers who decide on the success of our products and services, and thus the success of our company. They demand high quality and innovative technology at competitive prices, driving us constantly to new heights. And only a successful and profitable company can meet its responsibilities to all stakeholders on a long-term basis.

Employee shares The extent to which employees are prepared to invest in their own company is a reliable indicator of how strongly they identify with their employer. ThyssenKrupp does well in this respect: Under the 2001 employee stock program around half the eligible German workforce invested in “their” company. But there are other kinds of investment which are no less important – for example the ideas and commitment of our employees as reflected in the company suggestion scheme or our annual innovation contest.

Environmental protection Resource-friendly production equipment and processes, ecologically compatible product developments, environmental research – just some examples of our worldwide commitment to minimizing water, air and ground pollution and making responsible use of raw materials and energy. ThyssenKrupp also makes its expertise available to others to help reduce the burden on the environment. One way we do this is by building advanced production facilities with state-of-the-art pollution control, such as Shanghai Krupp Stainless, where production satisfies even the strict environmental requirements of the World Bank – for example, each cubic meter of water is used 30 to 40 times before being replaced.

Freedom Regimentation stifles originality. So at ThyssenKrupp we make sure our employees have the freedom to develop their personalities and give their creativity free rein. We encourage our people to think like entrepreneurs and act on their own responsibility so that good ideas can be realized quickly to the benefit of all concerned. That makes ThyssenKrupp a more attractive place to work, to learn a profession and to cooperate on research. And it also enhances the value of our Group: After all, the future prospects of a company are really only decided in one place – in the minds of its employees.

Global view ○ **Future prospects**

Project	Transrapid
Place	Shanghai, People's Republic of China
Segment	Technologies
Competency	Support and propulsion magnets, sensors, motor coils, vehicle undercarriages, vehicle bodies

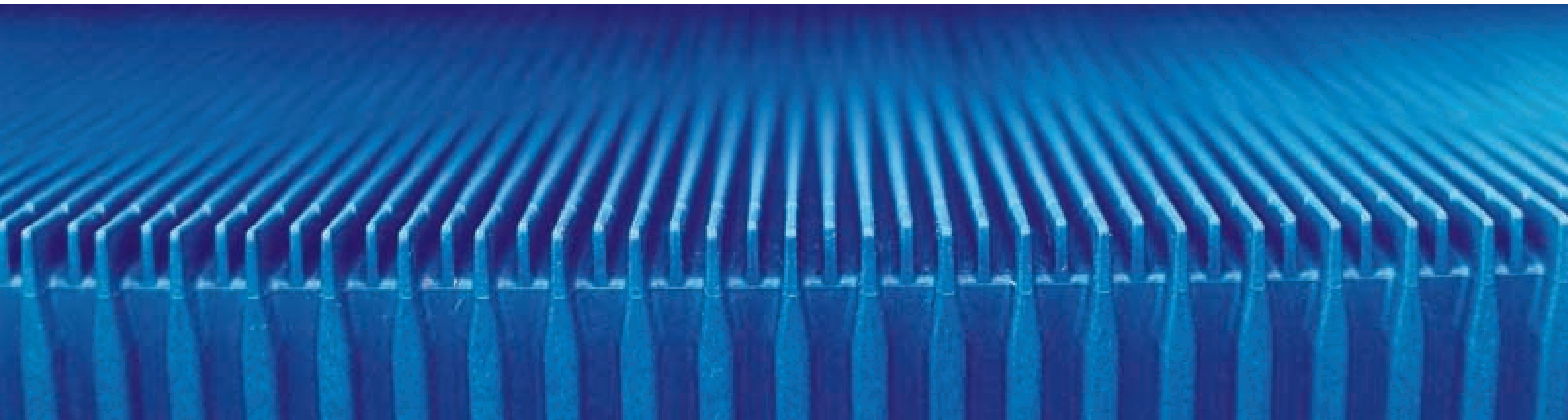
"In Shanghai we are currently building the world's first Transrapid line, scheduled to go into service in 2003. It will cover the 30.5 kilometers between the city's Pudong international airport and the Lujiazui financial center in just 8 minutes. ThyssenKrupp is supplying the vehicles, magnetic power controllers, gap sensors and electronic levitation control as well as important track subsystems and components such as steel switches and stator packs. SMTDC (Shanghai Maglev Transportation Development Co. Ltd.) is responsible for the track and infrastructure. There is a good chance of more high-speed lines being built in China in the coming years. The decision by the International Olympic Committee to stage the 2008 Summer Olympics in China could for example lead to a quick decision to build a Beijing-Shanghai line. So China looks set to remain one of ThyssenKrupp's key markets."

David Zhang, Transrapid Project Office

Global view ○ **Team success**

Project	“AufSchalke” stadium
Place	Gelsenkirchen, Germany
Segments	Steel, Elevator, Technologies, Materials, Serv
Competency	Carbon and stainless steels, Roof structure, tubes, flagpoles, escalators, stand coating

This 62,000-capacity soccer “temple” has a sliding roof and a pitch which can be retracted hydraulically out of the stadium and into the sunshine. The escalators are in the colors of the home club Schalke 04 thanks to new, wear-resistant glass-fiber steps which can be produced in any color. Club manager Rudi Assauer was quick to see the competitive benefits of this and placed the order with ThyssenKrupp. But that’s not all we contributed to this magnificent new stadium: Steel supplied carbon and stainless steels, Technologies designed and built the curved roof structure, which is 226 meters long, 186 meters wide and weighs 4,200 tons; Materials supplied both the tubes and the flagpoles; and Serv supplied the non-slip coating for the 38,000 square meter stand area.



Global view ○ **Perfection**

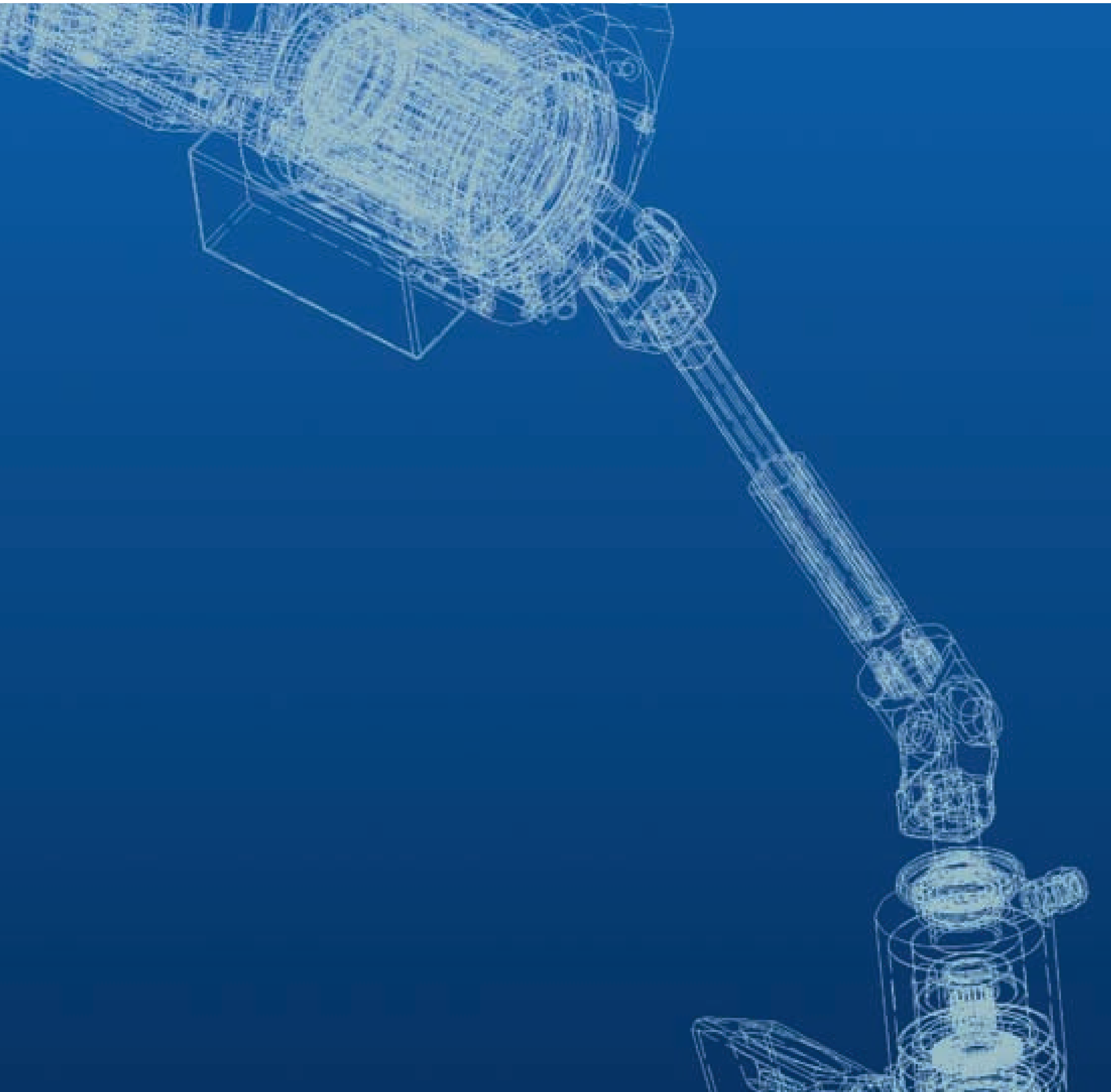
Project	New bright annealing line
Place	Terni, Italy
Segment	Steel
Competency	Manufacture of flat stainless steel products

“Our new bright annealing tower is 82 meters high and turns out up to 18 tons of high-gloss stainless steel per hour. The tower’s height has long since made it a new landmark of the city of Terni, while the esthetic appearance and technical perfection of the finished products are an excellent advertisement for ThyssenKrupp.” Francesca Benedetti, plant manager

Hydraulic power steering accounts for 5% of a modern car's fuel consumption, even when there is hardly any steering to be done such as on highways. This waste of energy prompted Krupp Presta, an experienced automotive supplier, to develop TubPAS. For the driver, TubPAS is just like any ordinary power steering. But in reality this is an electromechanical system which only uses energy when the car is actually being steered. Further benefits of TubPAS include low weight, compact design, low manufacturing cost and greater design latitude.

Global view ○ **Forward thinking**

Project	TubPAS
Place	Eschen, Liechtenstein
Segment	Automotive
Competency	TubPAS, development and manufacture of an electronic power steering system



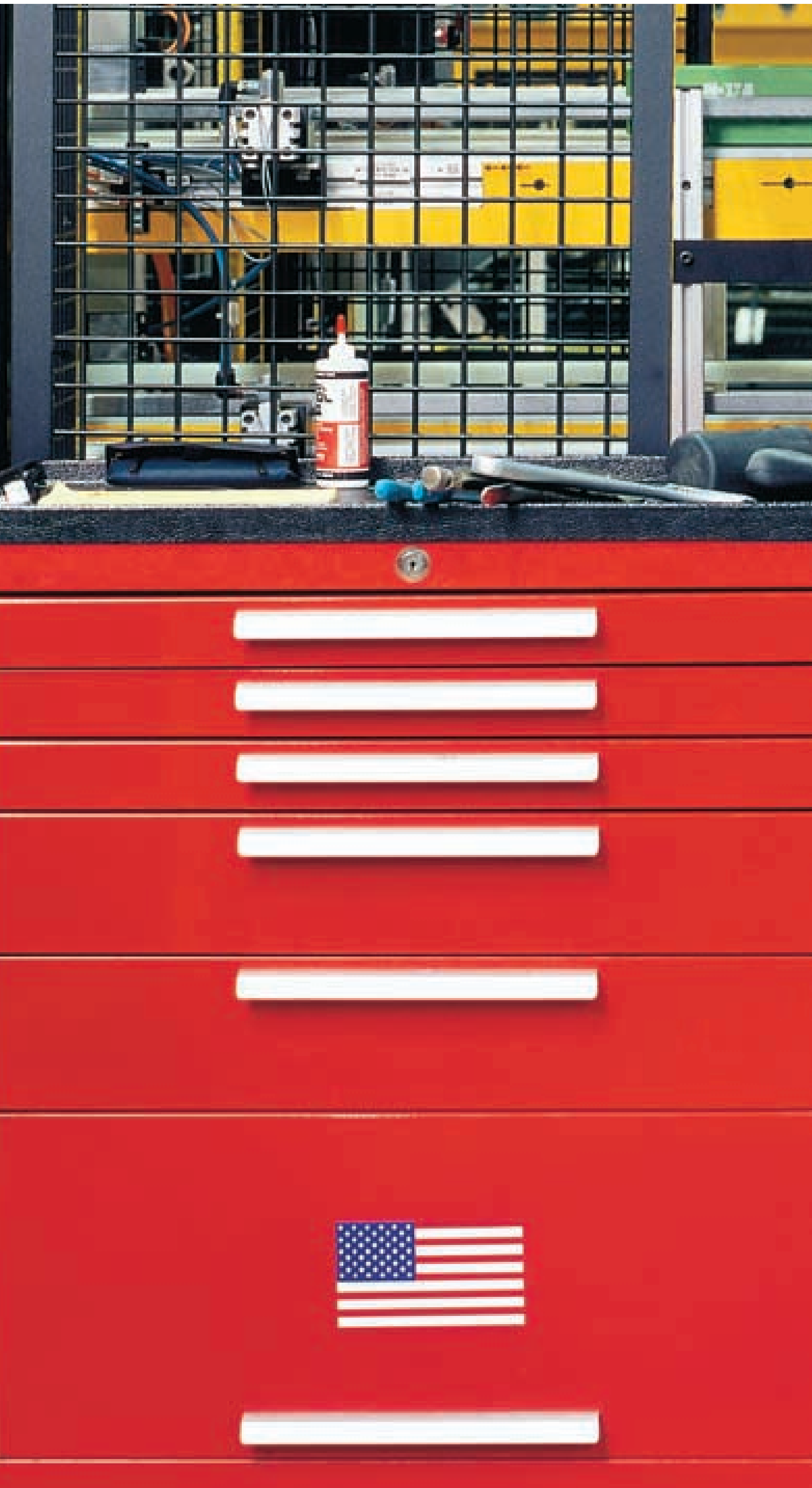
China has quietly emerged as the world's No. 1 steel producer. It is also the world's biggest importer of stainless steel. The demand for steel in China is at least as gigantic as the country itself. Low-cost steel plate is no longer all that's needed. Higher-quality grades are in demand too, preferably stainless. The Shanghai Krupp Stainless plant in Pudong opened by German Chancellor Gerhard Schröder in November 2001 produces 72,000 tons of stainless steel per year. It is owned by Shanghai Pudong Iron & Steel and Krupp Thyssen Stainless, the world's biggest stainless steel producer, and the new plant makes Krupp Thyssen Stainless even more global.

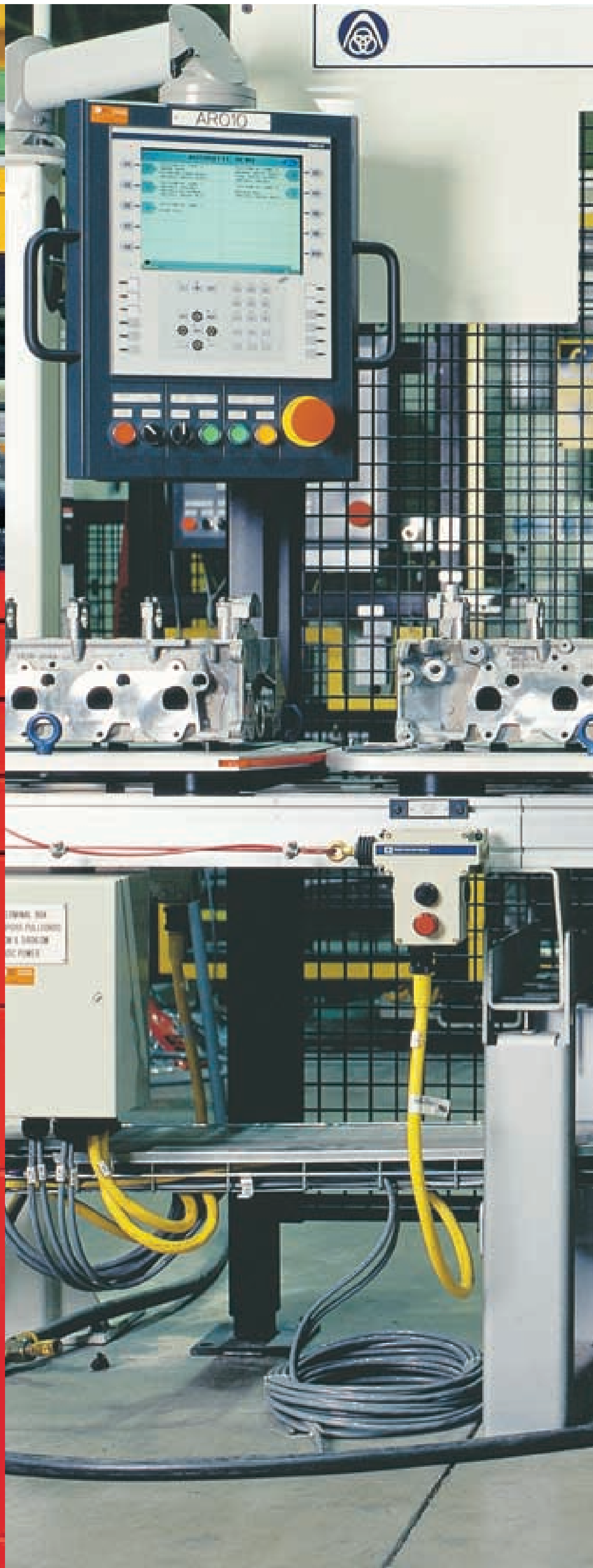
Global view ○ **Quality offensive**

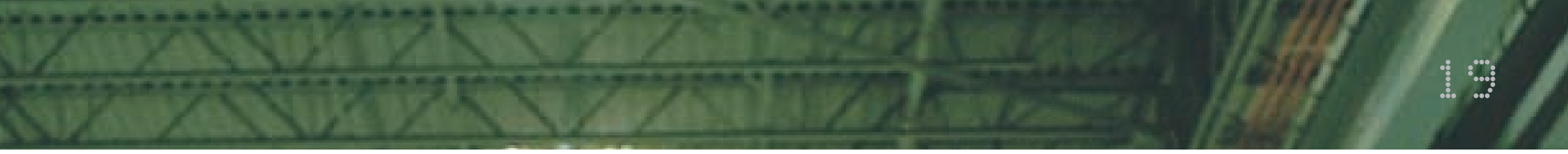
Project	New stainless steel plant
Place	Shanghai, People's Republic of China
Segment	Steel
Competency	Know-how transfer, building local production capacities

Global view ○ **Insider**
Project Assembly equipment
Place Auburn Hills, USA
Segment Technologies
Competency Specialized assembly equipment

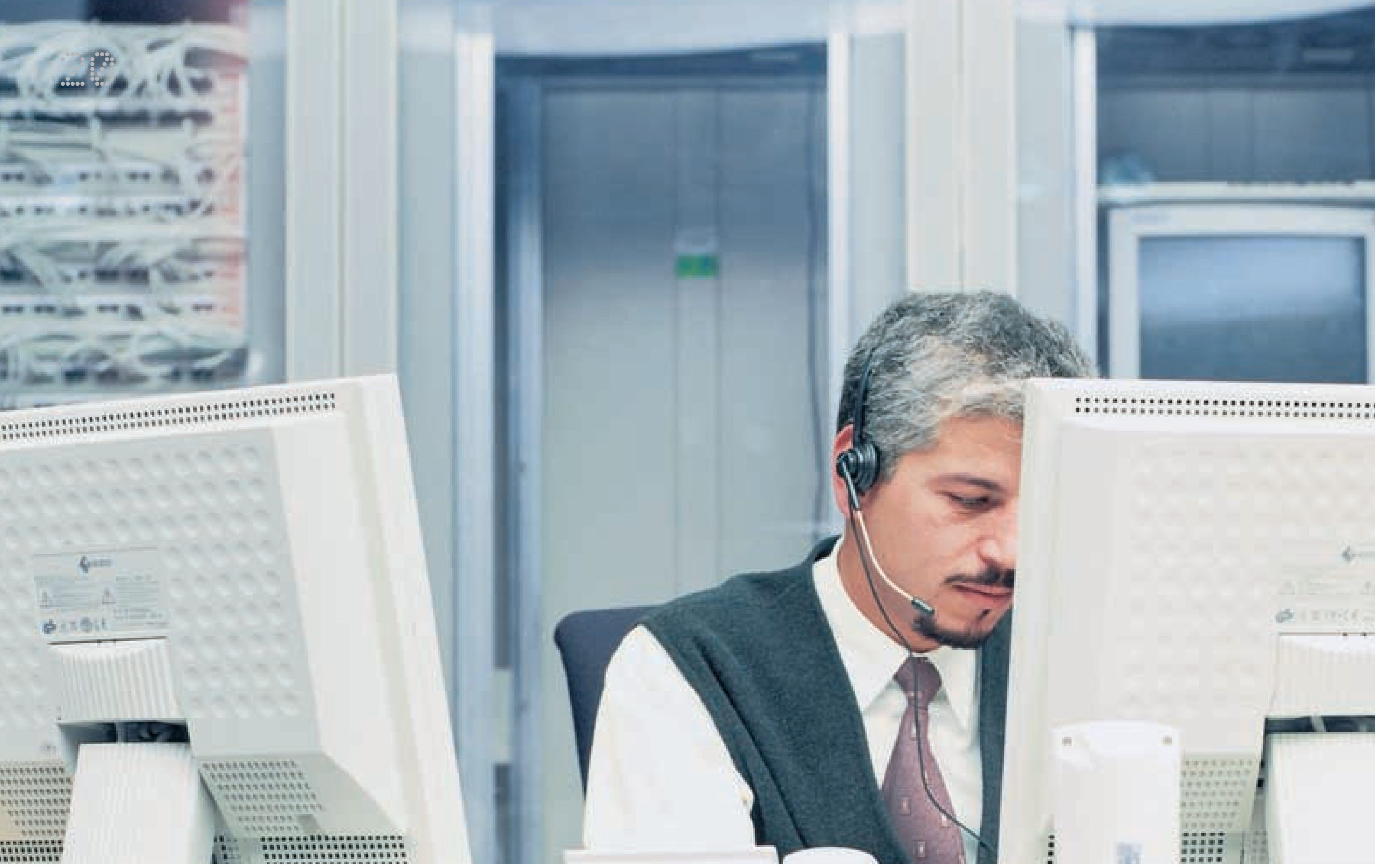
Insider



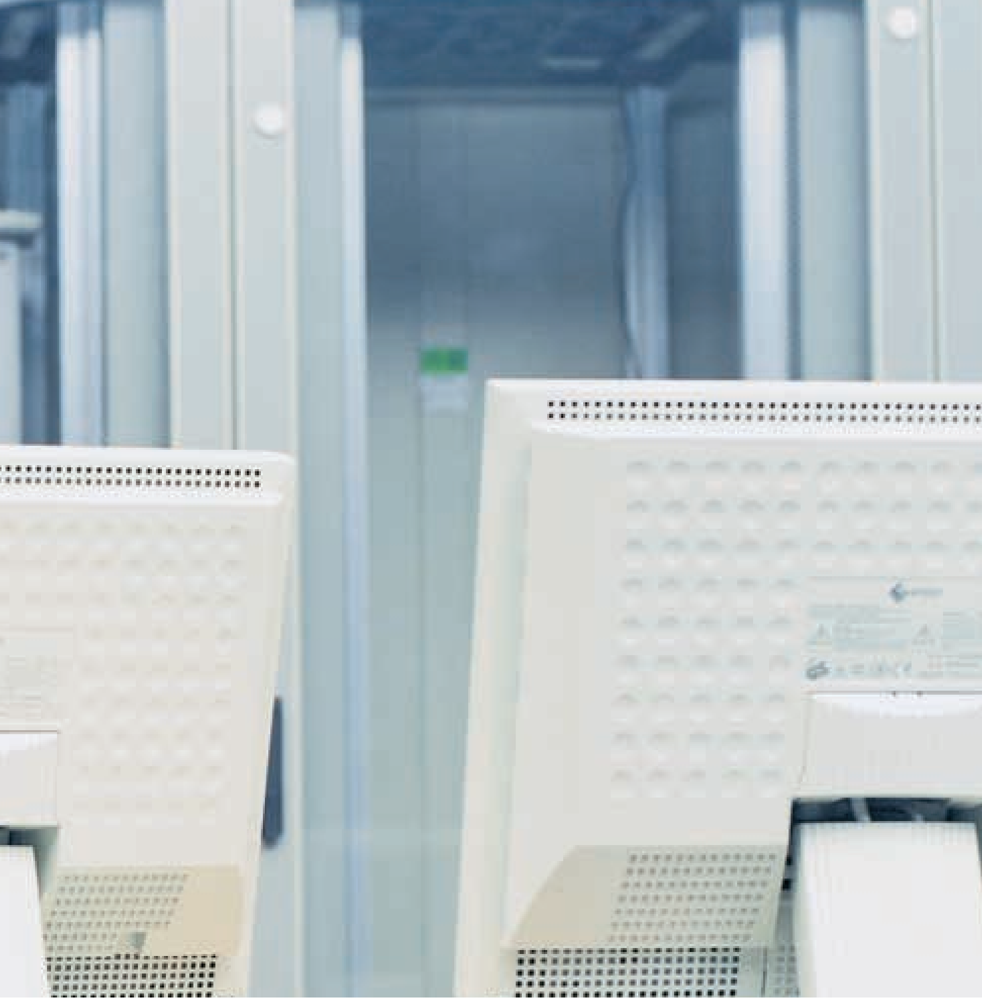


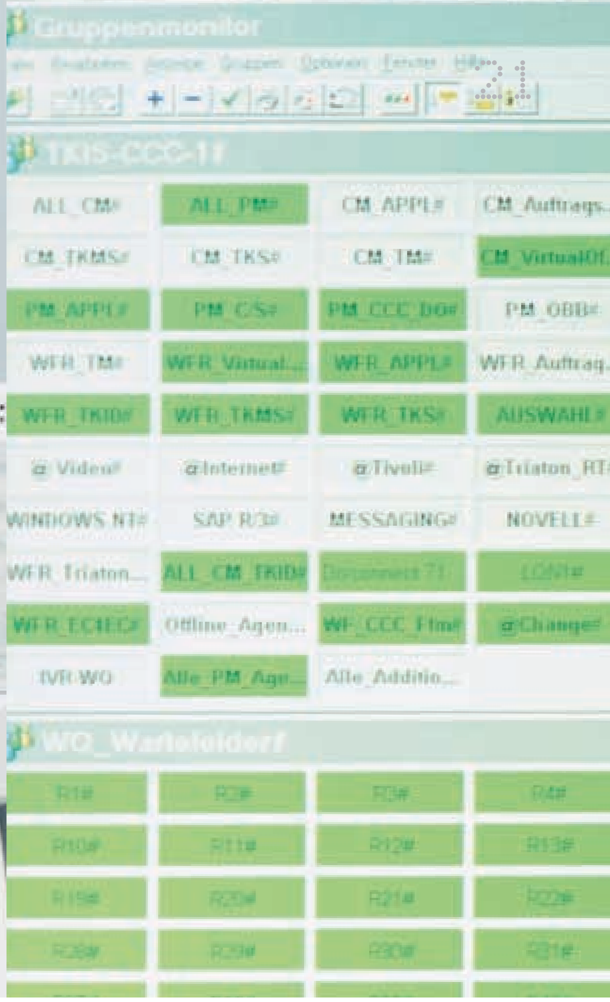


Car manufacturers today no longer make everything themselves but call on the support of highly skilled systems partners like ThyssenKrupp. With its outstanding products and decades of experience of working with the automobile industry, ThyssenKrupp is an internationally recognized specialist in assembly equipment. Carmakers worldwide put their faith in ThyssenKrupp equipment for the assembly of engines, transmissions, axles and steering systems.



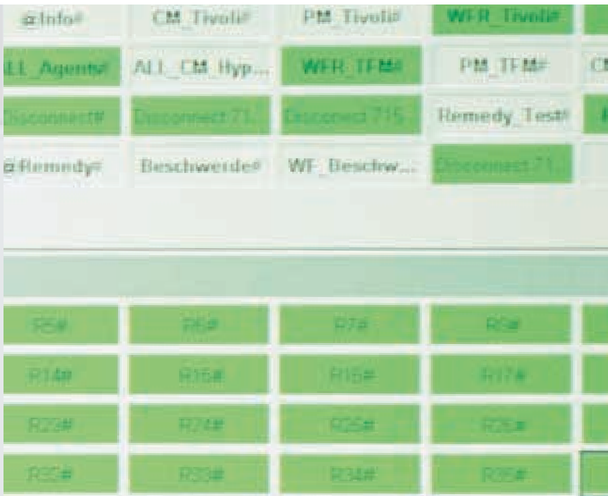
“First the network goes down. Then the entire company. To make sure it never gets that far we ensure the continuous availability of our customers' computer systems and networks around the clock, 365 days a year.” Hany Rezek, Problem Manager





Global view ○ **Security adviser**
Project Telemanagement Center
Place Krefeld, Germany
Segment Serv
Competency IT-based remote monitoring and control of networks, terminal equipment and security systems, online support, problem management

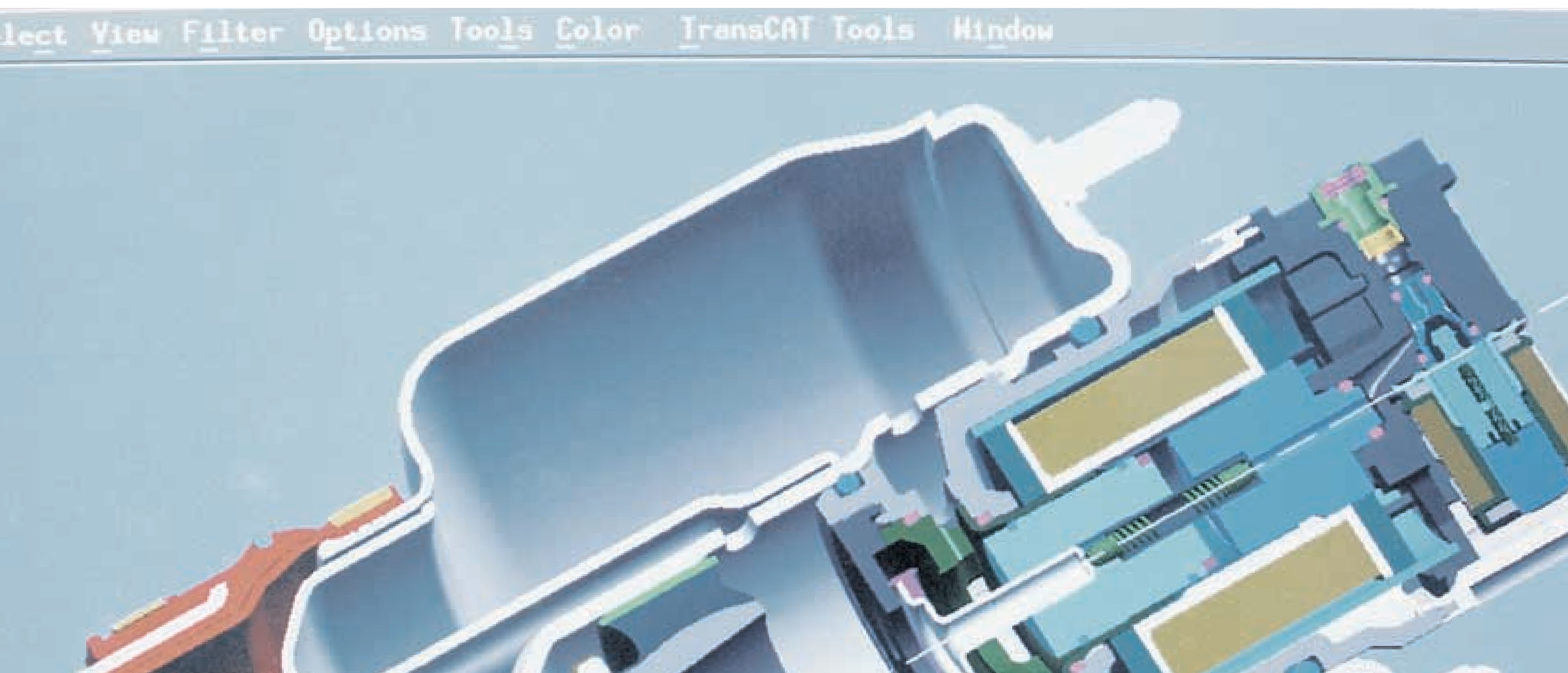
Security adviser



Global view	○ **Systems partnership**
Project	Air suspension systems
Place	Mandern, Germany
Segment	Automotive
Competency	Development and manufacture of suspension components, systems partner, motorsport supplier

Systems partnership

Racing drivers are not known for attaching a great deal of importance to comfort. Even so, the motorsport expertise that Krupp Bilstein has accumulated in over thirty years was vital to the development of the high-comfort air suspension system used in the Mercedes Benz S-class. In motorsport you learn how to work together with works teams to come up with sophisticated solutions quickly, a quality also required of systems partners to the automobile industry. One outcome of such a joint effort is the innovative, electronically controlled air spring/damper system for the S-class, which responds to level changes in milliseconds to enhance ride comfort and redefine suspension technology in the luxury car segment.



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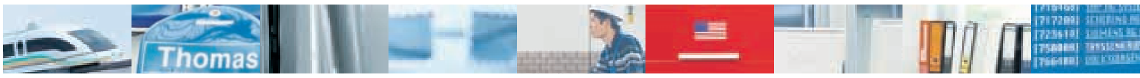

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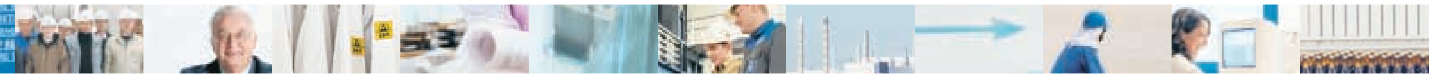

To our stockholders

Today, ThyssenKrupp has almost 300,000 stockholders, twice as many as in 1999 at the time of the merger. Their confidence spurs us to continue our work and our open reporting. The letter from the Executive Board chairman and the report of the Supervisory Board provide information on the past fiscal year, our plans and corporate governance in the Group. The section on ThyssenKrupp stock contains facts, figures and charts to aid investors in their decisions.

Global views

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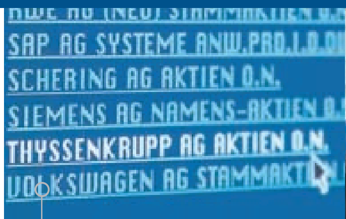

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Value potential

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Motivation

Executive Board

Dr. Hans-Erich Forster
also Chairman of the Executive Board of ThyssenKrupp Materials AG
born 1940
member of the Executive Board since 1996
responsible for the Materials, Elevator and Serv segments, the Corporate Materials Management department and for Real Estate

Dieter Hennig
born 1939
member of the Executive Board since 1992
responsible for the Corporate Personnel and Social Policy department and for Administrative Services

Dr. Jürgen Harnisch
also Chairman of the Executive Board of ThyssenKrupp Automotive AG
born 1942
member of the Executive Board since October 1, 2001
responsible for the Automotive segment and the Corporate Foreign Organization department

As of January 2002

Prof. Dr. Ekkehard D. Schulz
Chairman
born 1941
member of the Executive Board since 1991
responsible for the Central Bureau, Corporate Communications, Senior Executives, Legal and Internal Auditing departments

Dr. Ulrich Middelmann
Vice Chairman since October 1, 2001
also Chairman of the Executive Board of ThyssenKrupp Steel AG
born 1945
member of the Executive Board since 1992
responsible for the Steel segment and the Corporate Information Management department

Dr. Gerhard Jooss
born 1941
member of the Executive Board since 1989
responsible for the Corporate Accounting, Taxes and Customs and Controlling departments

Prof. Dr. Eckhard Rohkamm
also Chairman of the Executive Board of ThyssenKrupp Technologies AG
born 1942
member of the Executive Board since 1991
responsible for the Technologies segment and the Corporate Technology department

Dr. Heinz-Gerd Stein
born 1940
member of the Executive Board since 1982
responsible for the Corporate Mergers & Acquisitions, Finance and Investor Relations departments and for Insurance Services

The former Chairman **Dr. Gerhard Cromme** – responsible for the Automotive segment and the Corporate Development and Communications departments – resigned from the Executive Board effective September 30, 2001 and has been Chairman of the Supervisory Board of ThyssenKrupp AG since October 1, 2001.

Jürgen Rossberg – hitherto member of the Executive Board responsible for the Corporate Legal, Organizational Development and Internal Auditing departments and for Real Estate – resigned from the Executive Board effective December 31, 2001 and retired.

Letter to stockholders

Prof. Dr. Ekkehard D. Schulz
Chairman of the Executive Board

Dear Stockholders,

The events of the past year will haunt us all for a long time to come. The terrorist attacks in the USA on September 11, 2001 changed the world. They demonstrated starkly how vulnerable democracy is and how dangerous hatred and fanaticism can be. On behalf of our employees, especially our 30,000 staff in the USA, we donated one million US dollars to the victims of the attacks and their families. Among the victims was a member of our American workforce. An elevator service engineer, he was working near the World Trade Center on September 11. When the first aircraft hit the tower, he rushed to help, and lost his life. As well as providing direct help for his family, ThyssenKrupp will also ensure that his four children receive a good education – that is a personal concern of mine.

The tragic events in the USA also impacted world economic development. Already slowing, the economies of the USA and Europe suffered a further setback, and the prospects of a recovery receded. Many companies and entire industries are reporting declining sales and unsatisfactory earnings for the past year. At ThyssenKrupp, too, the business and earnings situation deteriorated from quarter to quarter in fiscal year 2000/2001. This trend was reflected in the continuous downward adjustment of economic forecasts throughout the year.

Overall in 2000/2001 we generated sales of €37.9 billion, slightly higher than the year before. Earnings before taxes and minority interest – €1.1 billion last time – amounted to €876 million, excluding once-only effects €500 million. Net financial payables were reduced to €6.5 billion at September 30, 2001, €1.2 billion lower than a year earlier. In view of the decline in earnings, together with our Supervisory Board we will be recommending the Annual Stockholders' Meeting to reduce the dividend for the past fiscal year in order to strengthen the Group's finances. After €0.75 in the previous year, a dividend of €0.60 per no-par-value share is to be paid. For myself and my colleagues, this proposal is an expression of our responsibility towards the Company. And I trust it is one that you, too, can understand and accept.

2000/2001: €0.60 dividend per share on pre-tax profits of €876 million

You will find further information on the past fiscal year in our Annual Report. We have once again packaged the extensive facts and figures in a highly readable report to give you a true-to-life insight into the world of ThyssenKrupp. Your positive response to last year's report was extremely motivating.

As well as a review of the last fiscal year, what interests you most is our Group's strategy for the future and the concrete actions planned by the Executive Board. In view of the subdued economic outlook for the coming months, many of you will be asking how the Group's business will shape up in 2001/2002.

ThyssenKrupp stands for steel, capital goods and services.

ThyssenKrupp is well on the way to becoming a focused conglomerate centered on Steel, Capital Goods and Services. The six operating segments – Steel, Automotive, Elevator, Technologies, Materials and Serv – will be further developed to achieve a sustained increase in the value of the Company. We will concentrate on businesses with excellent growth opportunities in which we have outstanding expertise. We will consolidate and expand the leading market positions we already occupy. In other areas we will move forward into such positions. To this end we will continue our ongoing portfolio optimization. Since the merger we have acquired activities with sales of €3.7 billion and sold businesses with sales of around €2.5 billion.

Of course we are also striving for further internal growth – be it through our own investment or by cooperating with third parties. A recent example is Shanghai Krupp Stainless – an integrated stainless steel plant we are building in association with our Chinese partner in Shanghai. Comprising a cold rolling mill with an annual capacity of 72,000 tons of cold rolled strip and employing 360 people, phase one of the plant was opened last November in the presence of German Chancellor Gerhard Schröder.

A further pillar of our strategy is to improve internal processes so as to achieve a continuous increase in productivity. Our Groupwide benchmark is at least 2% to 3% productivity growth per year. Our approach concentrates on three main areas: continuing the scheduled realization of our synergy targets, restructuring businesses which are still in deficit, and systematically advancing activities which are returning positive earnings but no positive EVA.

We know that we will only be able to achieve a sustained increase in the value of ThyssenKrupp if we make optimum use of all available resources – in particular the talent and capabilities of our employees. This is an ongoing process, because individual successes often spark off new improvements. To support and boost the efficiency of this process, we have developed a corporate program known as ThyssenKrupp best, where “best” stands for “business excellence in service and technology”. ThyssenKrupp best will help link up individual projects, promote knowledge transfer and increase the motivation and initiative of each individual. You can find out more about the program in a separate section of this Annual Report.

We are sticking to our medium-term goal of generating sustained pre-tax earnings of €1.5 billion per year. The three levers we are using to close the current earnings gap are value-based portfolio optimization, our productivity enhancement offensive, and ThyssenKrupp best. And I am confident that we will succeed. Obviously not overnight, because all programs, no matter how good they are, need time to take effect. What is more, no revitalizing impetus can be expected from the economy over the next few months. However, there are four important reasons for my confidence: ThyssenKrupp has a viable substance; ThyssenKrupp has a capable workforce; ThyssenKrupp has a clear goal, and, last but not least, ThyssenKrupp has the trust of its stockholders.

Sustainable pre-tax profits of €1.5 billion are our medium-term goal.

We will continue to endeavor to earn this trust every day. To do so, we aim to further develop the Group into a leading global player. This is the common goal of the Executive Board, management and workforce. Please give us your continued support.

Yours sincerely,

Prof. Dr. Ekkehard D. Schulz
Chairman of the Executive Board

Düsseldorf, January 2002

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 (since October 1, 2001)
Former Chairman of the Executive Board
of ThyssenKrupp AG

Dieter Schulte, Duisburg
Vice Chairman
Chairman of the German
Trade Union Federation

Dr. Karl-Hermann Baumann, Munich
Chairman of the Supervisory Board of Siemens AG

Wolfgang Boczek, Bochum
Materials tester
Chairman of the Works Council Union
of ThyssenKrupp Automotive

Carl-L. von Boehm-Bezing, Bad Soden
Former member of the Executive Board
of Deutsche Bank AG

Udo Externbrink, Dortmund
(since June 28, 2001)
Systems programmer
Chairman of the General Works Council
of Triaton GmbH

Dr. Klaus Götte, Munich
Chairman of the Supervisory Board of MAN AG

Klaus Ix, Siek
(since June 28, 2001)
Fitter
Chairman of the Works Council
of Thyssen Fahrtreppen GmbH

Gerd Kappelhoff, Witten
Trade union secretary at the
Düsseldorf branch office of IG Metall

Dr. Martin Kohlhaussen, Frankfurt/Main
(since June 28, 2001)
Chairman of the Supervisory Board
of Commerzbank AG

Dr. Heinz Kriwet, Düsseldorf
Chairman (until September 30, 2001)
Former Chairman of the Executive Board
of Thyssen AG

Dieter Kroll, Voerde
(until April 30, 2001)
Member of the Executive Board
of Rasselstein Hoesch GmbH

Reinhard Kuhlmann, Frankfurt/Main
Secretary general of the European
Metal Workers' Trade Union Federation

Werner Nass, Dortmund
(until April 30, 2001)
Salaried employee
Former Chairman of the European Works Council
of ThyssenKrupp AG

Dr. Mohamad-Mehdi Navab-Motlagh, Tehran
Vice Minister for Economics and International
Affairs in the Industrial and Mining
Ministry of the Islamic Republic of Iran

As of January 2002

Dr. Friedel Neuber, Duisburg
Former Chairman of the Executive Board
of Westdeutsche Landesbank Girozentrale

Dr. Kersten von Schenck, Bad Homburg
(until September 30, 2001)
Attorney and notary

Thomas Schlenz, Hamminkeln
Shift foreman
Chairman of the Group Works Council
of ThyssenKrupp AG

Dr. Henning Schulte-Noelle, Munich
Chairman of the Executive Board of Allianz AG

Wilhelm Segerath, Duisburg
Automotive bodymaker
Chairman of the General Works Council of
Thyssen Krupp Stahl AG and Chairman of the
Works Council Union of ThyssenKrupp Steel

Dr. Walter Seipp, Königstein i. Ts.
(until May 31, 2001)
Honorary Chairman of the Supervisory Board
of Commerzbank AG

Ernst-Otto Tetau, Brietlingen
Machine fitter
Chairman of the Works Council
of Blohm + Voss GmbH and Chairman
of the Works Council Union
of ThyssenKrupp Technologies

Bernhard Walter, Bad Homburg
Former Speaker of the Executive Board
of Dresdner Bank AG

Dieter Wittenberg, Dortmund
Director of ThyssenKrupp Technologies AG

Supervisory Board Committees

Executive Committee
Dr. Gerhard Cromme (Chairman)
Dieter Schulte
Dr. Karl-Hermann Baumann
Thomas Schlenz

Committee in accordance with Art. 27 para. 3 of the German Codetermination Act
Dr. Gerhard Cromme (Chairman)
Dieter Schulte
Dr. Karl-Hermann Baumann
Thomas Schlenz

Personnel Committee
Dr. Gerhard Cromme (Chairman)
Dieter Schulte
Dr. Karl-Hermann Baumann
Thomas Schlenz

Accounting and Investment Committee
Dr. Gerhard Cromme (Chairman)
Dieter Schulte
Wolfgang Boczek
Dr. Klaus Götte
Dr. Mohamad-Mehdi Navab-Motlagh
Wilhelm Segerath

Report by the Supervisory Board

An intensive, ongoing dialog between the Supervisory Board and Executive Board is the basis for efficient Supervisory Board work. We further intensified this dialog in 2000/2001 and further improved our corporate governance taking into account internationally and nationally recognized standards. The following report summarizes the main areas of discussion in the Supervisory Board in the past fiscal year.

Regular, up-to-date, comprehensive reporting is the basis for efficient Supervisory Board work.

In the year under review, the Supervisory Board performed the functions for which it is responsible according to statutory provisions and the articles of association. It regularly advised the Executive Board on the management of the Company and supervised the conduct of business. The Supervisory Board was directly involved in all decisions of fundamental significance for the Company. In mostly written reports the Executive Board furnished the Supervisory Board with regular, up-to-date and comprehensive information on all relevant issues of strategy and corporate planning, business progress, the state of the Group including the risk situation, and risk management. The Executive Board agreed the Group's strategic alignment with the Supervisory Board. All important events were discussed in detail by the Supervisory Board Executive Committee (Präsidium) and the full Supervisory Board on the basis of reports by the Executive Board. Outside the Supervisory Board meetings the Supervisory Board Chairman was kept regularly informed about the current business situation and key business transactions.

In fiscal year 2000/2001 four Supervisory Board meetings were held. Between meetings, the Supervisory Board was kept informed about projects and events which were urgent or of particular importance, and approval was requested when necessary.

Work of the committees

The four committees of the Supervisory Board are composed of representatives of the stockholders and the employees. The current composition of the individual committees is shown in the list of Supervisory Board members on page 34 of the Annual Report. The Executive Committee and Personnel Committee, which are composed of the same persons, met four times during the reporting period. Main areas of deliberation were the Group's strategic alignment (Executive Committee)

Dr. Gerhard Cromme
Chairman of the Supervisory Board

and personnel matters relating to the Executive Board (Personnel Committee). The Committee in accordance with Art. 27 para. 3 German Codetermination Act did not have to be convened. The Accounting and Investment Committee met twice during the reporting period and addressed in particular the parent-company and consolidated financial statements, the further development of the risk management system, and the Group's investment plan.

Key areas of discussion in the Supervisory Board

The development of sales, earnings and the workload in the Group and the individual segments, the financial situation and major investment projects and disposals were discussed regularly at the full-session meetings. Several meetings also addressed the issue of employee shares and the further development of US GAAP, including for example the new rules concerning goodwill impairment (FAS 141, 142).

The meeting on December 08, 2000 discussed and adopted the corporate plan and investment plan for fiscal year 2000/2001. It also discussed the strategic realignment of the ThyssenKrupp Group, under which the three main areas of activity – Steel, Capital Goods, Services – are represented by the six segments Steel, Automotive, Elevator, Technologies, Materials and Serv. The Supervisory Board approved the adjustment of the strategic plan. Further topics discussed in this meeting included the progress of restructuring in the Production Systems business, the placement of a US$1.5 billion credit facility, and the issue of the second tranche of the Long Term Management Incentive Plan for selected executives in the Group. In addition, the Supervisory Board approved the sale of Krupp Werner & Pfleiderer GmbH.

At its meeting on January 10, 2001, the Supervisory Board dealt primarily with the financial statements for the year ended September 30, 2000. A further key topic was a detailed presentation of the Materials and Serv segments with an in-depth look at the expansion of the service activities in the Group. In this connection the Executive Board also reported on the further development of e-business activities. At this meeting the Supervisory Board granted its approval for the sale of Krupp Seeschiffahrt.

Investment projects were an important topic of discussion in fiscal year 2000/2001.

Ahead of the Annual Stockholders' Meeting, the Supervisory Board met on March 02, 2001 and was informed of the Group's current situation. Together with personnel matters relating to the Executive Board and Supervisory Board, some investment projects were discussed, in particular the possible takeover of the suspension systems and shock absorber business of the Italian automotive supplier Magneti Marelli.

The sale of the Brazilian iron ore producer Ferteco Mineração S.A. was approved by the Supervisory Board by written procedure in April 2001.

On July 05, 2001 personnel matters relating to the Executive Board and Supervisory Board were once again on the agenda of the Supervisory Board meeting. A detailed presentation was made of the Elevator segment. Discussions also focused on the sale of Thyssen Schienen Technik GmbH and a possible collaboration with Babcock in shipbuilding.

At its meeting on November 09, 2001 the Supervisory Board approved a new organization chart for the Executive Board. The Executive Board gave an initial review of fiscal year 2000/2001. This was followed by an analysis of the variances between forecast and actual performance, and a discussion of the Group's plan for fiscal year 2001/2002. Further, the Executive Board reported in detail on the development of the Group's financial payables.

Audit of the financial statements

The parent company financial statements for the period October 01, 2000 to September 30, 2001, prepared by the Executive Board in accordance with German GAAP, and the management report of ThyssenKrupp AG were audited by KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Berlin and Frankfurt am Main, in accordance with the resolution of the Annual Stockholders' Meeting of ThyssenKrupp AG on March 02, 2001, and the subsequent engagement award by the Supervisory Board. The auditors issued an unqualified audit opinion.

The 2000/2001 financial statements were discussed in depth in the presence of the auditors.

The consolidated financial statements of ThyssenKrupp AG were prepared on the basis of US GAAP. By utilization of the exemption provision of Art. 292a of the German Commercial Code (HGB), German GAAP consolidated financial statements were not prepared, and the management report on the Group was supplemented with an analysis of the economic situation and a report on the performance of the ThyssenKrupp stock, as well as further additional information pursuant to Art. 292a HGB. The US GAAP consolidated financial statements and the management report on the Group were given an unqualified audit opinion.

Another area covered by the audit was the risk management system, in respect of which the auditors stated that the Executive Board had carried out the measures required under Art. 91 para. 2 of the German Stock Corporation Act (AktG) and that the ThyssenKrupp risk management system is capable of identifying at an early stage developments which could jeopardize the continued existence of the Company.

The financial statement documents and audit reports were sent to all Supervisory Board members in good time. They were discussed in detail at the meeting of the Accounting and Investment Committee on January 08, 2002 and at the meeting of the Supervisory Board on January 09, 2002. 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 for supplementary information.

On the basis of its own examination of the parent company financial statements, the consolidated financial statements, the management report and the management report on the Group, the Supervisory Board approved the result of the audit. At its meeting on January 09, 2002 it approved the financial statements, which are thus adopted. The Supervisory Board concurred with the proposal of the Executive Board for the appropriation of net income.

At its meeting on January 10, 2001 the Supervisory Board resolved to invite proposals for the engagement to audit the parent company financial statements and consolidated financial statements for fiscal year 2001/2002. Three international auditing companies were requested to submit proposals. On the basis of a resolution of the Supervisory Board on July 05, 2001, the Executive Board of ThyssenKrupp AG moderated the bidding process. The proposals were forwarded to the Accounting and Investment Committee of ThyssenKrupp AG in October 2001. At the meeting of the Accounting and Investment Committee on November 08, 2001, all three auditing companies presented their proposals. On this basis the Accounting and Investment Committee recommended that the Supervisory Board of ThyssenKrupp AG propose KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft as auditors of the parent company and consolidated financial statements for fiscal year 2001/2002. The Supervisory Board accepted this recommendation in its meeting on November 09, 2001. It will propose to the Annual Stockholders' Meeting of ThyssenKrupp AG that KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft be engaged as financial statement auditors.

Competitive bids were invited for the 2001/2002 financial statement audit – the winner was KPMG.

Composition of the Supervisory Board and Executive Board

At the close of April 30, 2001 Mr. Dieter Kroll and Mr. Werner Nass resigned from the Supervisory Board. In their place Mr. Udo Externbrink and Mr. Klaus Ix were appointed new members of the Supervisory Board by court ruling. Dr. Walter Seipp resigned his seat at May 31, 2001. As Dr. Seipp's successor, Dr. Martin Kohlhaussen was appointed member of the Supervisory Board. To replace Dr. Kersten von Schenck, who left the Supervisory Board at the close of September 30, 2001, Dr. Gerhard Cromme was appointed member of the Supervisory Board, having previously resigned from the Executive Board of ThyssenKrupp AG at the close of September 30, 2001. The Supervisory Board elected Dr. Cromme as its chairman, Dr. Heinz Kriwet having stepped down as chairman at the close of September 30, 2001. The change in the chairmanship of the Supervisory Board was effected swiftly and smoothly thanks to the intensive exchange between the old and new chairmen. Since Dr. Kriwet retained his seat on the board, the Supervisory Board can continue to count on his valuable advice.

The Supervisory Board also appointed Dr. Ulrich Middelmann vice chairman of the Executive Board of ThyssenKrupp AG effective October 01, 2001. Likewise effective October 01, 2001 Dr. Jürgen Harnisch was appointed member of the Executive Board of ThyssenKrupp AG . Mr. Jürgen Rossberg resigned from the Executive Board at the close of December 31, 2001 and entered retirement.

The Supervisory Board thanks Dr. Kriwet for his services as Supervisory Board chairman, in particular for his knowledgeable and circumspect support during the merger of Thyssen and Krupp. It thanks the retired Supervisory Board members for their constructive cooperation in this body and for their commitment to the interests of the Company and its employees. The Supervisory Board's thanks are due to Mr. Rossberg for his many years of successful service to the Group.

In addition, the Supervisory Board expresses thanks and recognition to the Executive Board, company managements, all employees and the employee representatives for their efforts. They once again all worked together constructively and responsibly in fiscal year 2000/2001.

The Supervisory Board

Gerhard Cromme

Dr. Gerhard Cromme
Chairman

Düsseldorf, January 09, 2002

ThyssenKrupp stock

Prices in the stock markets were generally disappointing for investors in the past fiscal year. As a price performance measure, the German stock index (DAX) lost 37%, while the price of ThyssenKrupp stock fell by approximately 27%. A recent survey shows that ThyssenKrupp has almost 300,000 stockholders from Germany and abroad, making the Group one of the largest public companies in Europe.

KEY DATA OF THYSSENKRUPP STOCK

		1998/1999	1999/2000	2000/2001
Capital stock	€ million	1,315	1,317	1,317
Number of shares	million shares	514.5	514.5	514.5
Stock exchange value at September 30	€ million	9,621	7,918	5,814
Closing price at September 30	€	18.70	15.39	11.30
High	€	24.55	33.60	20.69
Low	€	12.84	15.27	9.93
Dividend	€	0.72	0.75	0.60[2]
Dividend total	€ million	368	386	309[2]
Dividend yield	%	3.8	4.9	5.3
Earnings per share	€	0.52[1]	1.02	1.29
Normalized earnings per share	€	0.79[1]	0.89	0.58
Trading volume (daily average)	million shares	1.5	1.8	1.7

[1] pro forma [2] Proposal to Annual Stockholders' Meeting

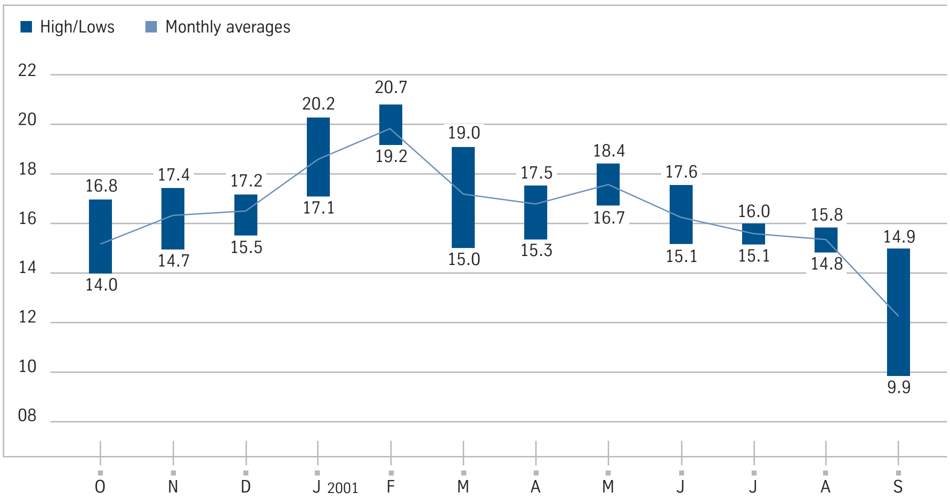
Disappointing share price performance

ThyssenKrupp's stock reached its year high of €20.69 in February 2001.

The downward trend of fiscal year 1999/2000 continued at the beginning of the year under review. In mid-October, the share price fell to €14.00, after which it recovered – albeit unsteadily – to reach a high of €20.69 in February 2001, driven by expectations of a turnaround in the steel market. In the spring, our stock price came under strong pressure in a generally weak market environment. By April 03, 2001 the DAX and the DJ STOXX indices had slipped by some 20% as compared to the beginning of the fiscal year. ThyssenKrupp stock dropped well below its high, but, having outperformed the market previously, returned to the same level as at the start of the fiscal year. In line with the market, the stock staged a recovery over the next few months, before plummeting again to a price of approximately €15 in the summer. From August 2001 a new downward trend set in – mirrored in the DAX and the DJ STOXX – which was further exacerbated by the terrorist attacks in the USA. On September 20,

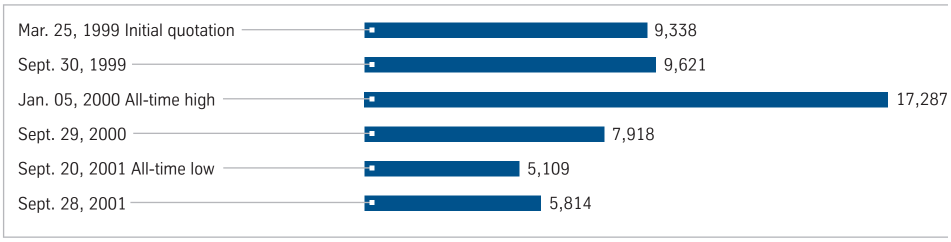
PERFORMANCE OF THYSSENKRUPP STOCK IN COMPARISION
indexed, from Sept. 29, 2000 to Sept. 28, 2001, in %

HIGHS AND LOWS OF THYSSENKRUPP SHARES
in €



the ThyssenKrupp share price hit a low of €9.93, representing a loss of 26% since September 11. On September 28, ThyssenKrupp shares closed at €11.30, 27% lower than the closing price the year before. In the same period the DAX and the DJ STOXX suffered even higher losses of 37% and 28%, respectively. In the first quarter of the fiscal year 2001/2002 the stock has recovered significantly in a favorable environment.

THYSSENKRUPP AG MARKET CAPITALIZATION
€ million



The market capitalization fell €2.1 billion during the reporting year to €5.8 billion and at the end of September 2001 was just 70% of equity, clearly showing the undervaluation of our stock. At the beginning of the fiscal year 2001/2002 the market capitalization had been 90% of equity.

ThyssenKrupp: A European stock

ThyssenKrupp stock is admitted for official trading on the Frankfurt Stock Exchange, the most important and highest-volume domestic stock exchange, as well as the North Rhine-Westphalian Stock Exchange in Düsseldorf, as the Company's home stock exchange. In addition, ThyssenKrupp stock is integrated into the Xetra electronic trading system, which offers investors the opportunity to have their securities transactions executed from 9.00 a.m. to 8.00 p.m. on trading days. It is also among the stocks on which options are traded on Eurex Deutschland (futures exchange). Various issuers have also issued numerous option certificates on ThyssenKrupp stock. In foreign countries, private and institutional investors are able to buy the stock on the London Stock Exchange, the highest-volume stock exchange in Europe, and on the Swiss Exchange (SWX) in Zurich.

419 million ThyssenKrupp shares were traded on Germany's stock exchanges in 2000/2001.

During the reporting year, about 419 million shares of ThyssenKrupp stock were traded on German stock exchanges, averaging at a daily volume of 1.7 million shares. In London, trading increased 12% to again reach a substantial volume of 194 million shares, while sales in Zurich remained comparatively low at 2.6 million shares. Based on free-float in the amount of 60%, the free capital stock was turned over about twice. The total trading volume and the turnover ratio illustrate the liquidity of the stock.

The importance of ThyssenKrupp stock is reflected in its inclusion in major indices, the yardsticks of their respective capital markets and economic regions. In Germany, ThyssenKrupp is among the 30 largest exchange-listed companies whose stock prices are included in the DAX. According to the two key criteria – market capitalization and stock exchange trading – on September 28, 2001 our stock was in 24th and 22nd place, respectively, in the DAX. In addition to the lead index DAX, ThyssenKrupp also is included in the corresponding sector indices.

On a European level, ThyssenKrupp stock is included in the calculation of the DJ STOXX index family. It is listed in both the leading DJ STOXX and the DJ EuroSTOXX as well as several of their sub-indices.

Earnings per share €1.29

Earnings per share (EPS) is calculated by dividing the Group's annual net income by the weighted average of outstanding shares. In fiscal year 2000/01 an average 514.5 million shares were outstanding. Earnings per share was €1.29.

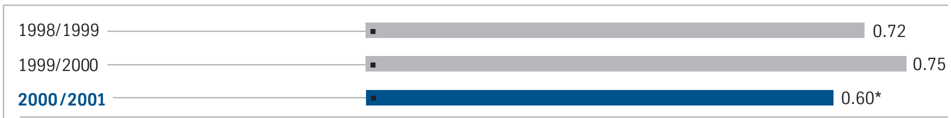
One-time effects are generally not eliminated in the EPS under US GAAP. In calculating our "normalized" earnings per share, one-time effects due to portfolio changes are eliminated to improve comparability. In 2000/2001 positive effects included the sale of the Brazilian ore mine Ferteco Mineração and the plastics processing machinery producer Krupp Werner & Pfleiderer, while a negative factor was the disposal of the ocean shipping activities of Krupp Seeschiffahrt. 1999/2000 figures included a disposal gain made on the sale of Krupp Kunststofftechnik. Consideration also would be given to a tax expenditure adjustment on account of the tax reform, and the adjustment relating to a valuation change under US GAAP. After these adjustments, EPS on a normalized basis would be €0.58 – as compared with €0.89 the year before.

Normalized EPS in 2000/2001 was €0.58, versus €0.89 a year earlier.

Dividend adapted to economic situation

A proposal will be submitted at the Annual Stockholders' Meeting on March 1, 2002 to approve payment of a dividend in the amount of €0.60 per share. The dividend will thus appropriately reflect the difficult economic situation endured in fiscal year 2000/2001. For tax reasons the dividend payment will not carry a tax credit. Based on the stock price of €11.30 on September 28, 2001, the dividend yield is 5.3%. The payout ratio is 46.5% of net income.

THYSSENKRUPP AG DIVIDEND PAYMENTS
in € per share



* Proposal to the Annual Stockholders' 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 shares are evidenced in global certificates. The right of share-holders to certification of their shares is excluded under the Company's Articles of Association.

THYSSENKRUPP STOCK MASTER DATA

Securities identification numbers		
Germany		750 000
United Kingdom		5636927
Switzerland		412 006
ISIN (International Stock Identification Number)		DE 000 750 0001
Symbols		
Stock exchange		TKA
Reuters	Frankfurt Stock Exchange	TKAG.F
	Xetra trading	TKAG.DE
Bloomberg		TKA

The Annual Stockholders' Meeting has not issued any authorization to increase the capital stock (approved and conditional capital) at the present time. An authorization to repurchase shares for treasury has not been proposed because the reduction of financial payables has been given priority.

Great interest in employee shares

Employee commitment and motivation form an important platform for the success of a company. Against this background, the Executive Board of ThyssenKrupp AG resolved to involve employees from domestic subsidiaries in the performance and success of the Company by issuing employee shares for the first time. The aim is to raise the level of identity with the Group as a whole and foster an equity culture across wide sections of the workforce.

One in two domestic employees bought reduced-price employee shares in 2001.

In the subscription period from May 1 to 29, 2001, approximately 50,000 (50%) of all eligible employees took the opportunity to purchase ThyssenKrupp shares at a preferential price. The employee shares were offered at half the listed price on the reference date (day of the Executive Board resolution); on this basis the shares were issued at a price of €8.95. The volume issued was in line with the maximum tax-free benefit of €153.39 permissible under Art. 19a of the German Income Tax Law (EStG) .

The employee shares, which entitle holders to all shareholder rights, were offered exclusively in the following quantities:

- 6 shares at a total price of €53.69
- 12 shares at a total price of €107.37
- 17 shares at a total price of €152.11

The shares required for this were purchased on the stock market.

Almost 300,000 ThyssenKrupp stockholders

ThyssenKrupp carried out a renewed survey of its stockholders as at September 30, 2001 to update our picture of stockholder numbers and structure. The first survey after the merger provided data as at September 30, 1999.

171 banks in Germany and abroad reported a total 287,460 stockholders holding 505,479,141 ThyssenKrupp shares. This represents 98.2% of the capital stock, which is divided into 514,489,044 no-par-value shares. An analysis of the data reported provided an informative picture:

ThyssenKrupp has around 292,000 stockholders, more than double the 142,000 stockholders revealed by our last survey two years ago. This sharp rise is attributable exclusively to an increase in the number of German private investors; in contrast, the number of shares held by foreign investment funds and banks has fallen appreciably. A major proportion of the private investors is made up by the roughly 50,000 ThyssenKrupp employees who purchased workforce shares in May 2001.

The number of ThyssenKrupp stockholders has more than doubled since the merger.

Overall, 22% of the capital stock is held by some 282,000 private investors and 78% by around 10,000 institutional investors. At September 30, 2001 (Allianz: December 31, 2000), the following stockholders had major holdings:

- Alfried Krupp von Bohlen und Halbach Foundation (18.11%)
- IFIC Holding AG/IFIC (7.79%)
- Fritz Thyssen Foundation (4.96%)
- Allianz (4.80%)
- Westdeutsche Landesbank (4.01%)
- Commerzbank (3.50%)

The free-float is almost 60%, which guarantees liquid trading in ThyssenKrupp shares at all times.

44.3% of our capital stock is held by investment funds, banks and insurance companies, 28.2% in Germany and 16.1% abroad. German and foreign private investors have direct holdings of 21.7%. Of our 282,000 private investors, employees continue to represent by far the biggest group, followed by pensioners and self-employed people. On average, each private investor holds 370 shares. Based on the share price at September 30, 2001 this equates to around €4,200 per private shareholder.

A geographical breakdown of the share capital shows the focus to be squarely on Germany, where some three quarters of the stock is held. Holdings in the UK have fallen from 11.7% two years ago to 5.0% and in the USA from 6.1% to 4.4%.

Clear focus on the capital market

ThyssenKrupp systematically expanded and intensified its capital market-oriented approach in the past fiscal year. Aspects of this include value-based management, value reporting, good corporate governance and targeted investor relations activities. Last but not least, the issue of stock appreciation rights under the Long-Term Management Incentive Plan contributes to harmonizing the interests of management and senior staff with those of the stockholders; this topic is examined in detail on pages 197–199.

Value-based management and value reporting

The ThyssenKrupp Group applies a value-based management system which focuses on continuously increasing the value of the Company – in particular by concentrating on businesses which are among the best on a world scale. Our central performance measures are ROCE and EVA. Further information on this topic can be found on pages 149–153 of this Annual Report.

In our external reporting, too, we intend to make increased use of value-based key ratios. Our communication strategy for the capital market is geared to informing private and institutional investors, as well as financial analysts, of the sustained value and value-growth potential of our Company.

○ **Corporate governance**

Corporate governance is a key priority at ThyssenKrupp. We take into account internationally and nationally recognized standards of sound and responsible company management. The Executive Board and Supervisory Board work together closely in the interests of the company and are committed to increasing the value of the enterprise. We act in the awareness that our stockholders furnish the company with the necessary equity capital and they bear the entrepreneurial risk. By providing transparent, up-to-date and consistent information, we foster the trust placed in our company by the investors and other capital providers, business associates and the public.

Our goal is a long-term increase in company value.

ThyssenKrupp emphatically welcomes the German Corporate Governance Code Commission established by the Government in September 2001. The Commission is developing a standard corporate governance code for the management of listed German companies based on international standards. We assume that this code will obviate the need for ThyssenKrupp AG to develop its own corporate governance principles.

○ **Profit expectation and "profit warning"**

"ThyssenKrupp issues renewed profit warning" declared the press after the publication of the report on the first nine months at the end of August. It is of course disappointing when the Company is forced to adjust its previous statements and is unable to meet its profit target. However, a "profit warning" in itself should be seen in a positive light as an instrument of open and transparent communication. If a company does not issue forecasts, it has no need to explain why these forecasts fail to materialize. But if a company provides its stockholders with an outlook both for the economy as a whole and for its earnings prospects, such situations may be inevitable. In the past fiscal year, the economic parameters deteriorated from month to month for ThyssenKrupp. It was therefore only prudent to constantly readjust our planning premises and thus the outlook published in our reports. For example, at the beginning of 2001 the GDP forecasts for the year averaged 2.6% for the USA and 2.7% for Germany. Ten months later those estimates had already been reduced to 1.0% and 0.8%, respectively. The economic slowdown was therefore much more severe than expected in 2001. The situation was additionally aggravated by the terrorist attacks of September 11 in the USA.

Investor relations

In fiscal year 2000/2001, ThyssenKrupp continued its open and intensive dialog to send out a positive signal to the capital markets. Professional capital market participants – above all institutional investors and financial analysts – continue to play an important role, and in the past fiscal year we continued our close contacts with this target group. Two analysts' meetings, regular individual discussions with investors and numerous worldwide roadshow events are just some examples of our intensive dialog.

Our investor relations team maintains an open dialog with institutional and private investors.

In addition to our relations with institutional investors we will also further intensify our dealings with private investors. A visible sign of this objective was the broad-based image campaign launched this year. The positive response to the advertisements and TV commercials and in particular the number of calls to our hotline reflect the increased interest in ThyssenKrupp and its stock. We will also take into account the increased number of private investors.

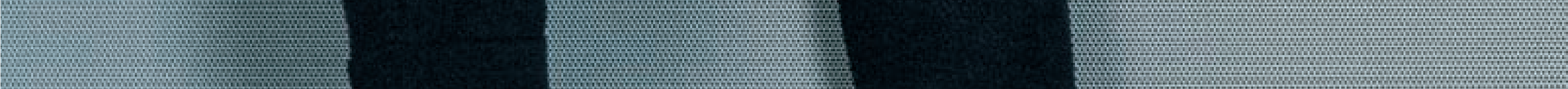
The Annual Stockholders' Meeting in March 2001 was once again the central forum for an exchange of views between the Executive Board and stockholders. In addition, we aim to increase the number of Company presentations organized together with banks and in this framework we will seek personal dialog with private investors. A further aspect of our services for private investors is our expanded website.

The Investor Relations pages of our website provide clear and up-to-date information on stock prices, ad hoc announcements, comments on analysts' studies, investment recommendations, profit estimates and much more. The latest financial reports can be ordered, downloaded or edited directly in HTML format. Also our e-mail newsletter providing continuous reports on the latest developments in the Group can be ordered here.

Global view ○**Value potential**

Area	Investor Relations
Place	Worldwide
Segments	All
Competency	Capital market communications

"Achieving a fair valuation of ThyssenKrupp's stock is the goal we continuously strive to achieve. Our philosophy is to communicate openly and on an up-to-date basis with all the players on the capital market to make the value potential of the stock transparent. We attach high priority to getting the same information to all target groups at the same time." Dr. Martin Grimm, Head of Investor Relations



Global view	○**Motivation**
Initiative	Employee involvement
Place	Germany
Segments	All; here: Materials Europe distribution center
Competency	Identification and motivation boost, pension provision

Almost 50% of ThyssenKrupp employees in Germany are stockholders of our company. That reflects not just a high level of identification with the company and its goals but also a high degree of confidence in ThyssenKrupp's business future. And who better to judge than the people who work here?

Business performance

This section deals with the Group’s performance in an increasingly difficult business environment. It explains all the Group’s key figures - whether sales, earnings, employees, investments or pollution control expenditure - in fiscal year 2000/2001. The picture is completed by a report on business in the first months of the current year and the outlook for the full year 2001/2002.

Page 76
Global view
World improvement

Page 78
Global view
Ideas forge

02

Global views

Course of business in 2000/2001

The economic situation in fiscal year 2000/2001 was unfavorable: The continuing global economic slowdown had an increasing impact on ThyssenKrupp's performance as the year progressed. Although our sales rose slightly, by 2% to €38.0 billion, we were unable to maintain our prior-year earnings level. Income before taxes and minority interest fell by €214 million to €876 million.

Economic headwind

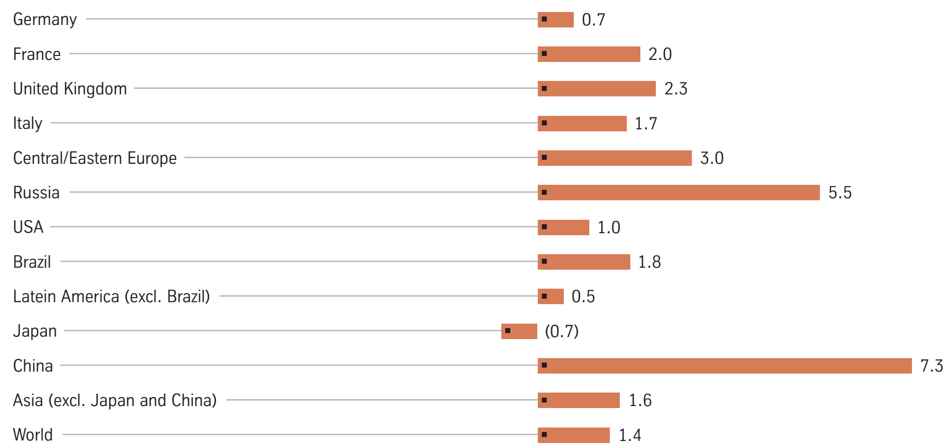
In 2001 the global economic environment deteriorated far more seriously than had been generally expected at the beginning of the year. ThyssenKrupp had to contend with an increasing economic headwind.

World economic growth slowed to 1.4% in 2001; world trade grew 2%.

The rate of growth reduced to a virtual halt in nearly all regions of the world in 2001. World economic growth slowed to 1.4%, with growth in world trade down to only 2%. The biggest cause of this slowdown was the situation in the USA, where consumer caution and falling investment pushed the economy into recession. This particularly impacted the emerging markets. In Latin America, particularly Argentina, this was compounded by internal economic difficulties. The Japanese economy weakened further. By contrast, China and Russia managed to sustain their high rates of growth.

In the euro zone, the economy lost considerable momentum in 2001; weaker world trade and sharp rises in oil prices left their impression. For example, in Germany, GDP growth at 0.7% was well below expectations. Benefits from the tax reforms were eliminated by higher energy prices. Capital investment was weak and directly affected exports.

GROSS DOMESTIC PRODUCT 2001*
Real change compared to previous year in %



* Estimate

Downturn in most sectors

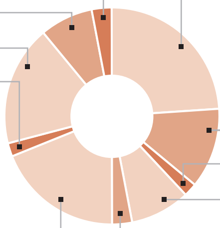
Despite the global economic slowdown, world crude steel output in 2001 was 835 million metric tons, only 1% down from the previous year. Worldwide production remained mainly stable until the end of October, but there was a significant decline toward the end of the calendar year. With steel consumption still high, the weakening of the market in some regions was primarily due to reductions of existing inventory. Decreasing demand and increasing supply-side pressures led to a significant fall in prices worldwide, particularly for flat-rolled products.

There were severe cutbacks in steel production above all in the NAFTA region. By contrast, Asia and in particular China continued to record strong growth in output. Crude steel production in the European Union (EU) fell almost 4% to 157 million tons, and in Germany by 3% to 45 million tons. The downward price trend was less pronounced in our core Western European market than in North America and Asia, but combined with increasing raw material costs, these effects led to a significant decline in earnings at virtually all steel producers.

In contrast to the EU and the NAFTA region, Asia produced more steel in 2001 than a year earlier.

The world market for stainless steel products was also marked by decreasing volumes, resulting in a sharp decline in price levels. Stainless ingot production fell to below 19 million tons. However, there were substantial decreases in both base prices for steel and alloy surcharges, specifically for nickel.

SALES BY CUSTOMER GROUP 2000/2001
in %



The international automobile sector also lost pace in 2001. Production of just under 57 million vehicles was almost 2 million lower than the record year of 2000. There were significant cutbacks at manufacturers in the NAFTA region, with production reduced by 11%, to 15.8 million vehicles. This related mainly to medium and heavy-duty trucks, but light trucks and cars were also affected. Some plants were forced to temporarily suspend or even stop production. Volumes rose slightly in Latin America, where production in Brazil increased by 10%, despite a weakening trend in the second half. The Asian automobile sector remained relatively stable.

In Western Europe, production was high at 17.3 million vehicles. In addition, output in Germany remained at a level of 5.7 million vehicles, particularly due to higher exports. Sales of foreign models suffered a sharp decline in Germany.

The long lull in German construction activity continued in 2001. Investment in construction decreased sharply, particularly in the eastern part of the country, with the biggest drop in housing construction. In the rest of Europe, the construction sector continued to improve on the whole, especially the central European states.

Slow world economic growth also had a clear effect on investment.

The global economic slowdown had a severe impact on investment, which fell in the USA and remained virtually unchanged in Western Europe. Production in the German mechanical engineering sector grew by 3% in 2001, but mainly due to performance on order backlogs. By contrast, new orders were down, including orders from abroad. There was a similar situation in the German machine tool industry. Demand in the US market for metal cutting machine tools fell again in 2001, falling to a 40-year low.

THYSSENKRUPP IN FIGURES

		1999/2000	2000/2001
Order intake	€ m	38,942	37,869
Sales	€ m	37,209	38,008
EBITDA	€ m	3,383	3,267
Income*	€ m	1,090	876
Employees (Sept. 30)		193,316	193,516

* before taxes and minority interest

Slight increase in Group sales

The economic downturn was evidenced by the figures for new orders. In fiscal year 2000/2001, the Group's order intake fell 3% to €37.9 billion. The Steel and Technologies segments were particularly affected.

ThyssenKrupp's sales rose 2% to €38.0 billion. Lower sales at Technologies were more than offset by increases at Elevator and Serv. Sales with customers outside Germany improved to €24.3 billion, putting the foreign share of sales at 64%. The biggest foreign markets were the countries of the EU (25%) and North America (24%).

The foreign share of the Group's sales was 64% in 2000/2001.

Sales of the Steel segment were steady at €12.6 billion. In many cases, supply opportunities were limited due to the inventory cycle. With the economic climate deteriorating, steel customers became increasingly cautious and reduced their inventory levels, which were regarded as excessive. Order intake in the Steel segment fell almost 9% to €11.9 billion.

Falling steel demand, combined with the facility restructuring in the Carbon Steel unit, resulted in a 6% drop in crude steel production to 17 million tons. The relatively large cut in crude steel output compared with our Western European competitors was a consequence of a deliberate decision not to accept orders at excessively low prices.

The Carbon Steel unit more or less matched its prior-year sales figure. Lower shipments were offset by higher average revenues. With prices on the market trending downward, average net revenue per ton was 5% higher than a year earlier. This increase was due in part to a high proportion of long-term price agreements with key customer groups. As a result we were less affected by the drop in prices on the volatile spot market.

The slight decrease in sales at Stainless Steel was caused in particular by low revenues for flat-rolled stainless products. From the beginning of the fiscal year there was a widespread reduction worldwide in both base prices for stainless steel flat products and prices for alloy elements, in particular nickel. The time lag involved in calculating the alloy surcharge delayed the impact on sales until the first and second calendar quarters of 2001. The steepest price decline was in the USA. Prices also collapsed in Europe, consolidating at the end of the reporting year at an unsatisfactory level. Sales of nickel-base alloys grew substantially.

Despite disposals, the Other Companies unit in the Steel segment – mainly involved in stainless steel long products – achieved a considerable improvement in sales.

SALES BY SEGMENT
€ million

	Year ending Sept. 30, 2000	**Year ending Sept. 30, 2001**
Steel	12,676	12,639
Automotive	6,108	6,212
Elevator	3,098	3,515
Technologies	5,934	5,631
Materials	10,135	10,124
Serv	2,108	2,589
Real Estate	369	323
Corporate	240	353
Segment sales	40,668	41,386
Inter-segment sales	(3,459)	(3,378)
Group	**37,209**	**38,008**

The declining auto market in the USA had a big impact on our Automotive business.

Sales in the Automotive segment reached €6.2 billion. The 2% increase is due to the decrease in value of the euro against the US dollar; adjusted for exchange rate differences, sales were slightly down. Our North American subsidiaries suffered considerable reductions in sales, especially when calculated in US dollars. At US auto manufacturers, falling sales figures and the reduction of high inventories of new cars led to a significant reduction in the production both of passenger cars and of sport utility vehicles and pick up trucks, the latter a particularly important market segment for ThyssenKrupp Automotive. The softening of the market for heavy-duty trucks hit our North American foundries and our engine part manufacturing operations particularly hard.

The stability of the Western European auto sector and improvements in Brazil went, to some extent, toward compensating for the fall in sales in the NAFTA region. There were additional sales from newly acquired companies such as Stahl Specialty in the USA and Krupp Presta HuiZhong Automotive Shanghai in China. Particularly encouraging was the performance of our automotive systems business, which will be expanded by further acquisitions.

Elevator increased its sales 13% to €3.5 billion. The servicing and modernization businesses, which are independent of economic cycles, achieved further improvements. Service now accounts for more than half of total sales. The highest sales growth was recorded by the North American elevator and escalator subsidiaries, mainly due to an expansion of servicing business.

Technologies sold several companies in 2000/2001 – sales decreased correspondingly.

Our activities on the Iberian peninsula and in Brazil also returned considerably higher sales, with a major contribution to this growth coming from Brazilian subsidiary Thyssen Sûr. In Germany sales increased despite the weakness of the construction sector. Growth was also achieved in some other European countries.

Sales of the Technologies segment decreased by 5% to €5.6 billion, mainly due to the disposal of several companies.

In the Production Systems unit, the Metal Cutting business suffered a severe setback due to the drastic drop in demand on the US machine tools market. By contrast, our European operations returned substantially higher sales. Autobody Manufacturing Systems and Assembly Plant continued their good performance of recent years.

Sales at Plant Technology decreased. Krupp Uhde more than doubled its orders against the weak previous year, while Krupp Fördertechnik weakened. Krupp Polysius held up well, but the situation at ThyssenKrupp EnCoke remained unsatisfactory.

The Marine business, comprising the Blohm + Voss and Thyssen Nordseewerke shipyards, had an order backlog of over €3 billion in the past fiscal year, securing the workload in key areas through to 2006. Sales were down, however, mainly because of lower percentages of completion on newbuild contracts.

Mechanical Engineering held up well despite continuing weak construction activity. The fall in sales is due to the disposal of Krupp Werner & Pfleiderer and Krupp Kunststofftechnik in the third quarter of the previous year.

The Materials segment achieved sales of €10.1 billion, relatively unchanged as compared with the previous year. This is largely due to the higher price levels for materials in the first half of the year and to the acquisition of new companies in the plastics business. As a whole, business was hampered by the economic slowdown, due in part to drastic price reductions and increasing competition.

The German warehouse and service operations outperformed the market, further strengthening our good position. The service-intensive business in some Western European countries and in Eastern Europe also grew. By contrast, the sharp drop in demand in North America – particularly in the automobile and capital goods sectors – resulted in double-digit decreases in revenues and volumes. The marked slowing of the economy and the materials markets also impacted the Materials segment's direct business and trading activities. This downturn was particularly severe in North and South America.

The Serv segment increased its sales in all areas.

The Serv segment achieved sales of €2.6 billion, a 23% improvement due mainly to the full-year inclusion of companies acquired the previous year.

There were particularly encouraging performances from Industrial Services and from the North American activities of Construction Services, which were consolidated for the full year for the first time. Sales of Facilities Services were higher due to higher project billings. The restructuring of this business unit is now largely complete. Information Services achieved significant sales growth. A major contributing factor here was the acquisition of Hoechst's computer center activities, which expanded our range of computer center services. The multimedia activities also achieved higher revenues.

Sales of Real Estate reduced by 12% to €323 million. This decrease is primarily due to reduced projects within Real Estate Development. The main source of revenues was once again the Residential Real Estate unit, which manages around 53,000 housing units in the Rhine/Ruhr area of Germany.

As well as Group head office, Corporate includes the companies that are not assigned to the individual segments. Sales totaled €353 million, mainly from the bulk carrier business of Krupp Seeschiffahrt, which has since been sold.

Active portfolio management

ThyssenKrupp uses an active portfolio management strategy to increase the value of the Group on a sustained basis. The aim is to optimize the Group portfolio and create an optimal balance of value generators and cash generators. In the year under review, we pursued this aim through the systematic acquisitions and disposals of companies and individual business lines.

Steel continued its concentration on flat steel by selling the Brazilian mining company Ferteco to Companhia Vale do Rio Doce, and selling Thyssen Schienen Technik GmbH to VOEST Alpine Schienen.

Automotive acquired several smaller companies to strengthen its breadth, e.g. in truck side beams, body, interior and engine development, electrical and electronic assemblies and prototyping. Several marginal activities were sold.

Elevator made several minor acquisitions to further strengthen its international market position, in particular in the service business.

Technologies disposed of the Krupp Werner & Pfleiderer group, a further step in its withdrawal from the plastics engineering business.

The Materials segment combined its own plastics activities with those of Röhm GmbH to form Thyssen Röhm Kunststoffe GmbH, a European trading organization for plastic semis under the control of ThyssenKrupp.

In a further step toward focusing on core capabilities, Corporate sold the bulk ocean carrier business of Krupp Seeschiffahrt, which mainly transports ores and automobiles.

In fiscal year 2000/2001 ThyssenKrupp acquired companies with a total annual sales volume of €0.3 billion and disposed of companies with sales of €1 billion. The disposals of Ferteco, Krupp Werner & Pfleiderer and Krupp Seeschiffahrt made a significant contribution to reducing the Group's financial debt.

Employees: High additions and departures

In the year under review, there was little net change in our total workforce, but this conceals in part significant movements in the segments. On September 30, 2001, ThyssenKrupp had 193,516 employees worldwide, 200 or 0.1% more than a year earlier. There was a 2.3% increase in the headcount at foreign subsidiaries. 45.6% of all employees now work outside Germany, a large share of them in North America. Personnel expense increased 6.5% in the year under review to €9.7 billion.

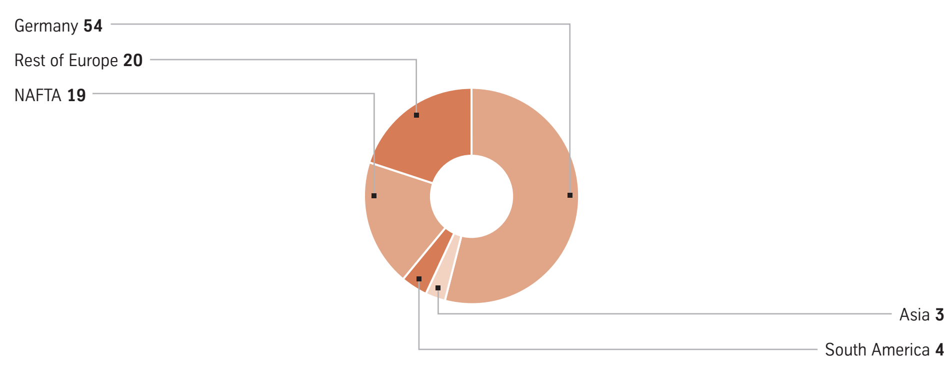
Nearly 50% of our employees work for subsidiaries outside Germany.

These net workforce figures hide considerable changes. Portfolio optimization resulted in some 2,900 new employees joining the workforce in the past fiscal year and approximately 3,600 people leaving the ThyssenKrupp workforce due to the disposal of their companies. In parallel with this, many companies continued their staff adjustment programs and significantly reduced their headcounts, aggregating to around 6,600 jobs. However, numerous companies recruited additional employees to capitalize on new market opportunities, leading to the addition of approximately 7,500 jobs.

EMPLOYEES BY SEGMENT

	Sept. 30, 2000	**Sept. 30, 2001**
Steel	53,856	51,418
Automotive	39,920	40,655
Elevator	27,102	28,501
Technologies	32,193	31,477
Materials	13,591	14,315
Serv	24,971	25,665
Real Estate	815	791
Corporate	868	694
Group	**193,316**	**193,516**

EMPLOYEES BY REGION
September 30, 2001 in %



In Germany the workforce was reduced by 1.7% to 105,295. In the year under review the German companies recruited some 5,500 new employees, approximately 2,300 of them on a temporary basis; a total of 2,200 employees left the Group at their own request.

Materials expense at prior-year level

Our long-term purchasing policy prevents supply bottlenecks.

The upward price pressures continued on important procurement markets. The main reasons for this were continuing strong demand in many areas, high capacity utilization at many suppliers, the changes in oil prices and the weakness of the euro against the US dollar. Despite scarce resources, our long-term purchasing policy ensured there were no supply bottlenecks. Material expenses relating to the Group's sales remained relatively unchanged in the year under review at €21.5 billion.

The record level of world crude steel output in 2000 resulted in higher prices for iron ore and coal in the reporting period. Exchange rate movements caused additional cost increases for US dollar-based raw materials. On the international coal market, the energy crisis in the USA pushed prices higher. By contrast, ocean shipping rates fell in the course of 2001.

The unsatisfactory order situation at US stainless steel producers and the announcement of production cutbacks in Europe and Asia caused prices for important alloy elements such as chromium and in particular nickel to fall significantly as the fiscal year progressed. After an initial slide, prices for alloyed scrap increased substantially. The price of steel scrap for the production of plain carbon steel was higher.

The prices of many purchased materials – for example, plastics – rose or remained at a high level.

Parts, components and subsystems were the subject of increasing price pressure. However, under our global supplier management strategy we were able to remain competitive by sourcing new suppliers, entering into additional international framework agreements and pooling purchasing volumes.

In the transportation markets, the process of consolidation was particularly strong among logistics network operators. Higher oil prices, tax charges and other duties caused transportation prices to increase in many sectors. To improve our demand position, we increasingly include our foreign subsidiaries in framework agreements for standardized logistics services.

After the German electricity market was liberalized in 1998, ThyssenKrupp's procurement costs for electricity and power-intensive products fell considerably. However, market prices have since risen appreciably again. The power utilities have strengthened their market positions through mergers and alliances, in some case with foreign suppliers. In addition, procurement costs have risen as a result of higher crude oil, natural gas and coal prices. Due to long-term power purchase agreements, the increases to energy prices did not affect ThyssenKrupp in the year under review. However, the cost of electricity in Germany was increased appreciably both by the ecology tax and by the effects of legislation on renewable energy sources and combined heat and power generation.

The natural gas market in Germany has also been liberalized, but the kind of competitive pricing experienced in the electricity market has not yet developed. Although we were originally able to negotiate price reductions from our gas suppliers, gas prices have since been indexed to oil prices, which have risen sharply.

We carried out a wide range of pilot e-procurement and e-logistics systems projects to test the efficiency of auctions and the benefits of marketplaces and platforms. We are currently implementing the experience we gained from these projects throughout the Group.

E-procurement and e-logistics are being implemented Groupwide following good experience in pilot projects.

Raw materials and supplies are stored at ThyssenKrupp's domestic and foreign plants located close to where they are needed. Our biggest warehouse is in Duisburg, where the Steel segment stores the materials used in its steelmaking operations.

More than €460 million was spent on environmental protection in 2000/2001.

Successful environmental management systems

To control air, water and ground pollution, we have implemented extensive environmental management systems throughout the Group which secure the high ecological standards of our plants. In Germany alone we spent more than €420 million on protecting the environment in 2000/2001, 4% more than the previous year. The greater part (46%) was once again spent on water pollution control, followed by clean air activities (31%) and the recycling of by-products (16%). €40 million was invested in pollution control equipment.

ThyssenKrupp Stahl was one of the first European steelmakers to be awarded ISO 14001 certification. This exacting international standard ensures that active environmental management is pursued at all levels of a company and that protection of the environment is clearly recognized as a corporate objective.

We are focusing on saving energy as our contribution to the climate protection agreement between the German government and German industry, under which emissions of greenhouse gases are to be cut 35% by 2012 against 1990 levels. The steel sector has actually intensified its voluntary commitment to reduce CO_2 emissions. We take a critical view of emissions trading at company level, currently a subject of debate. In our opinion it would be wrong for this instrument to devalue or even call into question the climate protection agreement which has been successful so far.

When developing new products and processes we take care from the outset to minimize energy consumption and conserve natural resources. A prime example of integrated environmental protection is the stamping of undercarriage components for earthmoving machinery, which has been introduced at Berco to replace the more energy-intensive steel casting process.

Innovations for our customers

Our individual segments carry out intensive research and development to provide economically competitive, technically advanced and environmentally friendly products. The focus is on optimizing products to meet customer requirements and securing a consistently high standard of quality.

In 2000/2001, ThyssenKrupp spent €180 million on basic R&D projects, 55% more than in the prior year. A further €494 million went on customer-related research and quality assurance, an decrease of 7%. The Group has some 3,000 people working on the development of new or improved products and processes, the majority of them engineering and science graduates.

Our materials researchers in the Steel segment have developed new “nanostructure” steels. These materials display high strength and can undergo severe forming operations without cracking. They are used in highly stressed autobody parts or in screen tube components for computer monitors. Tests are currently being carried out in collaboration with paint producers and the auto industry on the pre- and finish-painting of body panels in the steel mill. As part of the ULSAB (Ultra Light Steel Auto Body) project we were involved in developing complete vehicle concepts for two models. These models successfully met the criteria for safety, low pollution and the capacity for volume production, while the fuel efficiency of approximately 5.5 liters per 100 kilometers (approx. 42.6 mpg) demonstrates the profitability of the concepts and the efficiency of steel. In process technology, we made further advances in stainless steel strip casting: a width of 1,430 mm was cast for the first time.

A key objective of research work in the Automotive segment is to minimize the weight of vehicle components through the combination of various materials. A new chassis concept made from steel and aluminum has provided significant weight savings as compared with conventional designs. Innovative stainless steel fuel tanks feature zero hydrocarbon permeation in contrast to plastic fuel tanks. A newly developed modular steering system delivers substantial rationalization effects as, with only slight modification, it is suitable for use in numerous car types. A further innovation highlight is a suspension system which can be infinitely adjusted to match driving or loading conditions.

Weight-optimized vehicle components are an important area of research at ThyssenKrupp Automotive.

For the manufacture of machine-room-less elevators, the Elevator segment has developed a new gearless drive and a decentralized control concept that makes the conventional central control cabinet unnecessary.

In metal cutting, the Technologies segment has developed high-precision, self-adjusting machine tools with precision self-adjustment capabilities which are even capable of compensating for temperature-related length changes.

Investment: €2.3 billion

The pace of investment at ThyssenKrupp slowed slightly. At €2.3 billion, investments were 6.7% down from the prior year. €2.2 billion was invested in property, plant and equipment and intangible assets, while the remaining €0.1 billion was used to acquire companies and equity interests.

The world's first stainless thin-slab caster began operation in Italy in July 2001.

The Steel segment invested €1,152 million, €274 million higher than depreciation. Major projects in the Carbon Steel unit included the construction of a new vacuum plant at the Beeckerwerth steel mill, the linking of the pickling line and tandem mill in Duisburg, the construction of a hot dip galvanizing line in Dortmund and the expansion of tailored blanks capacities. At Stainless Steel the focus was on a moderate adjustment of capacities in line with continuing growing demand for flat stainless steel products. At the end of July 2001, the world's first thin slab caster for stainless grades was successfully commissioned at the Terni facility in Italy. Together with the construction of a second AOD converter, stainless hot strip capacity has been substantially increased. Cold-rolled capacities were also expanded by new equipment. The first stage of the Shanghai Krupp Stainless project – a cold rolling mill – started production in China in November 2001.

Investments in the Automotive segment totaled €500 million, €183 million higher than depreciation, and were mainly order-related. The US and European steel stamping plants modernized and expanded their production facilities. The new gray iron foundry in Tennessee, USA started operation. In Germany a new foundry is being built for aluminum and chassis parts. To meet rising demand for car diesel engines, Automotive installed a new high-performance crankshaft press line. Investments were also made in springs, shock absorbers and system solutions. For example, a just-in-sequence production line is being installed at our Leipzig facility to assemble axles for the new Porsche Cayenne.

€69 million was invested in the Elevator segment, €41 million lower than depreciation. The largest single item was the replacement of service vehicles.

Investments in the Technologies segment amounted to €180 billion, €44 million lower than depreciation. Approximately half was used for modernization, mainly in smaller projects such as the replacement of key production equipment, the improvement of CAx technology in design and engineering, and the introduction of advanced software and hardware tools. Further investments were made to target workflow rationalization and production expansion. For example, production capacities in the Mechanical Engineering unit were enhanced both in Germany and abroad to meet rising demand for large-diameter bearings used in wind turbines. The largest order-related investment project was the procurement of production equipment for the Transrapid line in Shanghai. The order includes the delivery of trains and various components.

INVESTMENT BY SEGMENT € million	Year ending Sept. 30, 2000	Year ending Sept. 30, 2001
Steel	985	1,152
Automotive	676	500
Elevator	59	69
Technologies	271	180
Materials	140	114
Serv	343	235
Real Estate	31	52
Corporate	117	65
Consolidation	(127)	(40)
Group	**2,495**	**2,327**
Intangible assets	90	121
Property, plant and equipment	2,008	2,084
Financial assets	397	122

Investments in the Materials segment totaled €114 million, as compared with a depreciation volume of €105 million. Investments focused on expanding storage capacities and improving processing and service capabilities. The segment acquired a controlling financial interest in the Polish company Energostal and made a start on expanding the branch network. Materials also formed a joint venture with the Polish market leader to distribute plastics.

Materials invested above all in improving service and increasing processing capabilities.

Serv invested €235 million, €30 million higher than depreciation. One key area was formwork and scaffolding equipment for rental, in particular in North America.

Income, dividend

Despite significant gains from the portfolio restructuring, consolidated income decreased. This will affect the dividend payment. A lower dividend of €0.60 per share will be proposed to the Annual Stockholders' Meeting.

Decline in consolidated income

The Group's earnings before taxes were €876 million, compared with €1.1 billion a year earlier.

In fiscal year 2000/2001, the ThyssenKrupp Group generated income before taxes and minority interest in the amount of €876 million as compared to €1,090 million in the previous year. In both fiscal years, net gains from portfolio restructuring measures impacted income with proceeds totaling €343 million (2000/2001) and €131 million (1999/2000). Without these gains, earnings of €959 million the previous year would have been reduced to €533 million. Income before taxes was reduced by goodwill amortization of €228 million in the current year and €216 million in the prior year.

In the current year, the individual segments recognized gains and losses from fluctuations in the fair value of foreign currencies and derivative instruments. In the prior year these effects were recognized at Corporate. To improve comparability, the 1999/2000 effects have been allocated to the corresponding segments. This had no impact on consolidated earnings. Income in the individual segments is as follows:

INCOME* BY SEGMENT € million	Year ending Sept. 30, 2000	**Year ending Sept. 30, 2001**
Steel	569	605
Automotive	286	143
Elevator	203	226
Technologies	82	140
Materials	129	32
Serv	77	(54)
Real Estate	58	86
Corporate	(198)	(280)
Consolidation	(116)	(22)
Group	**1,090**	**876**

* before taxes and minority interest

The decline in consolidated income is attributable to the Automotive, Materials, and Serv segments, as well as Corporate. Elevator, Technologies and Real Estate, on the other hand, performed positively. The increase in income for Steel was due exclusively to gains from the disposal of the Ferteco iron ore group. A detailed analysis of income by segment is included in the analysis of the economic situation as part of the financial report (page 144).

ThyssenKrupp AG income €355 million

ThyssenKrupp AG posted net income of €355 million (€425 million the previous year). This resulted primarily from profit and loss transfers as well as profit distribution from the Group subsidiaries and the recognition of income from investments, totaling €841 million. After taking into account expenses incurred for Group management activities, interest costs and pension costs for former employees of ThyssenKrupp AG as well as its predecessors, income from ordinary activities amounted to €355 million.

Due to the existing tax loss carryforwards, tax expense of only €4 million was recognized. Additionally, there was an extraordinary gain (under German GAAP accounting provisions) of €4 million resulting from the repayment of the Blohm + Voss Holding AG reorganization contribution. The net income as a result thereof amounting to €355 million is to be used to pay a dividend of €309 million. €46 million is to be accrued in retained earnings.

€309 million will be paid out in dividends to stockholders; €49 million will strengthen retained earnings.

Dividend of €0.60 per share

The parent company financial statements, indicating net income of ThyssenKrupp AG in the amount of €355 million – against €425 million the previous year – form the legal basis for the distribution of a dividend.

A dividend payment in the amount of €0.60 per share – against €0.75 per share the previous year – will be proposed to the Annual Stockholders' Meeting for resolution. The ThyssenKrupp AG capital eligible for dividend distribution amounts to €1,317 million, which would result in a distribution in the amount of €309 million. This would constitute a reduction from the previous year of €77 million.

Start of the new fiscal year and outlook

The new fiscal year began in a difficult environment. The international business situation is marked by recessionary trends in important parts of the world economy. After the terror attacks in the USA, the uncertainty over how the economy will develop has increased further and on the markets the cautiousness of consumers and investors is growing ever more tangible. As we do not foresee any major recovery of the German and global economy before mid-2002, we do not expect ThyssenKrupp to achieve the level of pre-tax earnings recorded in 2000/2001 of approximately €500 million (before non-recurring effects).

Economy remaining weak

In mid-2001 world economic growth slowed significantly. The attacks of September 11, 2001 and the subsequent step up in the battle against international terrorism place additional burdens on the economic outlook for 2002. Against this background, quantitative forecasts are more uncertain than ever.

An economic turnaround cannot be expected before the latter part of 2002.

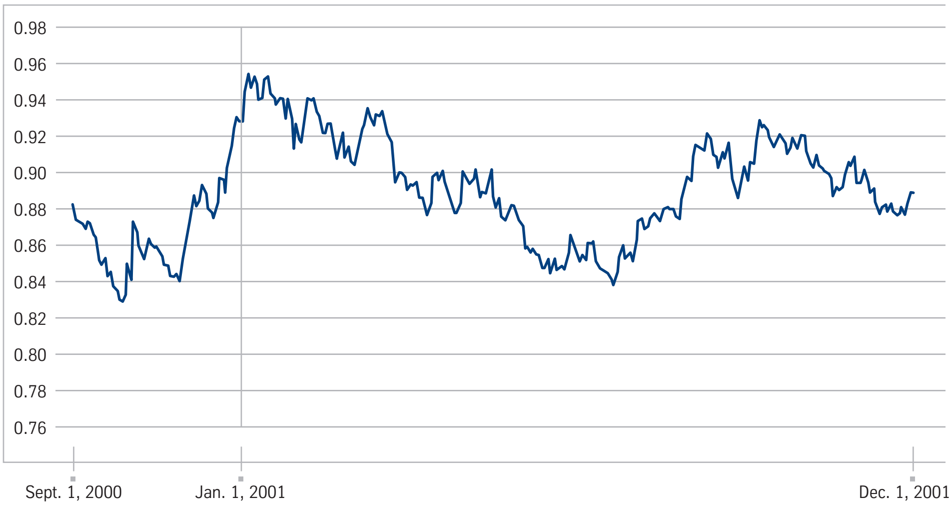
Important indicators of the economic mood, such as consumer and business confidence, have fallen to new lows virtually worldwide. While part of this may be an overreaction, at present a rapid economic improvement – say in the first half of 2002 – cannot be expected. A key role for the world economy falls to the USA. As its extremely expansionary monetary and fiscal policies take effect, it is perfectly possible that the US economy could rebound in the course of 2002. This would also benefit the emerging markets in Latin America and Asia.

The forecast for Germany and the euro zone is for a moderate economic recovery in the latter part of 2002. This is indicated by a slowing inflation rate which should strengthen consumer demand as the general uncertainty recedes. Livelier world trade could also allow export demand and, subsequently, capital investment to pick up.

This scenario, however, is based on a number of assumptions. One is that oil prices will remain largely stable, while another is that the euro will strengthen only slightly against the US dollar in 2002.

Sales opportunities on the markets of importance to ThyssenKrupp will be affected by continuing economic weakness in the initial part of 2002. International steel demand is likely to slow further, at least in the first half of the year, due to an expected fall in steel consumption combined with a further reduction in inventories. Given a general economic recovery, we expect

EXCHANGE RATE MOVEMENTS
1 € in US $



a gradual improvement in steel demand in the second half. This is assuming there are no serious disruptions to international steel trade from protectionist measures. For Germany, we expect a decrease in crude steel production by 3% to 43.5 million metric tons.

The German automobile industry expects declining production levels in 2002.

The world automobile market is unlikely to improve in 2002. Sales of heavy trucks will remain weak in view of slowing investment. In North America, car and light truck numbers will remain at a low level; the expected ending of US manufacturers' 2001 promotion campaigns will harm sales prospects. In the euro zone, production numbers overall are expected to decline. The German auto industry forecasts a weakening of domestic demand initially. As it is unlikely that the export successes of 2001 will be repeated, production in 2002 will probably be lower than a year earlier.

Economic uncertainty is dragging down investment worldwide. Consequently, mechanical engineering output in key industrial countries is likely to drop in 2002. Production by German equipment manufacturers is expected to fall 2 to 4% given already declining orders in 2001.

Construction activity remains subdued in many Western European countries. The German construction sector is expected to stagnate at best. The prospects for the countries of Central and Eastern Europe are more favorable.

Subsequent events

Subsequent events are presented under Note 28 in the Financial Report.

Difficult fiscal year 2001/2002

In view of this economic situation 2001/2002 is likely to be another difficult fiscal year for ThyssenKrupp. In specific terms, we expect the following developments:

For 2001/2002 we forecast consolidated sales of around €38 billion.

- **Sales:** Our current planning for the fiscal year foresees sales in the region of €38 billion – excluding portfolio changes.

  At Steel sales are expected to drop below the prior-year level, mainly due to lower shipments and revenues at Carbon Steel and weaker revenues at Stainless Steel.

  Sales of Automotive should be roughly level with the prior year, assuming a slight strengthening of the euro against the US dollar.

  Elevator expects sales to remain steady; here too, exchange rates will have an impact.

  Technologies forecasts rising sales due to higher percentages of completion in plant engineering and shipbuilding. The Transrapid project in China will also make a positive contribution.

  At Materials the weak state of the materials market will lead to declining sales.

  Serv will continue to profit from outsourcing of industrial services and will record higher sales particularly in Industrial Services and Information Services.

- **Earnings and dividend:** From the current perspective, we do not expect earnings before taxes to reach the 2000/2001 level of around €500 million (excluding non-recurring items). The first two quarters of fiscal year 2001/2002 will probably be particularly difficult, especially for the Steel and Automotive activities. A first quarter loss for the Group cannot be ruled out. Performance in the subsequent quarters will depend on the scale and course of the anticipated economic recovery in the USA and Europe. We expect to pay a dividend for fiscal year 2001/2002 which will again be appropriate to the level of earnings.

- **Employees:** The Group's workforce will decrease further in the current fiscal year. This applies particularly to our businesses in Germany.

- **Procurement:** We do not anticipate any bottlenecks in the procurement of goods and services this fiscal year. Our material expense will be roughly the same as the prior year. World market prices for steel industry input materials will move only within a relatively narrow range. For materials and for parts, components and subsystems, we expect a relatively favorable procurement market.

- **Research and development:** For fiscal year 2001/2002 we are planning expenditures of €350 million for free and customer-specific research and development projects. Costs for technical quality assurance will be roughly level with the previous year. The greater part of the total expenditure will be in the Steel and Automotive segments. In the steel area, the main emphasis will be on developing new high-strength steels capable of further reducing weight in car manufacture, and on joining and coating techniques. In addition, we will further develop the strip casting of stainless steels. In the automotive area, we are working on new, lighter components and as part of this intend to utilize the strengths of aluminum. The number of employees engaged in research and development will remain unchanged at just under 3,000.

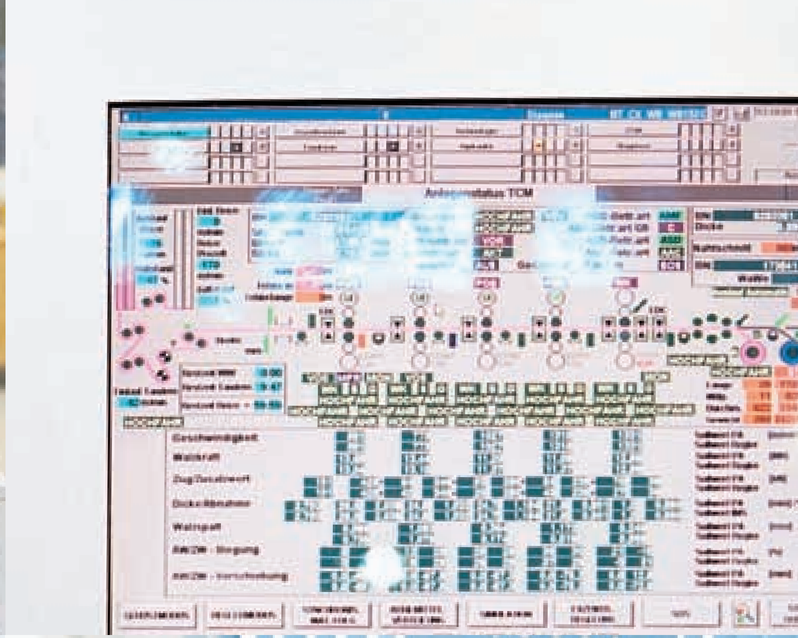
- **Environmental protection:** In Germany alone we will be spending approximately €407 million on environmental protection in fiscal year 2001/2002. 45% of this will be for water protection, 35% for air emission control and 17% for recycling. A sum of €35 million has been budgeted for investment in environmental protection, mostly for water and air pollution control facilities in our steel operations. In addition, many businesses are planning to gain ISO 14001 certification by having their environmental management systems inspected. In the Automotive segment alone, some 80% of all our sites worldwide will have achieved ISO 14001 certification by the end of 2002.

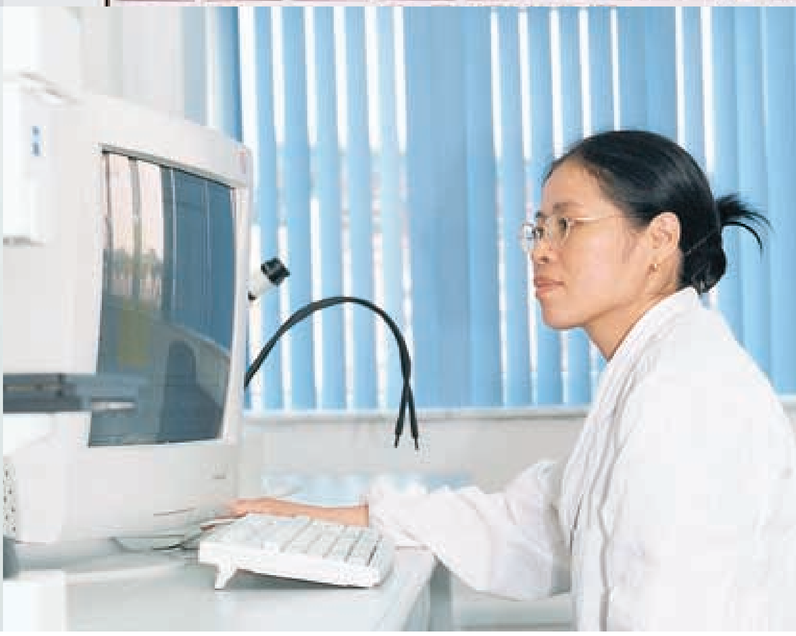
- **Investment and financing:** In January 2002, additional investment of €1.2 billion will be presented to the Supervisory Board for resolution, taking total approved investment to €3.4 billion. This temporary tightening of investment policy is in response to the weak business situation. However this will not affect capital spending until later. In 2001/2002 we still expect capital spending of €1.9 billion, roughly level with depreciation. We attach high priority to cutting net financial payables through a reduction in working capital. The target for gearing is a ratio of around 60%, corresponding to a level of net financial payables of €5.5 billion.

Capital spending in 2001/2002 will be level with depreciation at €1.9 billion.

Global view	○ **World improvement**
Area	Environmental protection
Place	Worldwide
Segments	All
Competency	Climate protection, energy-saving projects

“Climate protection is important to us. However, without fossil fuels, many industrial processes would be impossible. These release gases which are blamed for the warming of the earth’s atmosphere. Economic and efficient use of energy is therefore one of our prime concerns. Under the climate protection agreement with the German government we have already reduced CO_2 emissions in our steelmaking operations by more than the targeted amount. We are also transferring our know-how in the development of energy-efficient processes and products to other parts of the world. Our energy-saving chemical plants, the incomparably low energy consumption of the Transrapid, and our lightweight components for fuel-efficient cars are impressive examples of our climate protection efforts.” Dr. Manfred Seeger, Head of Central Environmental Management





Almost 3,000 employees in approximately 40 R&D and quality assurance centers worldwide are engaged in finding ways to further strengthen ThyssenKrupp's technological edge. To support them we work together with scientists from selected German universities and world-famous research institutes. And we draw further valuable know-how from our collaboration with the R&D departments of our customers and suppliers.

Around 70% of our projects are customer-specific, the rest are free research and development.

Some of the areas addressed are new steel grades and coating techniques, weight-optimized car components, sophisticated suspension control systems, drives and controls for machine-room-less elevators and innovative machine tool concepts. We are also constantly looking at ways to lower energy consumption, reduce noise emissions, make production processes more environmentally compatible and improve product recyclability.

The knowledge we gain is continuously shared across the Group so that all segments benefit from new findings.

Global view ○ **Ideas forge**

Area	Research and development
Place	Around 40 research and development facilities worldwide
Segments	All
Competency	Free and customer-specific research, development and quality assurance

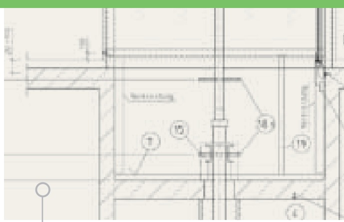
Ideas forge

From the Group

There are more than 193,000 people working for ThyssenKrupp on all five continents. Each day, they use their skills and creativity to develop the future – for the Company and its customers, for the stockholders and not least for themselves. Their commitment is the key to the success of the ThyssenKrupp best value enhancement program, and it is they who drive the Group's services and e-business activities. So it is only logical that they should also be at the center of our image campaign.

Global views

03




People at ThyssenKrupp

The success of our Company has many faces: At the end of September 2001 there were 193,516 people worldwide working for ThyssenKrupp. For them, commitment pays – whether in the corporate planning game for apprentices or in the ideas competition. Nearly half of our employees in Germany are now shareholders with a direct interest in the capital and profit of ThyssenKrupp.

High demand for employee shares

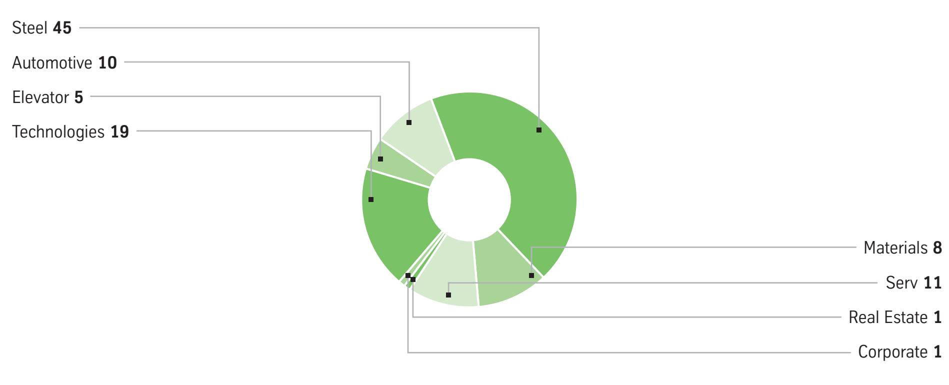
Our employee stock issue made full use of tax incentives.

The opportunity offered for the first time to purchase employee shares at a preferential price met with great interest among employees in Germany in 2001. The aim of the offer was to promote understanding for the equity culture and the requirements of the capital market. As co-owners of the Group, the new employee stockholders will identify with ThyssenKrupp even more strongly than before.

Some 50,000 employees purchased around 850,000 shares, which means that 48% of all eligible employees took up the offer. All employees and apprentices of German subsidiaries paying social insurance contributions at May 1, 2001 were eligible to subscribe.

We made full use of the tax thresholds in our share offer. However, the maximum tax-free benefit of DM300 (€153.39) per year and employee was only permissible if the employees made a matching contribution themselves. To this extent the purchase of shares was a conscious investment decision by employees. For further information, please refer to the section "ThyssenKrupp stock" on page 46.

PURCHASERS OF EMPLOYEE SHARES BY SEGMENT
as % of eligible employees



New approaches to retirement benefits

We added a new module to our company retirement benefits scheme with the introduction of a deferred compensation model, an employee-financed form of provision for retirement and risks. In return for a cut in gross pay, ThyssenKrupp undertakes to grant employees personal retirement, death and disability benefits. The Company accrues pension liabilities for these benefits. Deferred compensation is designed in particular for the Group's senior executives.

A new element was added to the company pension scheme in the reporting period.

The government's lowering of pension levels in 2001 led to a gap in statutory pension cover for all our employees. At the same time a new system of state support was introduced for special private pension schemes. Subject to collective agreements we will therefore negotiate with renowned insurance companies to set up a direct insurance scheme qualifying for state support so that we can offer our employees life insurance through our subsidiary insurance broker Montan Assekuranz-Makler.

The so-called Kombi-Pakt, a retirement benefits scheme co-financed by employers and employees which was introduced in 1999/2000, has proved successful. We will continue the scheme and expect increased interest from the workforce in the future. The fact that the public has become more sensitive to questions of retirement provision will give added impetus to the Kombi-Pakt.

Incentive plan expanded

In the year under review the third tranche of the Long Term Management Incentive Plan was implemented and the group of participants once again expanded. As well as executive board members and business managers from the subsidiaries, senior staff in Germany and comparable staff abroad are now included. The incentive plan is an additional capital market-oriented compensation element which conforms to international standards and rewards increases in the value of the company.

Corporate planning game for apprentices

Making business administrating fun is one of the aims of our corporate planning game TOPSIM, which has now been helping young people understand the rules of business for ten years. It also nurtures key skills such as cooperation and teamwork. During the reporting period more than 300 apprentices from around 60 subsidiaries took part, competing over a period of six months for the top prize of a week-long adventure trip to a country of their choice. The winners decided on the USA.

1,480 young people began an apprenticeship with the Group in 2000/2001.

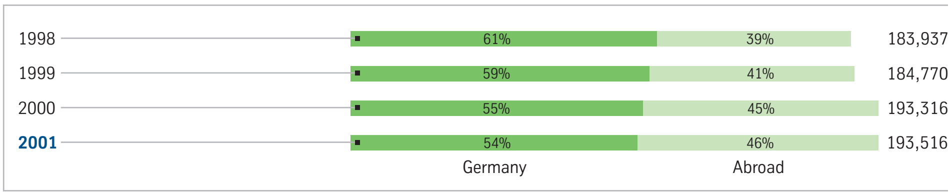
The competitors in the planning game are among a total of 4,800 apprentices learning one of 73 occupations at ThyssenKrupp in Germany as of September 30, 2001. They include future import and export merchants, pattern makers, IT systems engineers and metal cutters – just some of the many apprenticeships offered by our subsidiaries. At 4.8% the apprenticeship training rate was maintained at its prior-year level. The number of young people starting training with us rose slightly from 1,447 to 1,480. We are thus continuing a ThyssenKrupp tradition of training well beyond our own needs.

Development planning strategically focused

To locate management talent in the Group, we prepared a Groupwide potential and successor plan for executives for the first time in 2000/2001. The segment lead companies named high-performance employees with potential for positions on the segment executive boards and the positions immediately below this. The candidates' potential was evaluated and selected employees were invited to development seminars.

In the past fiscal year we further developed our multi-stage seminar program for executives, strengthening its international focus. Conducted in the form of workshops, the development seminar – the first stage of management training – was expanded to include feedback and coaching elements. Now each participant can analyze his/her own behavior in team situations and identify personal development areas with the help of an external expert. In the second stage – the general management seminar – the focus is on teaching management techniques. The third stage is the twice yearly executive seminar at which the Executive Board of ThyssenKrupp AG get to know the Group's high potentials in person. In the reporting year the executive seminar focused on knowledge management, internationalization, innovation and service orientation.

THYSSENKRUPP WORKFORCE
Employees (Sept. 30)



Ideas contest boosts suggestion scheme

"See. Think. Improve" was the title of the 2000/2001 ideas contest, which was entered by one in six employees in Germany. In almost 20,000 individual or group suggestions they came up with ways of improving their company and their immediate working environment. Suggestions related in particular to productivity improvements and health and safety at work. Participants were entered in a draw for attractive prizes. Companies from all the Group's segments participated in the ideas offensive and triggered increased interest through their own input. This was reflected in the high participation rate. While in the previous year 266 suggestions per 1,000 employees were submitted, participation in 2000/2001 increased to around 340.

The 2000/2001 ideas contest produced almost 20,000 suggestions for improvements.

Communication offensive

"Developing the Future" is the slogan of a communication offensive launched by ThyssenKrupp to reposition the brand and intensify external and internal communication.

Our communication offensive is directed at both external target groups and our own employees.

Extensive market research as basis

After the merger and the strategic realignment, corporate communication in fiscal year 2000/2001 was faced with the task of adapting the ThyssenKrupp image to the changed circumstances. Several market research programs laid the basis for repositioning the brand at the end of 2000. The surveys confirmed that while ThyssenKrupp enjoyed high approval ratings, people knew relatively little about the Group. We were still primarily associated with steel. Our diverse activities in capital goods and services, which today are just as important as steel, were far less well known. In addition, most respondents did not have the basic information required to properly judge the Group's world leading know-how and high innovativeness.

Image and information deficits eliminated

Based on the corporate strategy adopted in November 2000 we therefore launched a major communication offensive at the beginning of 2001. A systematic benchmarking program defined the action areas and objectives of the offensive, which was given a €20 million budget. To raise awareness of the Group, existing communication tools were optimized and supplemented with additional advertising measures to highlight the Group's value-creating initiatives, achievements and future potential in the relevant target groups. At the same time the communication offensive supported the coalescence of ThyssenKrupp's businesses under a common corporate identity, leading to increased employee identification with the new Group.

Financial reporting intensified

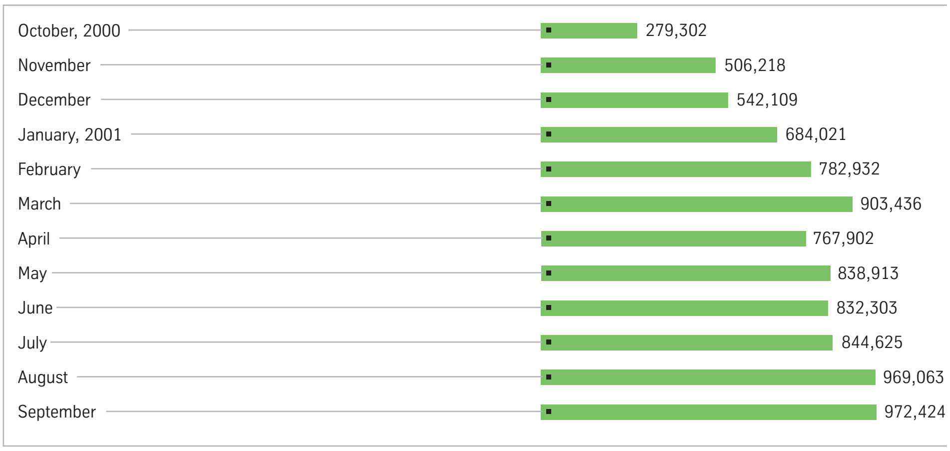
The first step in the communication offensive was a complete redesign of our annual and quarterly reports based on the content changes in our financial reporting system. In fiscal year 1998/1999 our accounting was switched to US GAAP, and in fiscal year 2000/2001 we introduced quarterly reporting – both these measures significantly enhanced transparency and continuity in our communications with the capital market. The completely revamped visual design of the reports focused attention on the innovativeness and 'internationalness' of the Group and its employees. In their annual assessments of German annual reports in October 2001 the business magazines *manager magazin* and *Capital* both ranked the ThyssenKrupp 1999/2000 annual report No. 1 for visual design and No. 2 overall among DAX listed companies.

Website optimized

The ThyssenKrupp website was also overhauled and focused more firmly on user needs. Improved functionality, additional links, interactive capabilities and additional facts and figures in various data formats significantly increased the website's utility. On our homepage at www.thyssenkrupp.com, investors, press representatives and job applicants can find dedicated sections providing comprehensive background information and tailored service offerings. The result: The average number of visits per month increased between October 1, 2000 and September 30, 2001 from 77,263 to 119,614. In fall 2001 the business magazines *Börse Online*, *manager magazin* and *Wirtschaftswoche* rated ThyssenKrupp's website as the best of all DAX companies from an investor's point of view.

The ThyssenKrupp website is used actively: in 2000/2001 the number of visits increased 55%.

PAGE IMPRESSIONS
October 2000 to September 2001



International image campaign launched

The centerpiece of the communication offensive was an international image campaign. This campaign positioned ThyssenKrupp as a company that develops technology for the future in the areas of steel, capital goods and services and that boasts high innovativeness and great potential. To ensure the broadest possible impact the campaign integrated all major communication media such as TV commercials, adverts, posters and the internet. The target groups were the business and financial community, private investors, employees, people interested in joining the Group, and the general public. The campaign launched on March 23; it was temporarily suspended due to the events of September 11, 2001.

Campaign focus on children of employees

The image campaign invited addressees to rediscover ThyssenKrupp and change their traditional perceptions of the Group. It took a completely new approach: instead of products or models the commercials and advertisements centered on the children of employees. They explained in their own words the work their mothers and fathers do in the various segments of the Company. This was ThyssenKrupp presenting itself from a very personal, authentic angle – a novel approach in German advertising and one which drew a very positive response. Market research showed that the campaign attracted a high level of attention in the target groups and significantly improved our approval and image ratings.

Employee identification and commitment enhanced

The image campaign was also extremely well received by our employees. Not least the young “actors” and “actresses” ensured a high level of identification with the style and content of the campaign. Another indication of the success of our new corporate identity is the previously mentioned high rate of participation in the employee stock program launched in May 2001. Around half of our eligible employees purchased reduced-price ThyssenKrupp shares. This was preceded by an internal campaign using a motif from the ongoing image advertisements. The highpoint of the internal campaign was a concert – exclusively for ThyssenKrupp employees – by the German pop group PUR, whose hit song “Abenteuerland” provides the musical background to the TV commercials. More than 10,000 employees attended the concert on November 23, 2001 at the Dortmunder Westfalenhalle where they were joined by all the children involved in the advertising campaign.

Numerous new communication media implemented

“blue inc.” is a new ThyssenKrupp magazine; the first issue focused on China.

We have continued to develop the ideas of the communication offensive and have implemented them in numerous corporate publications: For example the 2000/2001 half-year report contains portraits of the parents of some of the children featured in the advertising campaign. The image brochure “Developing the Future” shows children and parents on a joint voyage of discovery at various workplaces throughout the Group. A completely new medium, the ThyssenKrupp magazine “blue inc.”, is dedicated to issues of key importance for the Group. For example the first issue of the magazine in November 2001 focused on ThyssenKrupp’s involvement in China.

Outlook

The communication offensive is being continued in the current fiscal year. Its long-term goal is to foster a positive image and above all build an internationally recognized brand that stands for excellence and innovation in all the Group's activities. As part of a comprehensive brand management program the individual segments and subsidiaries will also harmonize their communication measures in the future. For example the renaming of numerous businesses based on a worldwide brand strategy has been initiated so that membership of the Group is demonstrated in the company name. We expect the repositioning of the brand to have positive effects in the establishment of new fields of business, above all in high-value services, and in the worldwide marketing of new technologies and systems solutions.

The key theme of corporate communication in the new fiscal year is the value enhancement program ThyssenKrupp best.

Building an internationally familiar brand is our primary communications task.

ThyssenKrupp best

The knowledge and abilities of our employees are key to our business success. ThyssenKrupp has highly qualified and committed employees with leading technical and commercial skills. The aim of the new corporate program ThyssenKrupp best is to make the most of these strengths so as to enhance the Group's competitiveness and contribute to sustained, value-creating growth.

Focus on internal value enhancement potential

Comparison with the best – internally and externally – highlights opportunities for improvement.

ThyssenKrupp best anchors in the Group an ongoing review of products, services, processes, management and organization aimed at identifying potential for improvement. To unlock this potential a Groupwide know-how network is being installed that will promote an intensive cross-segment transfer of relevant knowledge and experience. In this way best practice knowledge will be shared quickly with the rest of the Group. The Groupwide approach will allow us to develop knowledge faster and exploit existing value enhancement potential more effectively. Our customers, employees and stockholders will profit equally from the program. It will allow us to offer our customers high-value products and services in an enduring and dependable partnership; to create challenging, high-potential jobs for our employees; and to increase the value of the Company on a sustained basis in the interests of our stockholders.

Benchmarking as an important program tool

To identify the need for action at operating level, since the beginning of the new fiscal year all the Group's subsidiaries and lead companies worldwide have been examined for improvement potential in terms of the key value-influencing levers quality, costs, time and customer focus. Using a benchmarking approach we are comparing ourselves not only with the best in the Group but also with the world's best in our fields of business. Based on the findings we are defining improvement goals and developing concrete goal achievement projects.

The first project overview will be completed in spring 2002. Depending on their potential the action areas will be addressed step by step: Projects will be carried out across the whole of the Company. To ensure the sustainability of the program, ThyssenKrupp best is to be established as a permanent part of our employees' thoughts and actions: Regular self-assessments as well as internal and external benchmarking will show up new action areas and lead to new projects on a continuing basis.

Reflecting the management culture at ThyssenKrupp the program will be run mainly on a decentralized basis: Responsibility for project success will lie with the subsidiaries/segments; this is where the action areas, goals and projects will be defined and implemented. A bottom-up approach is fundamental to ThyssenKrupp best in order to prepare and implement solutions quickly and effectively at operational level. Only the knowledge transfer process will be coordinated centrally.

Based on the identified action areas a training program will be drawn up; it will help to multiply the accumulated methodological know-how and make it available rapidly to all Group companies. In this way all subsidiaries will be able to learn quickly from the competencies and skills of the best in the Group. ThyssenKrupp best will also offer the young leaders deployed as project managers a unique fast-track opportunity to develop their careers.

First pilot projects successfully completed

At the beginning of the current fiscal year eight pilot projects were launched at subsidiaries in Germany and abroad and at the Corporate Center. The pilot projects will serve as reference models for the program. The findings gained will be systematically analyzed and taken into account in the projects starting in spring 2002. Initial pilot projects have already been completed: Both the earnings effects and the speed of work progress will facilitate acceptance of ThyssenKrupp best and increase the motivation of all involved in the program. Last but not least, close and constructive cooperation with the employee representatives will contribute to the success of ThyssenKrupp best.

The successes achieved in the pilot projects make us confident that ThyssenKrupp best will help us achieve our ambitious goals of positioning ourselves among the best in the world with leading products, customized services and world-class solutions and of raising the value of the Group on a sustained basis.

A program logo will promote awareness of the program and identification with its aims.

ThyssenKrupp best

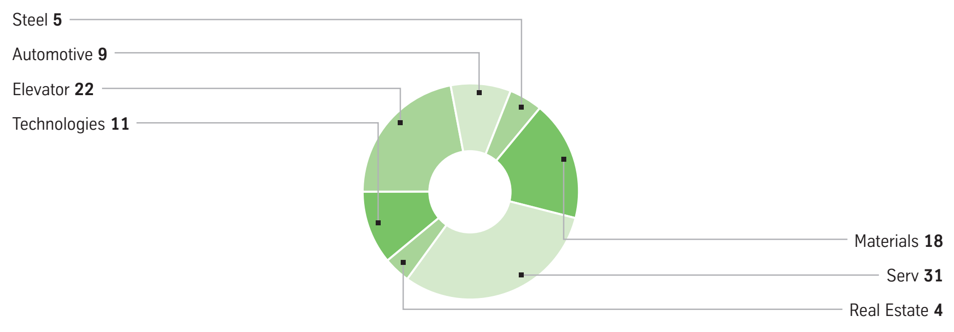
Services in the Group

ThyssenKrupp remains strategically focused on services which deliver value to our customers. The share of services in the segments' sales increased by around €1 billion to almost 20% in 2000/2001. A clear focus on the needs of customers together with Groupwide knowledge management are key success factors for developing a service culture in the Group.

Serv and Materials spearhead the Group's focus on services.

Our decision to focus more strongly on services has proved right: service business has emerged as the key to profitable growth. But rather than major solutions, we pursue creative ideas to supplement our business activities. We build on our core competencies and develop innovative services geared to the needs of our customers.

SERVICE SALES BY SEGMENT 2000/2001
in %



Increased service sales in all segments

The Group's service sales increased to €8.1 billion in 2000/2001. All segments contributed to this and recorded growth in business. While our service segments Serv and Materials are of course better positioned to expand in this area, the production activities nevertheless made targeted use of the additional market opportunities presented by services. Of the production segments, Elevator has the highest share of services, and has now passed the 50% mark.

A successful service organization has to be decentralized so as to be close to customers. With this in mind, we have delegated responsibility for our service offensive to our local staff. The solutions our companies develop with their customers are as many and varied as the services they offer. The trends for potential new business are as follows:

- Our out-and-out service providers Serv and Materials are concentrating on offering a full range of services for industry.
- Our production operations are developing packages of intelligently combined products and services – offering new scope for pricing.

Knowledge management across all segments

The service offensive is a good example of cross-segment knowledge management at ThyssenKrupp, focusing on three elements:

Efficient knowledge management is indispensable.

- Best practice transfer to expand services,
- Knowledge transfer in specific topics, e.g. operator models,
- Discussing ways to optimize services. This applies above all to production companies aiming to increase their service activities in the future.

Providing market-oriented, professional services to cover all functions is a new challenge in particular for the Group's production companies. A practical service guide has therefore been developed dealing with all key aspects of service management – quotes, distribution, corporate structures and processes as well as service-oriented quality and personnel management. We use the specialist knowledge and expertise available in the Group's service segments.

Service orientation as a long-term process

For the success of the service offensive, it is vital for staff to rethink and subsidiaries to focus continually on their customers. This is a process that requires work. To ensure its lasting success, we have made the service offensive a fixed component of strategic planning. It is also integrated in the corporate program ThyssenKrupp best, which will give added impetus to our service expansion.

E-business

We have a diverse range of e-business activities: bidding processes, auctions, e-shops, marketplaces and knowledge management. Almost 150 key projects are currently under way in the Group, firmly established close to business in the segments. A standardized project organization ensures that synergies can be fully utilized. It is already clear that e-business offers new opportunities for our technology-oriented products and services.

E-business is being implemented at ThyssenKrupp on a decentralized basis – with the advantage of high flexibility.

We are pressing ahead with e-business projects in all segments. The number and complexity of individual projects depend above all on requirements. Here, too, cost efficiency is the key to business success. Even in the internet age, market acceptance still depends on closeness to suppliers and customers, product quality, competitive prices and a range of products in line with the requirements of the market.

Our e-business initiative is based on three strategies to significantly increase the value of the enterprise. These are

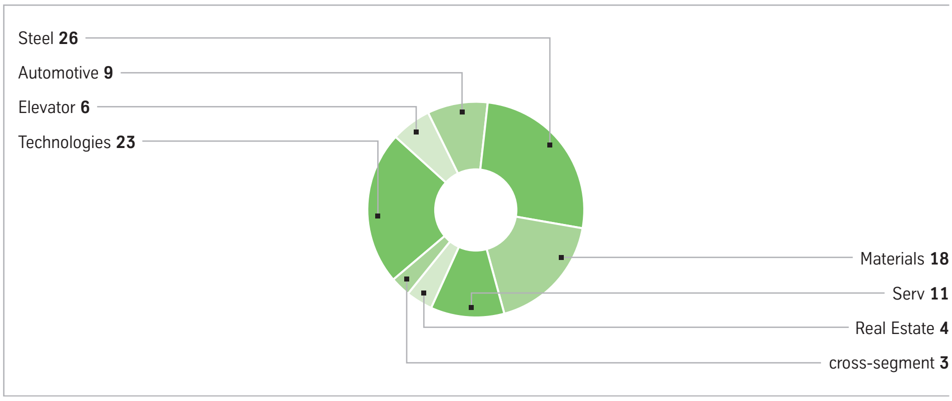
- business process optimization along the value chain,
- participating in new marketplaces and platforms in specific sectors, and
- marketing e-business solutions to customers outside the Group in the future.

Our e-business initiative is largely decentralized, allowing companies operating on the market to respond quickly and flexibly to new ideas and developments as well as costs and competitors.

To realize the synergies as swiftly as possible, four Groupwide taskforces have been set up to aid progress in the following areas:

- E-procurement
- ThyssenKrupp Portal (Group website)
- Knowledge management and
- Personnel/recruiting

E-BUSINESS PROJECTS BY SEGMENT
in %



Marketplaces

The electronic marketplaces "STEEL24-7" and "BuyForMetals" are currently being set up for selling and purchasing steel. Initiated jointly by ThyssenKrupp Steel, Arbed/Aceralia, CORUS and Usinor, these websites use standardized business processes and communication interfaces to simplify use of the service by customers and suppliers.

Directed at carbon and stainless steel customers, "STEEL24-7" offers a range of options. Customers can submit quotation requests online to a steel supplier, such as ThyssenKrupp Steel. Alternatively, suppliers can take the initiative and contact selected customers with an offer to sell material from stock or rolling capacity.

"BuyForMetals" facilitates cooperation with suppliers. It contains product catalogs from which steel companies can order directly. Prices and other terms of supply are agreed in advance by the responsible purchasing departments in framework agreements with the suppliers.

In addition to participating in these marketplaces, ThyssenKrupp Steel offers customized e-business solutions. Registered customers can purchase high-quality rolled steel in online auctions held twice weekly. ThyssenKrupp pioneered this development in the steel industry.

ThyssenKrupp Stahl began organizing online auctions for its products in February 2000.

From reverse auctions to teleservice

When online auctions are held for example at Krupp Presta, Budd or ThyssenKrupp Elevator in the USA, suppliers face stiff competition. Our purchasers can follow the bidding in real time on screen and accept the best value-for-money bid. In this way we can purchase any largely standardized materials and components we require in bulk at favorable conditions.

"Leading the race" is Krupp Bilstein's motto according to the company's website; but it could just as easily apply to the website itself. The e-business offering of products for racing cars and standard vehicles has raised the company's profile among distributors and end consumers. The workshop portal allows garages fast and professional access. Service centers and retailers alike benefit from the online ordering service. The Bilstein Club supplies customers from the world of racing with interesting and up-to-date product information.

Saving time is particularly important in the service business. More than 30,000 elevators and escalators in Europe and the USA are therefore now linked up to the teleservice network of the Elevator segment. Necessary action/repairs can be carried out immediately by remote control.

E-shop solutions for materials

The TS Online e-shop system won the Group's 2001 innovation contest.

As Germany's leading materials service provider, Thyssen Schulte, a company in the Materials segment, was quick to make use of the internet. A new e-shop solution has now been developed to simplify previously complex warehouse, inquiry and order processes. In addition, the internet-based electronic media open up a new distribution channel as an alternative to the conventional sales route still dominant today.

The first stage of TS Online, the platform for electronic business, was the website which provides users with a breakdown by region and article of the wide range of products available.

The second stage now installed is an online ordering service. After entering a password, customers can find out about the availability of individual products as well as the gross and net prices applying specifically to them based on framework agreements negotiated in advance. Of course they can also submit orders online, specifying delivery dates, shipment details and processing requests. The aim is to provide an integrated service tailored to the individual needs of customers in the form of one-to-one marketing. This project was awarded first prize in the 2001 ThyssenKrupp innovation competition.

World's only e-shop for formwork and scaffolding

"Going the extra mile" is the slogan of Thyssen Hünnebeck in Ratingen. The company went the extra mile with the launch of its e-shop at the world's biggest construction machinery show in Munich in April 2001. Open communication, high security and different levels of access are outstanding features of the new system. A guest access facility allows all users to explore the product range. The secure shop can be accessed via a personal identification number and enables customers to place orders to buy or hire formwork and scaffolding at individual conditions stored in the system.

One-stop IT services

A key element of our e-business activities is the Information Services unit of the Serv segment. Its major company Triaton offers one-stop IT services. The aim is to support industrial companies with integrated electronic solutions – from business process analysis to implementation and customization through to trouble-free operation. With many years of experience and in-depth process know-how, Triaton is now a leading player on the international market, and has become established as one of the top three vendor-independent systems houses in Germany.

Triaton is one of Germany's leading vendor-independent systems houses.

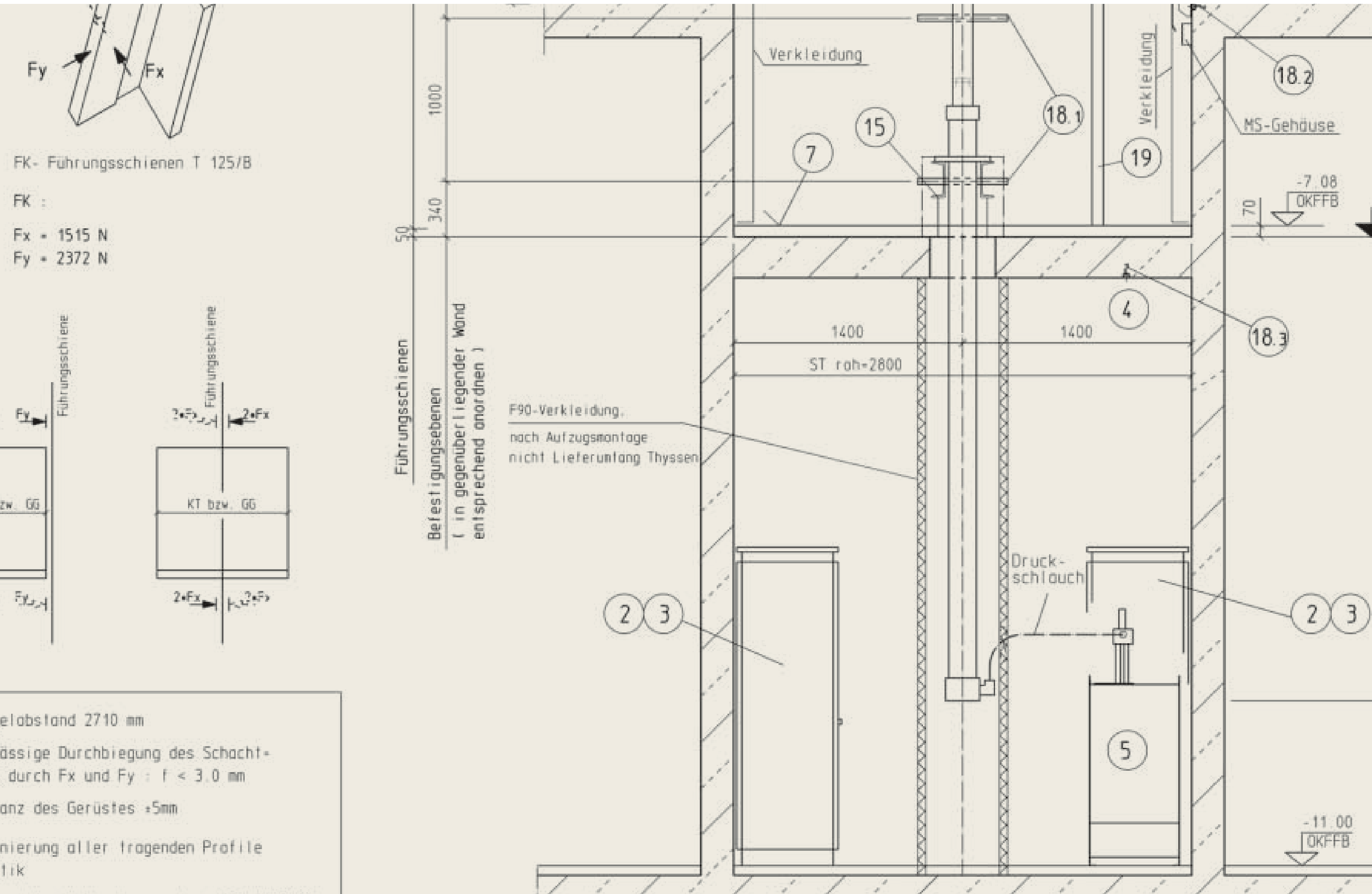
In e-business Triaton offers solutions for customer relationship management, document management, enterprise resource planning, e-procurement, supply chain management as well as e-commerce solutions and portals. For example, Triaton played a leading role in the introduction of a Groupwide e-procurement platform at ThyssenKrupp in the reporting period. After successful trials, a number of subsidiaries are already processing orders on this purchasing platform – from spare parts management and the procurement of office stationery through to materials required for production. Other companies will successively join the system. In the long term the Group also aims to incorporate its international branches.

E-business: electronic opportunities for real products

The examples of e-business at ThyssenKrupp are as multi-faceted as the Group itself. They include auctions, portals and online shops. But our customers can also inquire about spare parts for cement mills, seminar places, apartments and business properties online. We are at home on the internet. For us electronic opportunities mean real business, because we have products to offer that people want to buy. When it comes to customizing products and services and selling them on the market, e-business is an increasingly important tool we will be developing even further in the future.

“At ThyssenKrupp the managers of tomorrow don’t just develop by chance. Even during their studies, selected high-potential students receive support from high-ranking executives as mentors. On the one hand, this guarantees a transfer of know-ledge from the student to the Company while still at university, on the other hand the mentoring program provides a practical aspect to academic studies. And once graduates have embarked on a career, ThyssenKrupp offers targeted trainee, induction and support programs as effective preparation for the subsequent assumption of responsibility.” Dagmar Euler-Schreiter, mechanical engineering graduate

Global view ○ **Knowledge transfer**
Initiative Trainee and mentoring program
Place Germany
Segments All
Competency On-the-job training, development management



Knowledge transfer

"Global capabilities coupled with a broad appeal – that's the basic message of our image campaign 'DEVELOPING THE FUTURE'. Our new open approach has been well received by customers, employees and the public at large." Dr. Jürgen Claassen, Head of Corporate Communications

Global view ○ **Broad appeal**
Area Communications
Place Worldwide
Segments All
Competency Brand establishment, image transfer, open information policy

Segments

Our activities are organized in six segments – Steel, Automotive, Elevator, Technologies, Materials and Serv. In this section, the segments present their credentials: In addition to their performance in 2000/2001 we look at their capabilities, competitive strengths and major projects. We also report on our Real Estate activities, focused on Germany's Rhine-Ruhr area.

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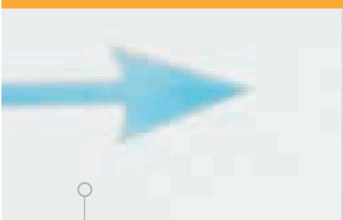
Performance pressure



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Problem solver

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Service provider

Steel

For steel, the future has only just begun. The material that has dominated industrial development so far will be a key factor in technical progress in the 21st century as well. Our Steel segment is one of the world's leading steel suppliers with great technological capabilities and clear growth prospects. Related to the total flat steel market we rank fourth in the world. In fiscal year 2000/2001 Steel maintained its sales at €12.6 billion despite the market downturn.

STEEL IN FIGURES

		1999/2000	2000/2001
Order intake	€ million	13,043	11,890
Sales	€ million	12,676	12,639
EBITDA	€ million	1,638	1,642
Income*	€ million	569	605
Employees (Sept. 30)		53,856	51,418

* before taxes and minority interest

The potential of steel

Steel specialties with good growth prospects are the focus of ThyssenKrupp Steel.

The Steel segment essentially comprises two business units: Carbon Steel, focused on high-quality flat carbon steel, and Stainless Steel, concentrated on stainless flat products. The range at Stainless is augmented by nickel-base and other alloys for specific requirements and extreme loads.

The restructurings of recent years have been part of a decisive refocusing of ThyssenKrupp Steel on higher-value products, since this is where significant growth prospects lie. Whereas world crude steel production has increased on average by only 1% per year over the last decade, the growth rates for high-quality carbon steel flat products and stainless steel in the same period have been substantially higher at 4% and 7%, respectively.

Carbon Steel: Value before volume

The size of the world flat carbon steel market is currently around 340 million tons. In this product segment our Carbon Steel business unit is Europe's second biggest producer and No. 5 worldwide. In tailored blanks we are world market leaders by a distance.

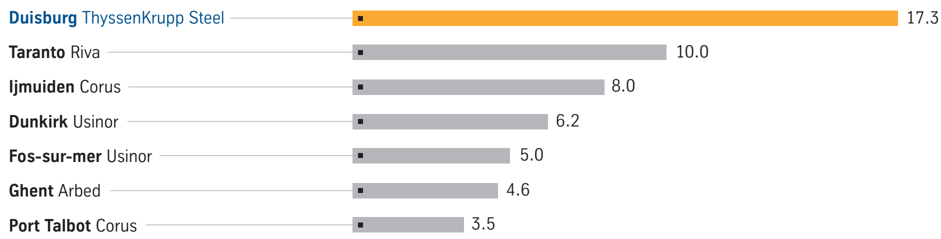
We are continually opening up new applications for steel by optimizing its properties and fabricating capabilities. For example, an automobile consists of various types of steel: different

STEEL SALES
€ million

	1999/2000	2000/2001
Carbon Steel	7,658	7,679
Stainless Steel	4,314	4,235
Other Companies	964	1,046
Total	**12,936**	**12,960**
Consolidation	(260)	(321)
Steel	**12,676**	**12,639**

materials are used in the body than in the chassis. Our Carbon Steel unit is a technology leader in the new lightweight, high-strength steels needed in these particular areas. We also hold leadership positions in tailored and engineered blanks, which are sheets of different thickness, grade and coating laser-welded together to form customized blanks which are in turn cold-formed into doors, liftgates, floor panels and side beams. The market for such blanks is growing at double-digit rates.

STEEL LOCATIONS IN EUROPE
in million tons of crude steel capacity

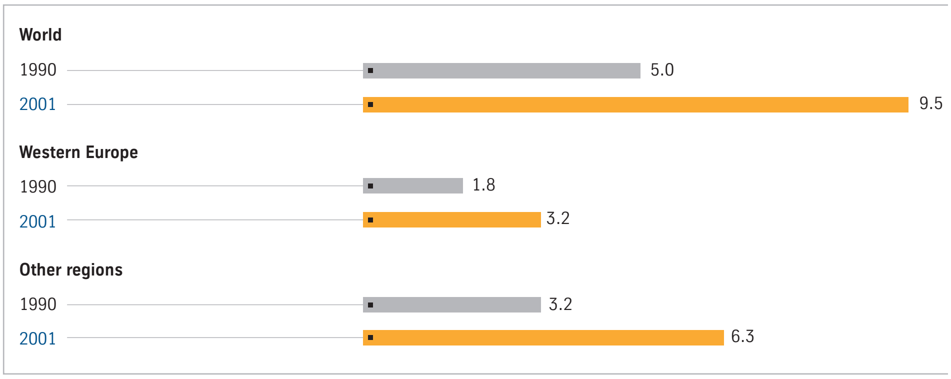


The strengths of our business unit include its highly modern plant configuration on the Rhine in Duisburg. In November 1999 we began operation there of the world's first casting-rolling plant in an integrated steel mill. In addition we have an optimum combination of economies of scale, logistical cost advantages and closeness to customers which distinguish Duisburg as a steelmaking location.

The concentration of steelmaking at Duisburg was completed in 2001.

The plan to concentrate iron and steel production and the majority of hot strip production in Duisburg has now been implemented. The hot strip mill in Dortmund was shut down on March 30, 2001, followed a month later by the last blast furnace and the BOF shop. This final piece of our facility restructuring, unique in Europe, means the conditions are in place to realize in full the synergies from the 1997 carbon steel merger.

CONSUMPTION OF STAINLESS FLAT PRODUCTS
in million tons



Stainless Steel: Globally positioned

Our Stainless Steel unit is the world's biggest supplier of stainless flat products and world No. 2 in nickel-base alloys. World demand is strong: Within the last decade consumption of stainless flat products has virtually doubled to 9.5 million tons.

Stainless steel differs in composition from carbon steel, containing large amounts of nickel and/or chromium. Stainless steels are known internationally by the name NIROSTA®, one of our trademarks.

Stainless steels have characterized the function and design of everyday products for decades. In the medical field, stainless steel fulfils the highest hygiene requirements. Its applications in industry are many and varied. Offshore oil and gas production, power plant flue gas desulfurization and the safe transportation of aggressive chemicals have all been made possible by high-alloy stainless steels. More and more technical innovations in the automotive sector are also characterized by high-performance stainless materials including nickel-base alloys. One example is the metallic substrate catalytic converter.

Unlike many of its competitors, the Stainless Steel unit is a full-line supplier of stainless flat products and nickel-base alloys. It has stainless production sites in Italy, Mexico and China as well as Germany, while nickel-base alloy flat and long products are made in Germany and the USA.

Stainless Steel has production sites in Germany, Italy, Mexico and China.

The Stainless Steel unit is a leader in terms of production technology. Together with two partners we are operating a first pre-industrial strip caster in the Eurostrip project. This facility casts thin stainless steel strip direct from the molten metal, so far the shortest route for the production of steel flat products.

Nickel and cobalt-base alloys as produced by Krupp VDM are high-performance materials whose development is inextricably linked with the aerospace industry. A welcome employment boost was also provided by the manufacture of blanks for euro coins; 12 to 15 million blanks are produced per day.

Outlook: Strengthen our international market position

We will further optimize our own range through forward-looking cost and technology steps. After the concentration of iron and steel making and hot strip production in Duisburg, the focus at Carbon Steel is now on the downstream processing operations. The new high-tech tandem mill in Duisburg, which has been linked with the pickling line, produces high-quality strip in particularly wide and thin sizes, while our new hot dip galvanizing line in Dortmund will allow us to share in the growth in orders for coated products.

We have made considerable progress in the internationalization of our downstream operations, where the main customer is the automotive industry. The GalvaSud project with Companhia Siderúrgica Nacional in Brazil is a model for the future. It comprises a hot dip galvanizing line, tailored blanks facility and steel service center; the facilities were taken into operation step by step starting in December 2000. In February 2001 the agreements with ANSC Angang New Steel Co. concerning the construction and operation of a joint hot dip galvanizing line in China were initialed. Other projects concern our tailored blanks business, which is setting up local manufacturing sites close to its customers in the automotive industry, for example in Italy and Mexico. A new target in our sights is the Chinese market.

Due to its size and growth the market for stainless flat products will remain attractive for a long time to come. The strategic objective outside our core Western European market is to expand our position in the high-consumption market of China.

Phase one of Shanghai Krupp Stainless has already been completed. The 72,000 t capacity cold rolling mill began operation on November 2, 2001. Expansion of the cold rolling mill to a final capacity of 270,000 t is scheduled for completion by late 2005.

The cold rolling mill of Shanghai Krupp Stainless began operation in November 2001.

In April 2001 ThyssenKrupp Steel entered into discussions with the Japanese steel companies NKK and Kawasaki Steel about a strategic collaboration, in particular concerning the supply of sheet to customers in the automotive industry. Collaborations in stainless steel, electrical steel, tinplate and heavy plate are also being examined.

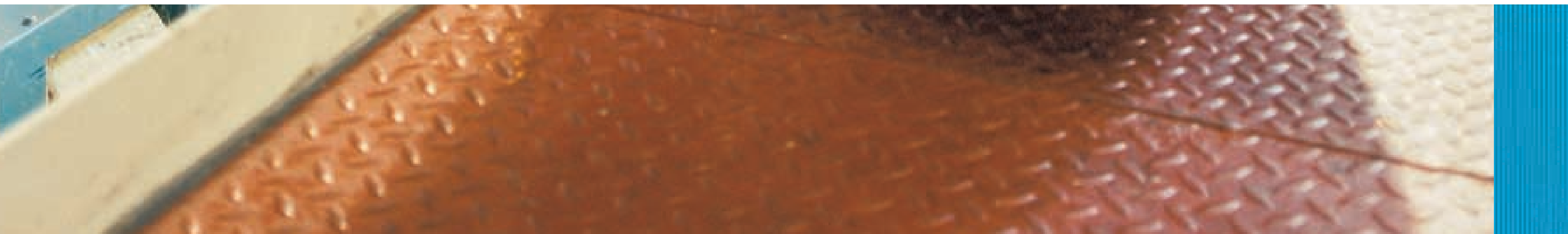
Differentiated globalization strategy

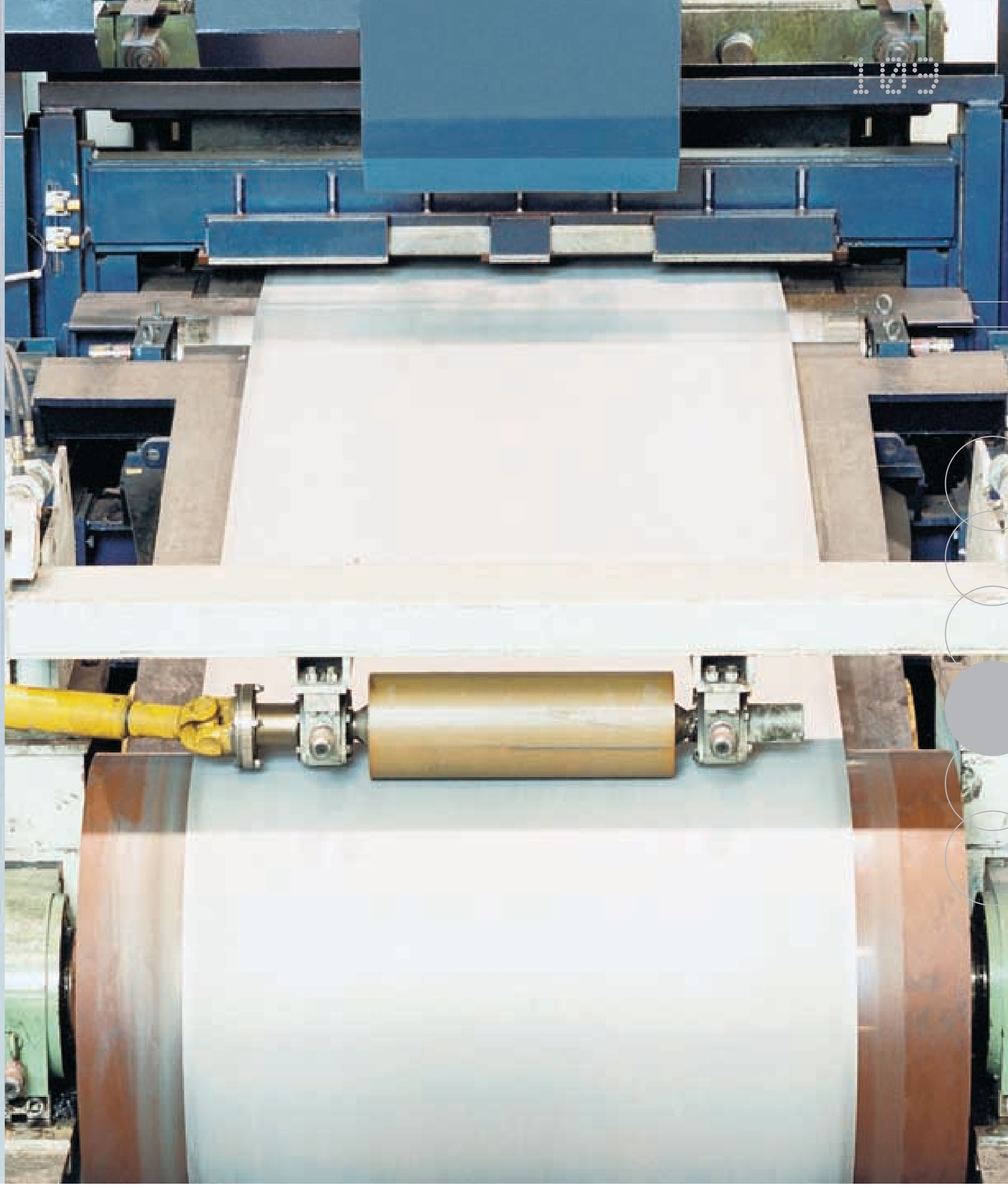
In recent decades we have carried out several radical changes in our Steel segment, in the process proving our ability to carry out restructurings successfully. This included the permanent implementation of programs to increase productivity and the concentration on high value-added flat products.

Our global sales plan is marked by differentiated strategies for Carbon Steel and Stainless Steel. In Carbon Steel, the focus is on economies of scale through the concentration of iron and steel making and most of hot strip production in Duisburg. This strong platform will be the basis for a more international approach to our downstream operations. Stainless Steel on the other hand is pursuing an internationalization strategy based on plants offering a complete production program.

Ever since legislators started putting limits on the fuel consumption of cars, people have been looking for ways of saving fuel. One possibility would be to reduce the weight of the car. The question is how? The answer is to be found in Duisburg and goes by the name of TAKO. TAKO is the most advanced cold rolling mill in the world, capable of reducing high-strength steel to extremely thin and thus lightweight sheet. At 0.3 millimeters, the lowest sheet gauge may well be a world record, while widths up to 2,040 millimeters are possible. The mill can produce 1,400 meters of this grade per minute, another world record. In addition to a high-precision control system, this is made possible by a revolutionary operating principle: TAKO does not process one steel coil after another, but joins them to form a continuous strip which can be processed faster and with greater precision.

World records





Global view ○ **World records**

Project	TAKO cold rolling mill
Place	Duisburg, Germany
Segment	Steel
Competency	Technological innovations, world's most efficient cold rolling mill, production of high-strength ultra-thin steel sheet

Automotive

Its expertise and its quality as a systems partner to the international auto industry give our Automotive segment a leading position in development, engineering and production. Important new businesses started up in fiscal year 2000/2001, but the additional sales they generated were canceled out by the collapse of the US market. At around €6.21 billion, ThyssenKrupp Automotive's sales were more or less unchanged.

AUTOMOTIVE IN FIGURES

		1999/2000	2000/2001
Order intake	€ million	6,112	6,348
Sales	€ million	6,108	6,212
EBITDA	€ million	639	537
Income*	€ million	286	143
Employees (Sept. 30)		39,920	40,655

* before taxes and minority interest

The Automotive segment is one of the world's biggest auto industry suppliers. Its particular strength are system solutions, mainly for suspension and steering. At numerous locations, our component and module production activities are integrated on-site in automakers' facilities. Development and systems partnerships are key drivers of customer retention.

As a systems partner we follow the automobile industry worldwide – currently in 16 countries.

We have an international presence the equal of the auto industry itself, with 124 production locations in 16 countries forming a network across Europe, America and Asia; 70% of our 40,000-plus workforce is employed outside Germany. ThyssenKrupp Automotive supplies high-quality body, chassis and powertrain products to all major vehicle manufacturers on a JIT or JIS basis. As a systems partner and full-service supplier, we are involved in all phases of auto development and production, including the installation of complete assembly lines. Our capabilities range from the concept stage through to ready-to-fit high-tech assemblies.

Market and strategy: Main growth outside Germany

All over the world, the automobile market is characterized by increasingly frequent model changes and ever greater model variety. Automotive responds to this with mobility, greater internationality and an increasing presence on the growth markets of Asia and South America. As auto industry outsourcing rises, the broad range of our development, engineering, assembly and logistics capabilities puts us in a position to support manufacturers, e.g. by carrying out design and concept studies, working on process developments, integrating third-party supplies in complex assemblies and even manufacturing prototype vehicles.

AUTOMOTIVE SALES € million	1999/2000	2000/2001
Body	1,454	1,306
Chassis	2,255	2,358
Powertrain	1,538	1,601
Systems/Suspensions	889	966
Total	**6,136**	**6,231**
Consolidation	(28)	(19)
Automotive	**6,108**	**6,212**

Alongside systems competencies, our materials expertise is another key competitive factor. We are one of only a handful of suppliers capable of providing alternative solutions in steel, aluminum, plastic and magnesium. Our processing capabilities include casting, forging, deep-drawing, joining and hydroforming.

Systems and materials competence are major competitive advantages of ThyssenKrupp Automotive.

Body: Expertise in steel and aluminum

We manufacture body outer skin parts such as doors, engine hoods and side panels in steel, aluminum or SMC, whichever the customer prefers. This flexibility allows us to realize a wide range of design ideas to the desired quality standards, and last year also helped compensate in part for the reduction in volumes on the key US market. In the UK, another important market, we won several orders for Toyota and Saab models. To manufacture body outer skin parts for the new Mercedes-Benz Vaneo, we installed a dedicated transfer line at our Ludwigsfelde stamping facility in the German state of Brandenburg. Aluminum outer skin parts for the BMW Z8 are produced at the same location.

Chassis: The art of casting

The fact that our sales of chassis components and assemblies remained steady in 2000/2001 is due in no small part to the acquisition of companies like Stahl Specialty. Following on from our success in iron casting – the advanced high-tech facilities of our six North American iron foundries make them market leaders – Stahl Specialty has given us a foothold in the US aluminum casting market.

The trend toward aluminum casting is also catching on in the European auto sector. We have developed a cast aluminum front axle for a volume-produced German model and established a joint venture with the German firm Rautenbach AG to build a new aluminum foundry in Wernigerode, Saxony-Anhalt.

Our Kitchener plant in Canada started up one of the world's largest tube hydroforming lines to produce frame parts for two successful pickup models. Due to numerous design changes, the demands on downstream production processes were increased significantly, leading to start-up problems.

Powertrain: At the forefront

Our crankshaft business profited from increased demand for car diesel engines, where forged cranks are preferred. Our Homburg plant in Germany put a new high-performance press line into operation to meet order volumes. The outstanding productivity levels of this line set new standards in crankshaft production. The Presta group was awarded new orders for ready-to-fit camshafts, strengthening its market position in assembled camshafts. Made from a tube, the precision shaft with welded-on cams sets a new benchmark for technology and economy.

Krupp Presta HuiZhong Automotive Shanghai Co. Limited produces high-tech steering columns for VW models which enjoy great popularity in China. The company is a joint venture set up with the Chinese partner Shanghai Huizhong Automotive Manufacturing Company; ThyssenKrupp holds a 60% stake. Our electronic, electrical and mechanical steering columns/systems are world market leaders.

Systems/Suspensions enhances its engineering capabilities

Krupp Drauz and Krupp Drauz Ingenieurbetriebe are recognized engineering partners to the automobile industry. But they also provide prototyping and integrated development and planning services as well as building tools and fixtures. Several newly launched models from well-known manufacturers bear the Drauz signature.

Systems orders for smart, Porsche or General Motors provide constant challenges for our engineers.

Krupp Automotive Systems, our systems specialist, received new axle assembly orders and will shortly be starting up three new assembly plants. Our systems credentials are already well established: assembly activities in recent years include the rear axle modules for the smart, the axles for all Porsche models, axles for two GM models and an array of orders for axle systems for new models and niche vehicles.

Electronics business successfully launched

In October 2000 we founded ThyssenKrupp Automotive Mechatronics GmbH in Munich. Since then the company has won major volume production orders from German auto manufacturers, including an electronically controlled vehicle stabilization system and an active damping system, to be produced jointly by Mechatronics and Krupp Bilstein. Mechatronics is the interface between electronic and mechanical assemblies and is used in particular in suspension and steering applications. This new company broadens the electronics capabilities of the Automotive segment.

Full range of high-quality capabilities

In 2000/2001 the Automotive segment staged a number of technology shows presenting our leadership in the development of components, modules and systems to the auto industry. Exacting customer quality requirements are met by a comprehensive quality management system, underscored by the certification of our plants to international quality standards. Customer awards are a further measure of supplier quality: To date Ford has bestowed its highest quality award on 42 ThyssenKrupp Automotive plants; in the past fiscal year we received more than 20 quality awards from our automobile customers.

Outlook

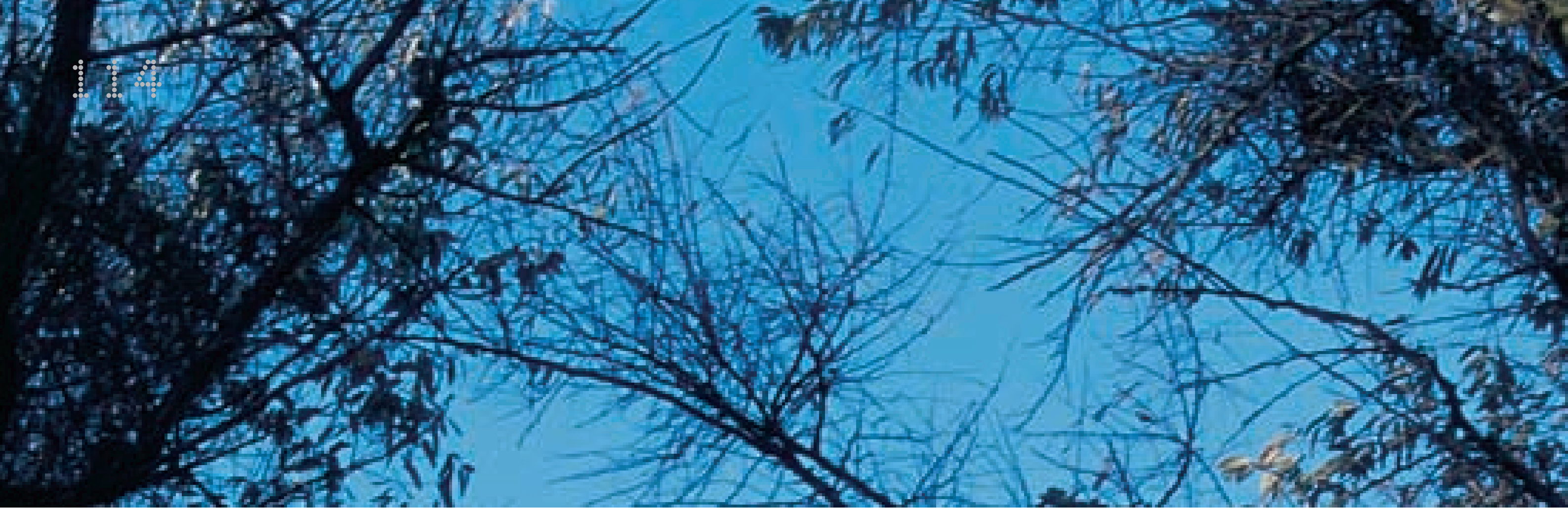
To expand our systems business toward complete vehicles, in November 2001 Automotive acquired a 10% interest in the Finnish company Valmet Automotive, cementing an already existing cooperation agreement, with an option to acquire the remaining 90%. Valmet is a leading designer and manufacturer of prototypes and niche vehicles. Last year the company turned out some 38,500 vehicles for Porsche and Saab from its Uusikaupunki facility. ThyssenKrupp Automotive's development and engineering know-how combines ideally with Valmet's manufacturing expertise to provide full vehicle capability. ThyssenKrupp Automotive has also broadened its range in the field of prototype construction through a joint venture with Karosseriewerke Weinsberg GmbH to pool the prototyping activities of both companies.

The stakes in Valmet and p.a.d. will boost our systems and engineering business.

The acquisition by Krupp Drauz of p.a.d. Karosserietechnik in Neckarsulm, Germany has significantly boosted our design and engineering capabilities. p.a.d. has international activities in body, interior and engine development and electrical and electronic assemblies.

ThyssenKrupp Automotive reorganized effective October 01, 2001

As part of our quest for even greater customer satisfaction, we reviewed the organizational structure of the Automotive segment and its business units Body, Chassis, Powertrain and Systems/Suspensions. In the future there will only be three business units – Body, Chassis and Powertrain. A Systems operating group will be set up in each of these business units to reflect the importance of this business. Sales will be managed by the executive board member responsible for the respective business unit.



In America, everything is bigger. The automobile market, for example. And the automobiles. And because bigger cars are more liable to torsion, the body frame is particularly important. In many cases, these frames are supplied by Budd Canada Inc., Kitchener, which uses the patented hydroforming process to manufacture complex, high-strength frame assemblies. They guarantee exceptional rigidity along the full length of the car to ensure safe driving and high ride comfort.

Performance pressure

Global view ○ **Performance pressure**
Project Production of frame assemblies
Place Kitchener, Ontario, Canada
Segment Automotive
Competency Hydroforming of body parts

Elevator

"Equipment plus service" is the formula for success at Elevator, which increased its sales 13% to €3.5 billion in 2000/2001. The segment's core capabilities lie in the manufacture, modernization and servicing of elevators and escalators. Equipment from Elevator keeps things moving at Potsdamer Platz in Berlin, in the Prague Metro or at San Francisco airport. The segment is the world's third biggest elevator manufacturer and a global leader in product and service quality.

ELEVATOR IN FIGURES

		1999/2000	2000/2001
Order intake	€ million	3,232	3,702
Sales	€ million	3,098	3,515
EBITDA	€ million	384	417
Income*	€ million	203	226
Employees (Sept. 30)		27,102	28,501

* before taxes and minority interest

Our global elevator and escalator activities are managed regionally by five business units, which manufacture and service high-performance equipment for public and private facilities on their respective markets. With a total of 23 production sites around the world, the business units cooperate through component supplies and technology transfer to create synergies. Two further product-specific business units serve customers on a worldwide basis: Passenger Boarding Bridges supplies boarding equipment for airports, while Accessibility manufactures chair and platform lifts and smaller elevators for private households.

Market position and strategy

Otis, Schindler and ThyssenKrupp Elevator account for half the world elevator market.

The world market for elevators and escalators including service is currently worth some €28 billion and is highly competitive, with a large number of small suppliers. The big three – Otis, Schindler and ThyssenKrupp Elevator – account for 48% of the total market.

The Elevator segment achieves 50% of its total sales of €3.5 billion in North America, where we are market leader. Europe (excluding Germany) accounts for 30%. We hold outstanding market positions in France and Spain, while the acquisition of the Parklands group has strengthened our position in the Greater London area of the UK. With altogether 89% of sales coming from outside Germany, Elevator is the Group's most international segment.

ELEVATOR SALES € million	1999/2000	2000/2001
Germany	393	421
France/Belgium	288	320
Spain/Portugal/South America	456	512
North America/Australia	1,477	1,730
Rest of World	345	373
Passenger Boarding Bridges	60	57
Accessibility	79	102
Elevator	**3,098**	**3,515**

We are expanding our activities in Latin America. Following the acquisition of Elevadores Sûr we now have a presence in almost all centers of South American business. In addition, the acquisition of Kone's South American elevator activities in November 2001 significantly strengthened our market position, adding around €28 million in sales and 500 employees. Expanding our presence enables us to intensify our customer services and harness synergies. Due to the linguistic and cultural similarities, our activities in South America and on the Iberian peninsula are organized in one business unit and managed jointly.

We are working on strengthening our position in China and the rest of Asia.

In all regions, new equipment is the key to the service business, which now accounts for over 50% of Elevator's sales. We have a service base of 600,000 elevator and escalator installations worldwide, for which we have set up over 700 regional service centers close to our customers, allowing us to provide high-quality maintenance services around the clock.

Service business is becoming increasingly important for elevators – around 50% of sales are service-based.

The large number of new modernization and service contracts signed last year in the USA and Europe reflect the increasing importance of service business for our segment.

In addition to elevators and escalators, we also manufacture passenger boarding bridges, which round off our range and create synergies in the airport segment. ThyssenKrupp's passenger boarding bridges are particularly in demand whenever major international airports are being built or extended. To enhance the profitability of this business unit, European production has been concentrated at the Mieres facility in Spain which boasts highly efficient structures. In the past fiscal year we received an order for 23 passenger boarding bridges for the new airport in Paris, while Munich airport ordered 32 bridges. Given that air transport is generally growing worldwide, and especially in the Pacific region, we expect a further increase in this business.

With life expectancy increasing, in the coming years we expect significant growth in demand for our Accessibility unit, which manufactures chair and platform lifts and elevators for private households. With innovative products and a high level of component sharing, we expect strong business and a further improvement in our European and North American market positions.

New elevator and escalator orders

Customers all over the world see our elevators and escalators not just as an efficient way of transporting people but also as an important esthetic component of their architectural designs. Orders from the US in the past fiscal year included the supply of 56 elevators and 16 escalators for the Time Warner Center in New York, 22 elevators for the One Thousand Main Office Tower in Houston/Texas and the modernization of 34 elevators at Gouverneur Morris House in New York.

The São Paulo subway ordered 54 escalators and 15 elevators. In Madrid we are manufacturing 94 escalators and 19 elevators for the city's metro. A further 27 elevators, 32 escalators, 36 moving walks and 49 freight lifts are being installed at Madrid airport.

Innovations in equipment and service

IT-based service concepts increase equipment safety and reliability and enhance customer satisfaction.

Via palmtop or laptop units, our service engineers can retrieve and analyze data on elevator or escalator installations and communicate with Elevator's service centers at any time. Direct access to technical data enables us to provide information and spare parts far more quickly. Particular progress in this area has been made in Germany, France, Belgium and the USA, where customer-focused service concepts such as Tele-W@tch, POP or TAC20 utilize the internet, e-mail, text messaging and other IT technologies. This will allow us to increase customer satisfaction and enhance our service even further.

The Tele-W@tch system records the frequency with which individual elevators are used; customers can view this information on the internet and use it to plan service call-outs. POP is a service concept which records all relevant service and repair information and presents it clearly to customers in the form of a service history. In the USA we developed the TAC20 monitoring system for hydraulic elevators, which facility managers and service engineers can use to continuously check the serviceability and technical condition of their installations.

On request, our customers can also entrust these monitoring functions to our international tele-service. Our service centers provide online monitoring of more than 20,000 installations around the world, 11,000 in Germany alone. The system ensures that these complex people moving systems remain functional at all times and for many customers is a key factor in deciding in favor of equipment from ThyssenKrupp.

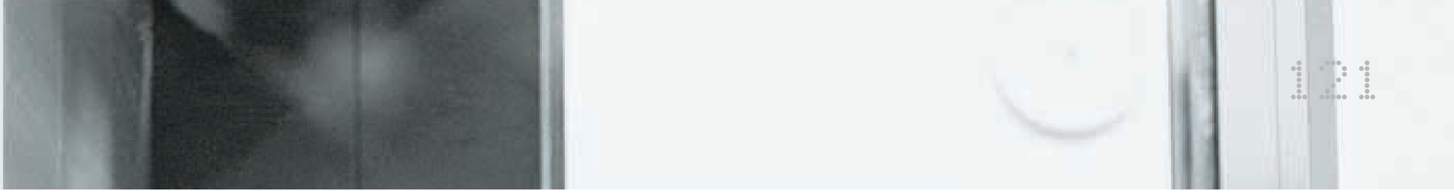
Outlook

In the coming years we aim to set new standards in service and grow our business in this area even further. Additional full-service contracts and the acquisition of new modernization projects will strengthen customer loyalty, improve customer services and increase value added. Following the successful integration of Thyssen Sûr in Brazil, ThyssenKrupp Elevator is planning to expand its long-term activities in the other countries of South America through acquisitions and new start-ups. The segment will increase its presence in Asia by adding offices, branches and service bases.

“Why should you have to climb stairs just because you live in an old building? If the stairwell is too small for conventional elevators, the elevators have to be made smaller. We thought about how to get round this problem and came up with a completely new drive system. It’s called Mini gearless, and it’s so compact that elevators can be installed where there was previously not enough space. They can even be operated without a shaft pit or a control cabinet.”

Dieter Held, design engineer

Problem solver



Global view	○ **Problem solver**
Project	Mini gearless
Place	Neuhausen, Germany
Segment	Elevator
Competency	Innovations, system solutions, elevator and escalator manufacture

Technologies

Engineering excellence characterizes the products of the Technologies segment. This is the home of the innovative magnetic train Transrapid. Strong business in many market areas, successful restructuring efforts and tight portfolio management were the dominant features of fiscal year 2000/2001.

TECHNOLOGIES IN FIGURES		1999/2000	2000/2001
Order intake	€ million	6,691	5,533
Sales	€ million	5,934	5,631
EBITDA	€ million	351	355
Income*	€ million	82	140
Employees (Sept. 30)		32,193	31,477

* before taxes and minority interest

High engineering content

Technologies – currently mainly active in Europe and America – is now expanding in Asia.

With Production Systems, Plant Technology, Marine and Mechanical Engineering, the Technologies segment brings together activities that stand out for their high engineering content. From complete assembly lines for the automobile industry to the construction of chemical plants, from shipbuilding to high-value machine components, our businesses hold leading regional and world market positions. The companies in the segment are being developed in line with their capabilities but are subject to tight portfolio management. The key to the segment's market success is a very high level of engineering as a percentage of total value added; securing and expanding this capability is of particular importance to us.

Around 70% of the segment's sales are generated outside Germany. Out of a total of 128 consolidated companies, 76 are based abroad, mainly in Europe and the USA. In the years ahead we intend to address the Asian markets above all. Here we see good prospects for our high-precision machine tools and environmentally friendly industrial facilities.

Production Systems: Global approach for machine tools

Production Systems is a leading international equipment manufacturer active in Metal Cutting, Autobody Manufacturing Systems and Assembly Plant. A total of 28 consolidated companies in nine countries produce cutting-edge machinery capable of meeting the exacting demands of the capital goods industry. As a partner of all the major international car producers we supply complete production systems for automobile manufacture. Our market position is excellent: In assembly systems, autobody manufacturing equipment and machine tools, Production Systems ranks among the world's foremost suppliers.

TECHNOLOGIES SALES € million	1999/2000	2000/2001
Production Systems	1,392	1,656
Plant Technology	1,664	1,436
Marine	779	708
Mechanical Engineering	2,120	1,895
Total	**5,955**	**5,695**
Consolidation	(21)	(64)
Technologies	**5,934**	**5,631**

From individual machining centers to complete transfer lines, our machine tools cover a wide range of sophisticated production needs. One important customer is the automobile industry, which also uses our assembly lines and bodymaking equipment. Our assembly lines are used for example to build engines and transmissions. Our bodymaking systems include stamping tools for body outer parts and fixtures for welding body components into complete bodies in white.

Given the major importance of the US market for our business – around 55% of our machine tool sales are generated in the USA – the collapse in demand in that country has brought setbacks. Elsewhere, however, the situation is promising; in Europe we have achieved a turnaround in machine tools.

In 2001/2002 we expect a level of new orders well above that in the reporting period. The aggressive restructuring of Production Systems' machine tools business will bear fruit. However it remains to be seen when the market in North America will recover from its present weakness. Autobody Manufacturing Systems and Assembly Plant continue to enjoy high order backlogs and a correspondingly good workload.

Plant Technology: Situation mixed

Greater efficiency, sophistication and capacity are key demands in the international engineering and construction business, where our Plant Technology unit is at home. Its global presence is the foundation for effective project management in the design and manufacture of process plants for the chemical, petrochemical, cement and sugar industries, continuous mining and handling systems and energy equipment. Our global network enables us to utilize local cost advantages in component sourcing and offer comprehensive financing expertise; engineering and production are carried out in Germany.

Plant Technology focuses on efficient project management around the globe.

The individual companies in the Plant Technology unit enjoyed mixed fortunes in 2000/2001. Whereas chemical plant manufacturer Krupp Uhde has a good workload, sales and orders at Krupp Fördertechnik decreased significantly, mainly due to the sale of the Lübeck production site with its specialty of handling equipment for dredgers. The company builds handling and loading equipment for ores and other bulk goods. Krupp Polysius held up well with equipment for the cement and sugar industries thanks to large orders from Tunisia and Egypt. The situation at ThyssenKrupp EnCoke is unsatisfactory; the market for cokemaking equipment has been very weak for years and there are no signs of any major improvement at present.

A whole bundle of measures is planned to improve the unit's sales and earnings. Through strategic alliances for example Krupp Uhde plans to penetrate previously inaccessible markets. Intensified research and development will increase our technological lead; we are currently developing regional strategies for our international activities. In purchasing and procurement we intend to step up the use of new international and regional suppliers.

High workload and rising earnings at Marine

The Marine unit with Blohm+Voss in Hamburg and Thyssen Nordseewerke in Emden is an innovative partner for shipbuilding, repairs, modernization and service. In shipbuilding the unit focuses on high-value special and naval vessels. Forward-looking designs that for example allow increased space utilization and even higher speeds characterize the work of our shipyards. We are world leaders in the production of naval surface vessels and together with Howaldtswerke-Deutsche Werft AG (HDW) are leading manufacturers of conventionally powered submarines. Our strong collaboration with HDW, which is to be intensified through cross-shareholdings, forms an important building block of a European shipbuilding solution.

Marine has orders in hand worth more than €3 billion; capacity utilization is assured long-term.

In the past fiscal year Marine had an order backlog of over €3 billion. The share of an order received in December 2001 for five corvettes for the German Navy will secure the good workload of the shipyards long-term.

Mechanical Engineering profits from wind power and Transrapid

Mechanical Engineering develops high-value components for use above all in the construction sector and machine building. With tailored innovations we hold world leading positions. Our know-how is ideally complemented by a highly specialized, flexible distribution system. We intend to exploit all opportunities to further strengthen our earning power and market positions in the future. In the design and manufacture of large-diameter bearings Hoesch Rothe Erde is the undisputed No. 1 on the world market. We are also a leading international manufacturer of undercarriages and undercarriage components for crawler-driven machinery. We have more than 40 years experience in the processing of PVC to make profiles for windows, doors and facades. In Europe the "Novoferm" brand of steel garage and industrial doors has made an excellent name for itself among architects and building owners.

Innovations

Together with partners from industry and science Production Systems has developed a high-precision self-setting machine tool for drilling and milling. The system even takes into account the minute expansion and shrinkage caused by changing room and machine temperatures. The new machines are twice as accurate as conventional systems.

In its own research center Plant Technology is currently optimizing a process to manufacture propylene and butylene from propane and butane gas. Propylene is an important feedstock for commodity plastics. The pilot plant is already producing promising results. The research center has also developed into an attractive R&D service provider for a large number of customers from the cement and minerals industries.

During the reporting period the Marine unit received an order from the German defense ministry to build an innovative research vessel. The twin-hulled ship, for which Marine will develop many individual components before its completion at the end of October 2003, is designed to examine the effects of the marine environment on acoustic and electromagnetic underwater locating and communication systems.

Mechanical Engineering has developed a new anti-corrosion coating process for the large-diameter bearings used in wind turbines.

Developments at Transrapid were dominated by the first order for a commercial line, to be built in Shanghai. The maglev train will begin service there in early 2003, carrying up to 65,000 passengers daily between Pudong international airport and the Lujiazui financial center. The Transrapid will travel the 30 km distance in only eight minutes. Further Transrapid lines are currently under serious consideration in China. In Germany feasibility studies are being carried out for two lines – the Metrorapid between Dortmund and Düsseldorf and a link between Munich airport and the city's central station. Decisions are expected in early 2002.

The Transrapid line in Shanghai is growing – service will begin in early 2003.

Global view ○ **Site management**
Project Engineering and construction
Place Qatar, Gulf region
Segment Technologies
Competency EDC/chlorine/VC complex, plant engineering

German President Johannes Rau is not a person you frequently meet on construction sites, especially not when they are in the middle of the desert. However for a special occasion he makes an exception. That occasion was the construction of a gigantic EDC/chlorine/VC complex in Qatar, on which almost 3,500 people from 15 nations worked from December 1998 to July 2001. ThyssenKrupp was responsible for designing and building all the processing equipment and completed the challenging project on time and within budget.

Materials

With sales of €10.1 billion, our Materials segment is one of the world's biggest material suppliers. But there is far more to the segment; above all we are a customer-oriented service provider covering virtually the whole of the supply chain with our one-stop shopping approach.

MATERIALS IN FIGURES*		1999/2000	2000/2001
Order intake	€ million	10,105	10,318
Sales	€ million	10,135	10,124
EBITDA	€ million	316	238
Income	€ million	129	32
Employees (Sept. 30)		13,591	14,315

* before taxes and minority interest

Unique range

The products offered by the business units MaterialsServices Europe and MaterialsServices North America include carbon and stainless steels, tubes, nonferrous metals and plastics. The focus varies from region to region to meet the exact requirements of processing operations big and small. In Germany alone, more than 125,000 articles are available from stock.

Broad customer base

Materials has around 90,000 customers in Germany – 90% of customers have been with the company for longer than 5 years.

In Germany we have some 90,000 customers from a wide range of sectors. One key area is the broad spectrum of medium-sized companies supplying various materials in a variety of specifications to the automobile, mechanical engineering and metal processing industries. It all adds up to over ten million inquiries and quotes each year and more than three million orders. Traditionally, customer relations are very close and customer satisfaction is high, with 90% already using our services for longer than five years.

MATERIALS SALES € million	1999/2000	2000/2001
MaterialsServices Europe	5,482	5,565
MaterialsServices North America	1,412	1,205
Materials Trading	2,310	2,201
Special Materials	1,138	1,268
Total	**10,342**	**10,239**
Consolidation	(207)	(115)
Materials	**10,135**	**10,124**

Sophisticated warehousing and logistics

The platform for fast deliveries and minimum inventories is a sophisticated warehousing, logistics and IT system with central and branch warehouses. Our central warehouse complex in Dortmund, Germany sets new standards as the biggest and most advanced of its kind in Europe. In recent years we have invested around €90 million in modernizing and expanding this facility, which operates in three shifts and supplies our branches and customers all over Germany and increasingly in Western and Eastern Europe. Our sales staff can view inventories and place orders via a digital information network. As a rule, customers can take delivery of the required materials within 48 hours of ordering.

Customized materials

Customers of our Materials segment receive their orders not only just in time but also tailored to their exact size and shape requirements, from one-off parts to mass-produced items. Our service centers and branches have more than 1,300 items of processing equipment with capabilities that include slitting, cutting to length, plasma or laser cutting , sawing, drilling, milling and coating. On customer request we can also supply certification for supplied materials from the German TÜV inspectorate. By performing these tasks, we as distributors save our customers from having to keep extensive stocks on their own premises and from investing in underused machinery.

Customized processing is part of the service – just in time and made to measure.

Strong IT capabilities as the basis for supply chain management

A new and forward-looking service we provide is materials management. For example, under an exclusive service contract with Boeing, we are responsible for coordinating worldwide purchasing for all aluminum and titanium products, material tracking, warehousing, processing, just-in-time delivery and information logistics. Additional duties include optimizing internal material flows at Boeing and coordinating some 600 subcontractors.

Boeing is just one example of our comprehensive materials services. A wide range of further activities has also been developed. For example, we manage the electronically controlled supply of plastic products to 160 branches of a leading German DIY chain, including job racking. And our cooperation with major automotive and chemicals companies goes one step further: They have entrusted us with material supplies and inventory management for their maintenance departments – based in part on integrated systems.

Modern materials management would be inconceivable without IT; our e-business solutions are convincing.

The comprehensive e-business system we have set up in Germany gives customers even faster access to our products. Our inventory management system is linked into the internet, enabling our customers to view information on over 80,000 articles, grades and processing services, to submit individual price inquiries, and place and track orders. This online service, which is being expanded to take in Germany's European neighbors, was pioneered by Materials and puts the segment at the global forefront.

Good market position and closeness to customers

The service business of the Materials segment is focused on Europe and North America. In Europe we have more than 200 branches and warehousing operations, many with their own processing capacities. In Germany we hold an outstanding market position: Despite the difficult economic environment in fiscal year 2000/2001, our warehousing and service business stood up well, clearly outperforming the market. The acquisition of new companies and the extension of our product range in conjunction with extensive warehousing and service activities substantially improved our position in France, Belgium and Switzerland. The same is true of our Eastern European business in Poland, Hungary and the Czech Republic, for which new capacities and branches were established. The economic slowdown hit operations in the UK, the Netherlands, Italy and Austria particularly badly, and after years of strong growth, business in Spain also declined.

The USA and Canada are served by a network of around 50 bases. Here too, deliveries are made daily, based on an integrated logistics and IT system with customer call centers. Although the economic downturn in the USA had a negative impact in the year under review, the aim is to further expand and optimize this business along the lines of the European set-up.

Well connected

Our international carbon steel, stainless steel, tubes and nonferrous metals trading activities, managed by the Materials Trading business unit via a network of subsidiaries and distributors, have also developed a distinct market profile. This unit offers large customers access to supplies direct from the manufacturer. The global weakening of demand impacted this business particularly badly in fiscal year 2000/2001.

Systems service

Our Special Materials unit has established itself as a European leader and full-service systems provider for port construction, civil engineering and railway construction requirements. We are providing planning, material supplies, logistics and technical consultancy services for a number of port expansion projects in Germany and Eastern Europe and are also involved in the construction of the Cologne-Rhine-Main rail line for the German ICE high-speed train and in the Channel Tunnel Rail Link project in the UK. Our other Special Materials activities – trading in metallurgical products and fuels – also performed well despite the increasingly difficult market for steel-related products.

One-stop shopping

Even in the difficult fiscal year 2000/2001, our one-stop shopping concept – which embraces a broad and deep range of products, warehouse and information logistics, first-stage processing, inventory management and e-commerce – was a stabilizing factor. We will continue to expand these activities to further reduce our dependency on material price cycles. This will involve the further integration of the European and German warehousing and logistics organizations and continued expansion in Eastern Europe and North America.

When a customer wants something out of the ordinary, shrugging your shoulders is one response. But from one of the world's biggest suppliers of carbon and stainless steel, nonferrous metals and plastics, people expect more. For example a unique e-commerce solution that gives ThyssenKrupp customers direct internet access to more than 80,000 articles. Individual wishes are also fulfilled by our service centers, offering customized cutting, drilling, grinding and coating to save customers not just time but also the cost of investing in expensive specialized machinery. Customers can check the processing status of their materials online. On request we deliver just in time or just in sequence, exactly the way our demanding customers want it.

Global view	○ **Delivery service**
Project	Logistics and service center
Place	Dortmund, Germany
Segment	Materials
Competency	Made-to-measure materials, distribution and information logistics, e-commerce, material management

Delivery service

Serv

The Serv segment has established itself as an all-round industrial service provider. We carry out all the tasks which are not part of our customers' core business and offer our services from a single source. With our vast experience and technical expertise, we enhance the performance capabilities of our customers.

SERV IN FIGURES

		1999/2000	2000/2001
Order intake	€ million	2,267	2,580
Sales	€ million	2,108	2,589
EBITDA	€ million	238	186
Income*	€ million	77	(54)
Employees (September 30)		24,971	25,665

* before taxes and minority interest

With its business units Industrial Services, Construction Services, Facilities Services and Information Services, the Serv segment stands for a comprehensive range of industrial services: from maintenance and repair, facilities services and complete facility management through to IT services, which are playing an increasingly important role throughout industry. In all four units Serv has outstanding market positions and first-class references – both nationally and to an increasing extent internationally.

Services for core businesses

The industrial services market is growing at a rate of 10% per year – Serv is growing with it.

In the trend towards concentrating on core capabilities, companies are increasingly outsourcing secondary processes so as to add value and improve the quality of their own products and processes. Despite the difficult economic situation, market growth throughout the industrial services business is expected to reach around ten percent per year. The growth in the fiscal year shows that these forecasts are realistic. All-round services such as those offered by Serv are in greater demand than ever. Outstanding technical expertise, consistent quality standards and vast experience in industrial production are the platform for our services to which we add our advanced IT capabilities which allow us to manage and control processes using digital technology. The aim is to use all these capabilities to enhance our customers' performance on a lasting

SERV SALES € million	1999/2000	2000/2001
Industrial Services	739	783
Construction Services	689	976
Facilities Services	325	352
Information Services	363	486
Total	**2,116**	**2,597**
Consolidation	(8)	(8)
Serv	**2,108**	**2,589**

basis. Our often very close, long-term customer relations prove us right. We are developing into partners of our customers and take over the entire management of their secondary activities. Our success is due not least to our permanent local presence. For example, we have bases at 40 locations of the European automobile industry alone.

For Serv, the automobile, chemical and steel sectors are key industries. But we are not dependent on any specific sector. Our customers can also be found in the engineering, building, energy, food and manufacturing industries as well as the public sector. We can transfer expertise from one sector to another and we can pool all this know-how. In this way Serv can not only handle the entire value chain of a technical project from planning and construction to operation using our own personnel, we can also manage entire areas of responsibility for customer companies.

Serv takes a sector-independent approach and profits from know-how transfer and pooling.

All services are provided by the segment's medium-sized enterprises whose flat hierarchies make for speedy decisions and maximum flexibility. A lean organization intensifies know-how transfer and creates synergies.

At home in all sectors

As German market leader, the Industrial Services unit is at home in the classic fields of maintenance and repair, production, assembly and operation of machinery and plant, and operating logistics. We handle individual orders and increasingly also complete packages. As well as operating paint stripping and special painting facilities in the automobile industry, we are responsible for parts assembly and logistics. For chemical companies we provide full maintenance and repair services and even organize plant shutdowns. In mechanical engineering and plant construction we offer highly specialized assembly services and our own shop service. Altogether we have more than a hundred sites in Germany, France, the United Kingdom, Austria and

Hungary, in line with the wish of industry for service providers to be available on an international basis. By intensifying existing customer relations and developing new business, Industrial Services performed encouragingly in 2000/2001.

New direction in Construction Services

Serv provides sophisticated scaffold services at 150 locations in 20 countries.

The Construction Services business unit is now also mainly engaged in industrial services. The extensive range of services includes the building, maintenance and repair of industrial facilities and buildings. For the chemical and energy sectors, for example, we carry out the insulation and corrosion protection of plant components, pipes and tubes, boilers, tanks and cooling towers. We offer similar services for many other companies and sectors along with concrete repair and coating services. Our scaffolding services were among our most successful activities in the past fiscal year. We have significantly reduced our dependence on the declining construction industry, having streamlined our administration and sales operations and discontinued our in-house formwork and scaffolding production. The development, sale and hire of innovative formwork and scaffolding systems now account for only one quarter of our total business volume. From ambitious architectural projects such as the Frauenkirche church in Dresden or a residential complex in Hong Kong, infrastructure projects such as the Forth Rail Bridge in Scotland, or petrochemical facilities and power plants in the USA – our Construction Services business has made its mark everywhere. The unit is market leader in Germany, Europe and North America and is represented at 150 locations in 20 countries.

Leadership in high-quality facility systems

Facilities Services pooled its entire facility systems and facility management expertise in the new company Thyssen Krupp HiServ. Despite this radical restructuring, sales growth was achieved in the fiscal year. The company now focuses on the planning, construction and operation of high-quality facility systems, in particular heating, ventilation, and air conditioning systems, building controls, electrical and security installations. In addition, the unit provides integrated facility management services. Years of experience and outstanding competence are the key to prime quality. In an in-house development center – the biggest in the sector – existing and planned technical systems are analyzed, modeled and tested. The aim is to improve the quality of air at the workplace so that it is as pleasant and clean as possible for our customers. Customers include for example major banks, industrial companies, airports in Germany and abroad, shopping malls and hospitals. The life science and pharmaceuticals industry is currently developing into a key customer. Based on the unit's outstanding expertise in air conditioning and ventilation equipment, an extremely high-performance smoke extracting system has recently been developed which quickly removes smoke from tunnels in the event of a fire.

IT for industry

The Information Services unit is one of Germany's three biggest vendor-independent IT systems houses. The unit performed very well in a difficult market, despite having to undertake the task of integrating the IT companies acquired the year before. The unit is clearly focused on the core business of developing IT and e-business solutions to support complex business and production processes. Information Services plans, builds and operates corresponding systems, networks and applications to improve the efficiency and user-friendliness of customers' production, purchasing, sales and administrative activities. The systems house has an international network of computer centers at its disposal and is one of Europe's leading SAP service providers. Customers include for example renowned pharmaceuticals, chemical and steel companies together with public institutions and retailers. Another major customer group is the hospital sector. Here we provide specialized IT services to support medical and administrative activities. Less successful than our computer center and SAP services, our multimedia activities had to be reduced in response to falling demand in the course of the year.

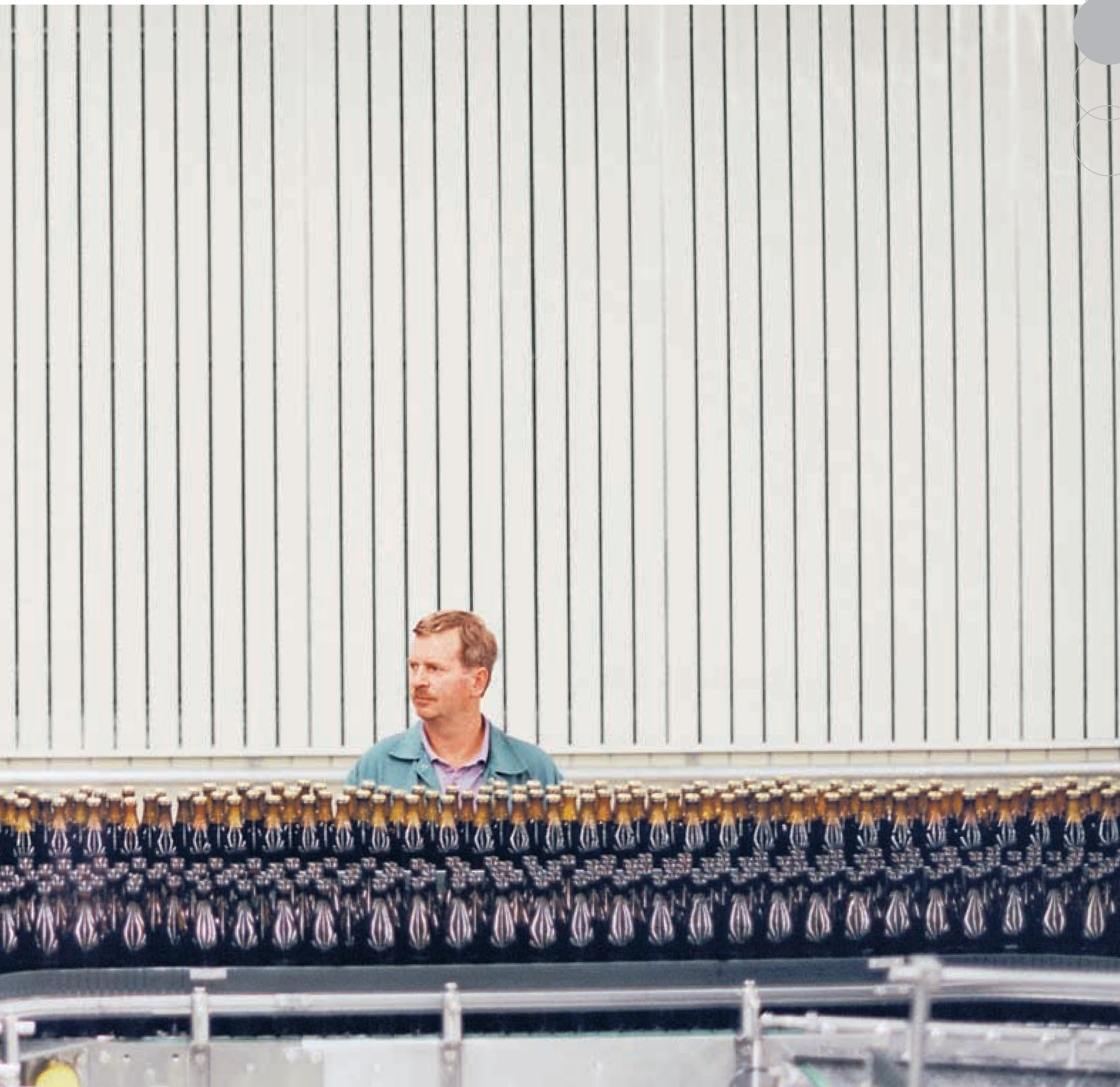
IT and e-business solutions for industry, commerce and public administration are high-potential markets for Serv.

Despite the still very difficult economic situation, the Serv segment as a whole will further strengthen its earnings power and continue its growth, thanks in part to the action taken in the past fiscal year. Expansion and intensification of the European business and closer integration of the portfolio will support internal and external growth.

Global view ○ **Service provider**

Project	Service for Warstein brewery
Place	Warstein, Germany
Segment	Serv
Competency	Brewery service, maintenance and repair of bottling and production equipment

The Warstein brewery bottles over 5 million hectoliters of beer per year. Each bottling machine has to be serviced at regular intervals. This is a critical process because the machines have to be shut down for several days at a time. Professionalism and speed are therefore of the essence. For the third year in a row Warstein has entrusted the maintenance of its bottling equipment to an experienced team from ThyssenKrupp Serv, WIG Brauerei-Service. They have the requisite know-how, speak the brewers' language and are flexible enough to respond to the unexpected, such as a sudden rise in demand, for example, when the brewery has the right to postpone a carefully prepared maintenance program at two days' notice. All part of the service at ThyssenKrupp Serv.



Real Estate

Private tenants and investors, property developers and many of the Group's subsidiaries are customers of the real estate company ThyssenKrupp Immobilien. Some 800 employees manage 53,000 apartments, develop plans for the utilization of industrial property, realize building projects and provide a wide range of customer-oriented services. Sales in 2000/2001 were 12% lower than the year before.

REAL ESTATE IN FIGURES

		1999/2000	2000/2001
Order intake	€ million	369	323
Sales	€ million	369	323
EBITDA	€ million	127	153
Income*	€ million	58	86
Employees (September 30)		815	791

* before taxes and minority interest

The real estate activities of ThyssenKrupp Immobilien are divided into four business units. The Management unit looks after the use of the Group's commercial property. It manages, rents, sells and buys commercially used land and buildings. The Development unit acts as a project developer, building contractor and general contractor in residential and commercial construction. The Consulting unit focuses on project management and industrial functional planning. The housing portfolio of the Group and third parties is managed by the Residential Real Estate unit.

Market and strategy: successful real estate clearing system

Groupwide real estate management helps make optimum use of non-operating land and buildings.

The Real Estate Management unit freed up considerable amounts of capital by selling properties no longer needed by ThyssenKrupp. On the basis of a Groupwide real estate clearing system, the properties and requirements of the individual subsidiaries are constantly monitored and balanced. Instead of renting property from third parties, the Group increasingly makes use of its own land and buildings. Sophisticated corporate real estate management methods are required for the Group's holdings, which in Germany alone cover an area of some 7,700 hectares. The services business is growing increasingly important, with the unit managing properties and handling planning procedures for customers.

The Real Estate Development unit develops both residential and commercial properties for investors and occupants. The unit acts as project developer, building contractor and general contractor. In Essen, for example, an up-market residential park is being built in an exclusive location. Several projects currently being developed and realized cover approx. 600 residential units and over 125,000 square meters of floor space.

The Real Estate Consulting unit provides independent consulting services on the national and international markets. Consulting and planning cover all aspects of architecture, planning and project control. The unit advises companies from various sectors on optimizing factory planning and logistics systems; one example of this was the planning and realization of the world's biggest catering operation for the Chek Lap Kok airport in Hong Kong. European customers include major companies from the pharmaceuticals, automobile and banking sectors.

Investing in value and quality

The primary source of sales and earnings in the Real Estate segment is the Residential Real Estate unit, one of Germany's biggest housing companies. At the end of September 2001 the unit managed some 53,000 housing units in the Rhine/Ruhr region, more than 95% of them Group-owned. An intensive modernization and maintenance program continued to improve the quality and value of the property. As part of this program the housing units are being linked to modern communication systems so that in the long term ThyssenKrupp Real Estate will be able to offer its tenants extended multimedia services.

ThyssenKrupp Immobilien is one of Germany's biggest housing companies.

Financial report

Since 1998/1999 our consolidated financial statements have been drawn up under US GAAP accounting rules. The financial report therefore contains figures and information which allow detailed international comparison. This is our contribution to demands from the international capital markets for greater transparency. We also provide additional information required by German GAAP (HGB).

05

Management's discussion and analysis

1. Income before income taxes and minority interest/dividend

In fiscal 2000/2001, the ThyssenKrupp Group generated income before taxes and minority interest in the amount of €876 million as compared to €1,090 million in the previous year. In both fiscal years, gains from portfolio restructuring measures impacted income, totaling €343 million for 2000/2001 and €131 million for the previous year. Without these gains, earnings of €959 million in the previous year would have been reduced to €533 million.

In the current year, the individual segments recognized gains and losses due to fluctuations in the fair value of foreign currencies and derivative instruments, where as Corporate recognized these effects in the prior year. Therefore, for better comparative purposes the results of 1999/2000 were allocated to the appropriate corresponding segments. The overall Group results were not influenced by this. Income in the various segments is as follows:

INCOME* BY SEGMENTS
million €

	1999/2000	2000/2001
Steel	569	605
Automotive	286	143
Elevator	203	226
Technologies	82	140
Materials	129	32
Serv	77	(54)
Real Estate	58	86
Corporate	(198)	(280)
Consolidation	(116)	(22)
Group	**1,090**	**876**

* before income taxes and minority interest

Steel

The Steel segment in fiscal 2000/2001 managed to raise its income by €36 million to €605 million. It must be taken into account, however, that fiscal 2000/2001 income contained gains from the disposal of the Ferteco iron ore group in the amount of €333 million. Furthermore, capital stock in the amount of €2.2 billion was issued in conjunction with the proposed initial public offering of ThyssenKrupp Steel shares. Net interest expense, therefore, improved by €24 million in the previous year to €159 million in fiscal 2000/2001. Carbon Steel experienced a decline in income from €435 million to €158 million, excluding gains from the disposal of Ferteco. With slightly decreasing shipment volumes and higher proceeds compared to the previous year, this development is largely attributable to rising costs of manufacturing. In addition, steel prices fell during the course of the fiscal year. As a significant part of supply contracts with major customers are subject to long-term price agreements, average proceeds declined more slowly than prices for spot quantities would fall. Higher procurement prices for energy, fuels and materials, partly a consequence of the rising US Dollar exchange rate within the year, decisively impacted costs. Technical start-up problems or delayed commissioning of new Thyssen Krupp Stahl AG facilities added to the rising costs that could not be compensated for by the synergy advantages still being realized. The Stainless Steel business unit attained income of €16 million, suffering a decline against the previous year of €222 million. This drastic setback in income was triggered by the deterioration of basic prices, which began in early October 2000. Furthermore, shipment volumes had to be reduced to stabilize the market. Of the companies within the Stainless Steel business unit, AST in Italy and Mexinox in Mexico suffered the most serious effects while the VDM group, which engages in the production and selling of nickel-base alloys, as well as German activities, managed to continue recording solid earnings. The subsidiaries recognized under Investments are mainly producers of stainless steel long products. These subsidiaries developed very positively and managed to improve their income situation significantly.

Automotive

The Automotive segment recorded income before taxes of €143 million, falling short of the previous year's income by €143 million, primarily due to the North American business. Despite the improvements achieved by the European subsidiaries of the Body business unit, they did not make up for the marked decline in income largely sustained by the North American subsidiaries. Even the American plastic activities, which are part of this business unit, closed the year with a loss. The Chassis business unit suffered the most drastic decline in income, largely attributable to the significant losses sustained because of start-up problems with the manufacturing of a new SUV frame at the Kitchener plant in Canada. Adding to the decline in income were the North American foundries, which experienced the effects of declining automobile production. The remaining subsidiaries matched the previous year's performance. The Powertrain business unit actually managed to slightly improve income compared to the prior year. The improvements achieved in Brazilian and European activities were able to offset the downturn of income in North America. The Crankshafts and Steering Systems/Camshafts product divisions once again proved themselves as stable income generators. The Systems/Suspensions business unit suffered a decline in income mainly due to the extensive restructuring concept that is still being implemented by the Spring Coil product division. Although the Systems business sustained start-up losses, positive trends were noticeable in the shock absorber business and the energy activities.

Elevator

The Elevator segment in the reporting period succeeded in continuing the positive development of the last few years. Income rose by €23 million to €226 million. As with in the prior year, it was the positive development in North America that largely contributed to this result. This business unit managed yet another considerable increase in income resulting from the integration of the North American elevator companies along with a strongly market-orientated service and sales organization separate from production. Moreover, the productivity in manufacturing could be improved considerably. Significant increases in income were also achieved in the France/Belgium and Spain/Portugal/South America business units. The remaining foreign subsidiaries managed to surpass the excellent performance level of the previous year as well, with special credit due to the Austrian and British activities. German activities failed to match the previous year's income, but further measures to improve productivity and raise income are being taken. The Passenger Boarding Bridges and Accessibility business units posted losses; they are presently going through reorganization.

Technologies

The Technologies segment, newly formed this fiscal year, recognized income before taxes of €140 million, which is €58 million higher than an amount that was calculated for the prior year. This figure contains gains of €71 million from the disposal of Krupp Werner & Pfleiderer in the current fiscal year. In fiscal 1999/2000, Krupp Kunstofftechnik was disposed of, resulting in a gain of €119 million. Disregarding these gains from disposals, a loss of €37 million in the previous year would have turned into income of €69 million in fiscal 2000/2001. The individual business units' contribution to this improvement varied. Production Systems was able to reduce the previous year's losses. One major reason for the persisting loss situation in cutting activities is the renewed slump in the US-American machine tool market, despite a successful implementation of the restructuring program. Additionally, a court ruling awarding considerable damages to a subsidiary that is part of the US-American metal cutting activities was revoked because of a technicality resulting in an expense of €29 million. The ruling of the appellate court has been appealed. Autobody Manufacturing Systems and Assembly Plant, as part of Production Systems, continued to make solid profits. Plant Technologies closed the year with a loss, mainly due to a contract for the supply of a chemical plant. The reasons for this loss-making contract, involving technical specifications on the one hand and process-related organizational problems on the other hand, have meanwhile been eradicated. The restructuring programs implemented were also successful in this business unit. The Krupp Polysius and Krupp Fördertechnik business units achieved a turnaround to profits after suffering losses the previous year. Likewise, Marine's income increased significantly from the previous year. The main reason for this increase in income resulted from the prior year completion of a significant commitment, resulting from the processing of a dredger contract. Mechanical Engineering managed to surpass the excellent results of the previous year. Continued success was achieved in those units engaged in the manufacture of large-diameter bearings, crawlers and crawler components for track-mounted machinery. Novoferm, the manufacturer of garage doors, doors and frames, recorded a decline in income due to a slowdown in the German building industry. The income situation of the B+V Industrie business unit, which is mainly engaged in steam turbines and ship engineering, has markedly improved after completion of the restructuring program and managed to make profits. Stahlbau had to face a difficult situation once again and suffered severe losses. The restructuring program for this unit is currently being implemented. Transrapid significantly lowered the high start-up losses sustained in the previous year and began work in the current year pursuant to a contract for the product launch of the Maglev railtrack system in Shanghai.

Materials

Materials recognized a decline in income by €97 million to €32 million, resulting from an economic downturn and certain special influences. All business units, with the exception of Special Materials, recorded reductions in results. MaterialsServices Europe, with its broad spectrum of services and customizing activities, remains the strongest profit maker. MaterialsServices North America, however, was particularly affected by the economic slowdown and recorded significant losses. Value added services within this segment, which is still being stepped up, mitigated but could not fully offset the economic influences. In addition, the impairment of an e-business investment was necessary. The Materials Trading business unit also recorded significant losses. These were largely sustained by the South American activities, which were confronted with drastically deteriorated economic conditions along with a significant need for restructuring. Special Materials, on the other hand, managed to improve on the already excellent results of the previous year, largely due to Track Engineering.

Serv

Serv suffered a decline in income by €131 million, thus stating a loss of €54 million in the reporting period. Once again, within this segment the different business units have shown varying degrees of success. The Industrial Services business unit, rendering maintenance services to industrial customers, slightly improved on the previous year's income. Construction Services sustained losses due to the recognition of commitments resulting from the discontinuation of the scaffolding and formwork production. Scaffolding services, however, succeeded in generating considerably higher income than in the previous year. Facilities Services stated a decline in income, which also contained income for facility management services rendered to ThyssenKrupp Immobilien. The unit ended the period with only a marginal profit. Information Services was burdened by the integration of the IT companies of the Hoechst Group acquired the previous year, so that the core business of system and computer center services barely managed to break even. After the market for Internet services collapsed, extensive write-offs of goodwill and investments became necessary. Furthermore, the impairment of receivables had to be considered. In total, the multi-media activities caused a significant loss.

Real Estate

Posting an income of €86 million, Real Estate succeeded in improving on the previous year's income by €28 million. The main contributor to income was residential housing, in which, apart from income from leases, proceeds from the disposal of apartments no longer fitting into the Real Estate portfolio could be recognized. Facility Services, a business unit of the Serv segment, was also reimbursed for facility management services in the current fiscal year.

Corporate

Corporate includes the Group administration functions, inclusive of financing companies and national holding entities outside Germany. Also within Corporate are the inactive subsidiaries, such as Thyssen Stahl AG, Krupp Stahl AG and Krupp Hoesch Stahl AG. As operating companies, Corporate includes insurance services, equity investments and Krupp Seeschiffahrt. Costs incurred for Group administration in the reporting period rose from €53 million to €305 million. This figure includes pension costs in the amount of €209 million. The increase in costs of Group administration is partly attributable to a reduction in the interest income by €68 million, caused by the relief of intercompany debt for the segments in 1999/2000 and 2000/2001. To provide the segments with an adequate capital structure, capital stock worth €2.7 billion was issued by the segments to Corporate. Moreover, the additional payment of €27 million to the foundation initiative of German industries called "Erinnerung, Verantwortung und Zukunft" for compensation of enforced labor was recognized under Group administration. Thus, the amount paid by ThyssenKrupp has been raised to €78 million. Compensation expenses assumed from the segments, by Group administration, decreased by €18 million. The operating companies within Corporate realized a decline in income by €29 million to €25 million. This is basically attributable to the loss of €62 million from the disposal of the bulk-carrier activities of Krupp Seeschiffahrt. The other companies incurred positive results.

Income taxes

Income taxes in 2000/2001 amounted to €193 million against €531 million the previous year. A tax rate of 22.0% has been calculated on income before taxes and minority interest of €876 million, compared to 48.7% in the previous year. The main reason for the reduced tax rate is the low taxation on the gains from the disposal of the Ferteco iron ore group, the changes in the permanent differences between the carrying amounts in the tax balance sheet and the consolidated financial statements, as well as, the effects of the reform of the corporate tax laws in Germany. On the one hand, this reform generally implies a reduction of the corporate tax rate to 25%. As a consequence, book/tax differences had to be adjusted. ThyssenKrupp's surplus of deferred tax assets and liabilities resulted in additional deferred tax expenses in the current year. On the other hand, tax exemption for gains from the disposal of equity investments was introduced under the abovementioned tax reform. This lead to the reversal of deferred taxes payables. The overall effect of the tax reform is positive, impacting net income in the current year by €124 million.

Changes in valuation

In the reporting period – applied as of October 01 according to footnotes – new regulations pertaining to the realization of sales in accordance with SAB 101 became applicable. These regulations primarily affected certain on-site assembly products. Revenue is only realized after assembly is completed, the product is accepted and payment is reasonably assured; this leads to the realization of income being delayed. The new regulation mainly affected Production Systems. The retro-active adjustment of contracts already being processed resulted in costs of €36 million. The amount after tax of €22 million is to be recognized separately as a cumulative effect of a change in accounting principle.

Net income/Earnings per share

After the deduction of minority interest, net income of €665 million, exceeded that of the previous year by €138 million. Earnings per share (EPS) of €1.29 in 2000/2001, compared to €1.02 in 1999/2000, was calculated by dividing consolidated net income by the weighted average number of shares as of the end of the reporting period (514,489,044 shares). After eliminating from net income, the effects of the portfolio restructuring, the accounting changes, and the effects of the tax reform in Germany, a normalized income per share of €0.58 resulted, which is €0.31 less than the previous year.

Dividend

A dividend payment in the amount of €0.60 per share – against €0.75 per share the previous year – will be up for approval at the stockholders' meeting. The ThyssenKrupp capital eligible for dividend distribution amounts to €1,317 million, which would result in a distribution in the amount of €309 million. This would constitute a reduction from the previous year of €77 million.

ThyssenKrupp AG´s net income of €355 million – against €425 million the previous year – is the legal basis for the distribution of a dividend. €46 million of ThyssenKrupp AG's net income, which is not required for the distribution of a dividend, will be accrued in ThyssenKrupp AG's retained earnings.

2. Economic Value Added management

The ThyssenKrupp Group is also managed and controlled on the basis of an Economic Value Added ("EVA") management system. The key goal of this system is to maintain long lasting increases in corporate value by focusing on business segments which – with respect to their performance – are among the best worldwide. Our integrated controlling concept allows for goal-driven controlling and coordination of activities of all segments, supports decentralized responsibility and promotes overall transparency.

By taking timely appropriate actions, the integrated controlling concept realizes the increase of corporate value by bridging operating and strategic gaps between the actual and target situation. The prerequisite for this concept is the existence of high-quality operational and strategic reporting systems for the accounting of actual and budgeted results as well as internal and external reporting. The values determined under US GAAP for each and every reporting unit form the basis for our reporting system.

In the ThyssenKrupp controlling concept, strategic and operational elements are linked to timely reporting which is accompanied by regular pro-active communication. The concrete elements of this strategy are: economic value added performance measures and active portfolio management.

The central performance measures are return on capital employed (ROCE) and economic value added (EVA). These two ratios reflect the earning power of capital employed in the form of a relative quantity (ROCE) and an absolute value (EVA).

$$\text{ROCE} = \frac{\text{income before income taxes, minority interest and interest}}{\text{capital employed}}$$

The numerator is composed of income before income taxes, minority interest, net interest income or expense, and an internally allocated interest expense associated with accrued pension liabilities. The capital employed denominator can be computed on the basis of either asset or liability items. For the calculation based on asset items, net fixed assets are added to working capital. Deferred tax assets and deferred tax liabilities are not included in the computation because the standard figures are determined on a pre-tax basis. Capital employed calculated based on liability items is as follows:

GROUP million €	Oct. 01, 1999	Sept. 30, 2000	**Oct. 01, 2000**	**Sept. 30, 2001**
Total Stockholders' Equity	8,106	8,797	8,797	8,786
+ Minority interest	292	399	399	363
+ Pension and similar obligations	7,023	6,970	6,970	6,908
+ Financial payables	6,999	8,751	8,751	7,665
./. Marketable securities/cash and cash equivalents	806	1,021	1,021	1,258
+ Deferred tax liabilities	1,473	1,106	1,106	1,161
./. Deferred tax assets	1,902	1,357	1,357	1,445
Total as of measurement date	21,185	23,645	23,645	22,180
Average	**22,415**		**22,913**	

The ROCE is compared to the weighted average costs (WACC) of capital employed. The cost of capital is determined on a pre-tax basis, as is the standard result used. On this basis, the weighted interest for the Group from equity (14.0%), financial payables (6.5%) and pension accruals (6.0%) amounts to 9.0%. This weighted cost of capital is maintained at a constant level in the medium term, in order to guarantee a relatively high degree of continuity over the periods. Therefore the interest rate is only adjusted if changes are material.

Based on unchanged cost of capital of 9.0% for the Group, the segments' cost of capital have been adjusted as a consequence of the reorganization of segments. The segments' cost of capital are derived from the Group's cost of capital for equity, financial payables and pension accruals based on the relevant segments´ capital structure. In addition segments' specific business risks were taken into account. Therefore, weighted and risk-adjusted segments' cost of capital amount to: Steel 10.0%, Automotive 9.5%, Elevator 9.0%, Technologies 10.0%, Materials 9.0%, Serv 9.0% and Real Estate 7.5%.

EVA is computed as the difference between ROCE and the cost of capital, multiplied by the capital employed. Additional value is created only if the ROCE exceeds the weighted cost of capital. Accordingly, cost of capital reflects the minimum acceptable rate of return. In addition, individual target profitability is agreed for individual activities, which are based either on the best competitor or on an inter-industry benchmark. This management and controlling system is linked to the bonus system in such a way that the amount of the performance-related remuneration is determined by the achieved EVA.

The following tables illustrate the development of the performance measures in the previous two fiscal years.

1999/2000*	Income before interest **) (million €)	Capital employed (million €)	ROCE (%)	WACC (%)	Spread (%-points)	EVA (million €)
Group	**1,938**	**22,415**	**8.7**	**9.0**	**(0.3)**	**(72)**
thereof:						
Steel	831	9,137	9.1	10.0	(0.9)	(83)
Automotive	395	2,796	14.1	9.5	4.6	129
Elevator	286	1,789	16.0	9.0	7.0	125
Technologies	162	2,098	7.7	10.0	(2.3)	(48)
Materials	239	2,630	9.1	9.0	0.1	3
Serv	102	893	11.4	9.0	2.4	22
Real Estate	81	1,797	4.5	7.5	(3.0)	(54)

* unaudited

** Income before income taxes, minority interest and interest (net interest income or expense incl. interest expense associated with accrued pension liabilities)

2000/2001*	Income before interest **) (million €)	Capital employed (million €)	ROCE (%)	WACC (%)	Spread (%-points)	EVA (million €)
Group	**1,764**	**22,913**	**7.7**	**9.0**	**(1.3)**	**(298)**
thereof:						
Steel	845	9,261	9.1	10.0	(0.9)	(81)
Automotive	275	3,242	8.5	9.5	(1.0)	(33)
Elevator	312	1,992	15.6	9.0	6.6	132
Technologies	183	1,716	10.7	10.0	0.7	12
Materials	151	2,835	5.3	9.0	(3.7)	(104)
Serv	(12)	1,168	(1.0)	9.0	(10.0)	(117)
Real Estate	107	1,860	5.8	7.5	(1.7)	(32)

* unaudited

** Income before income taxes, minority interest and interest (net interest income or expense incl. interest expense associated with accrued pension liabilities)

For the consolidated Group income before interest decreased by €174 million to €1,764 million. Capital employed, however, increased by €498 million to €22,913 million. This led to a decrease in ROCE of 1.0%-point to 7.7%. A cost of capital of 9.0% caused a negative Economic Value Added (EVA) of €298 million.

The Steel segment increased income before interest by €14 million to €845 million, which is inclusive of the gain from the disposal of the Ferteco iron ore group. Capital employed increased by €124 million. The ROCE remained at 9.1%. EVA increased by €2 million to €(81).

Automotive's income before interest decreased by €120 million to €275 million. Capital employed decreased by €446 million resulting in a decrease of ROCE by 5.6%-points to 8.5%. A cost of capital of 9.5% resulted in a negative EVA of €33 million compared to a positive €129 million in the prior year.

Elevator managed to increase income before interest by €26 million to €312 million. Accordingly, capital employed increased by €203 million to €1,992 million. This resulted in a decrease of ROCE by 0.4%-points to 15.6%. Based on the increased capital employed, EVA rose by €7 million to €132 million.

Taking into account gains from disposals in 1999/2000 and 2000/2001, the newly formed Technologies segment recognized income before interest of €183 million, which is €21 million higher than the previous year. Capital employed was reduced by €382 million to €1,716 million. Therefore, the ROCE increased by 3.0% -points to 10.7%. A cost of capital of 10% resulted in EVA of €12 million, an increase of €60 million from the prior year.

A negative EVA in the Materials segment amounted to €104 million, which is a decrease of €107 million from the prior year. This is the result of a decrease in income before interest of €88 million and a simultaneous increase in capital employed by €205 million to €2,835 million.

The highest negative EVA was €117 million within the Serv segment, compared to a positive EVA of €22 million in the previous year. This is due to a decrease in income before interest of €114 million and a simultaneous increase in capital employed of €275 million.

Income before interest of €107 million, against €26 million in the prior year, and an increase of capital employed of €63 million to €1,860 million resulted in an ROCE for Real Estate of 5.8%. A cost of capital of 7.5% caused a negative EVA of €32 million, compared to a negative €54 million in 1999/2000.

ThyssenKrupp's active portfolio management directly follows the result of the analysis of the performance measures. It involves structural measures which are principally of a strategic nature, including the selection and expansion of fields of businesses with which the targeted increases in EVA or value are to be realized, as well as the timely and profitable withdrawal from activities which do not achieve adequate increases in EVA. For the Group as a whole it is particularly important to create a balance between value generators and cash providers. This is a basic prerequisite for dividend continuity and sustained growth.

3. Statements of cash flows

The statements of cash flows show the origin and use of cash flows during the fiscal years 1999/2000 and 2000/2001. It is of central importance for the evaluation of the financial position of the ThyssenKrupp Group.

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

The cash flows from investing activities and financing activities have both been determined based on payments. In contrast, the cash flow from operating activity is determined indirectly based on the annual Group net income. The changes in balance sheet items in connection with operating activities have been adjusted for the effects of foreign currency translations and changes in the scope of consolidation. Therefore, they do not conform to the corresponding changes based on the consolidated balance sheets.

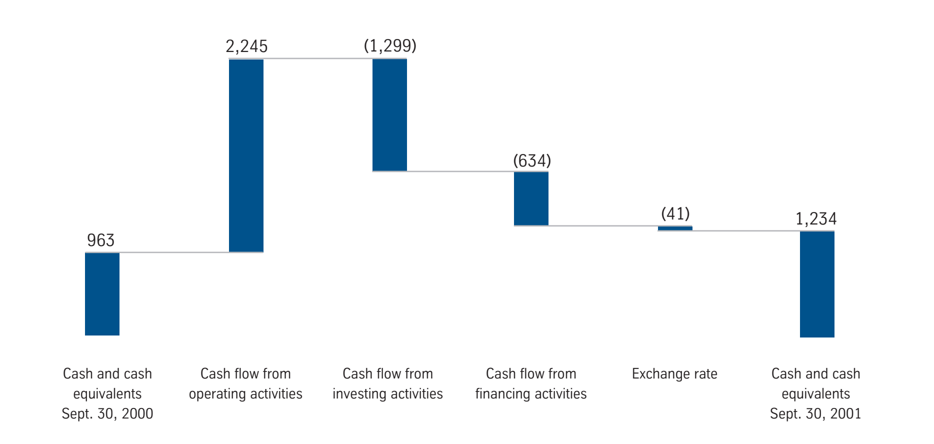
Operating activities provided €2.2 billion during fiscal 2000/2001. The increase compared to the previous year in the amount of €0.9 billion is primarily due to the positive development concerning the tie-up of funds in net working capital. Due to a Groupwide established program the net working capital in the current fiscal year decreased by €0.1 billion whereas during fiscal year 1999/2000 the increase in net working capital was €0.9 billion.

The cash flows used in investing activities was reduced by €0.5 billion to €(1.3 billion). Cash outflows for investing activities decreased by €0.2 billion to €2.3 billion. Cash inflows from investing activities increased by €0.4 billion to €1.0 billion primarily due to the sale of Ferteco and Krupp Werner & Pfleiderer during fiscal 2000/2001. As a result the cash flows from operating activities in 2000/2001 was sufficient to fund net capital expenditures of €1.3 billion. The excess amount (free cash flow) of €0.9 billion was used – after taking into account dividend payments of €0.4 billion – to decrease indebtedness by €0.5 billion.

Other financing activities presented within financing activities include payments of €15 million, resulting from Group overnight money transactions with non-consolidated subsidiaries, and cash inflows of €12 million from short-term financial accounts receivable.

A decrease in cash and cash equivalents of €41 million is a result of changes in foreign exchange rates, which primarily related to the decrease in the value of the U.S. dollar during fiscal 2000/2001.

CHANGE IN CASH AND CASH EQUIVALENTS
million €

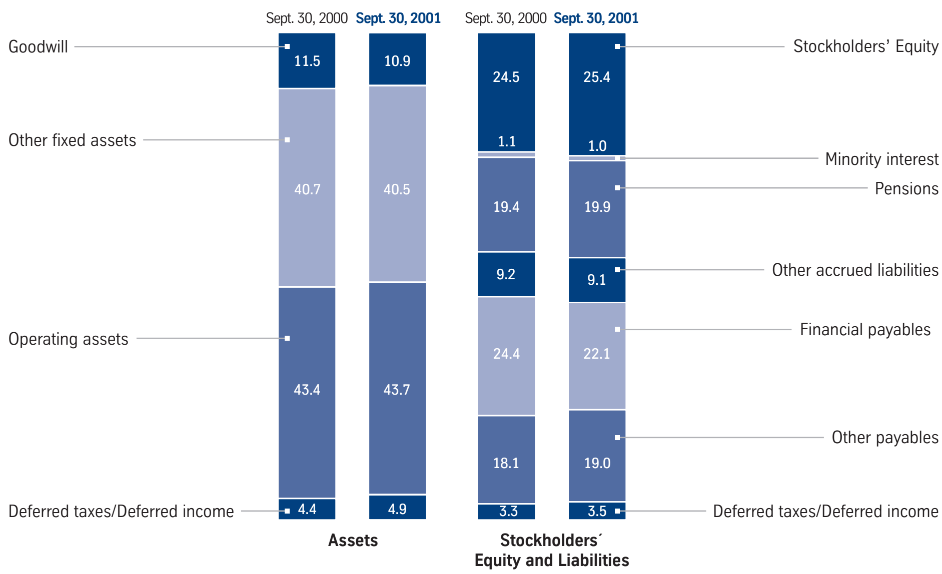


The internal financing capability, defined as the ratio of cash flow from operating activities and cash flow from investing activities, is 1.7 (1999/2000: 0.7). The debt to cash flow ratio, which indicates the period during which net financial payables can be covered by the cash flow from operating activities, is approximately 3 years (1999/2000: 6 years).

4. Balance sheet presentation

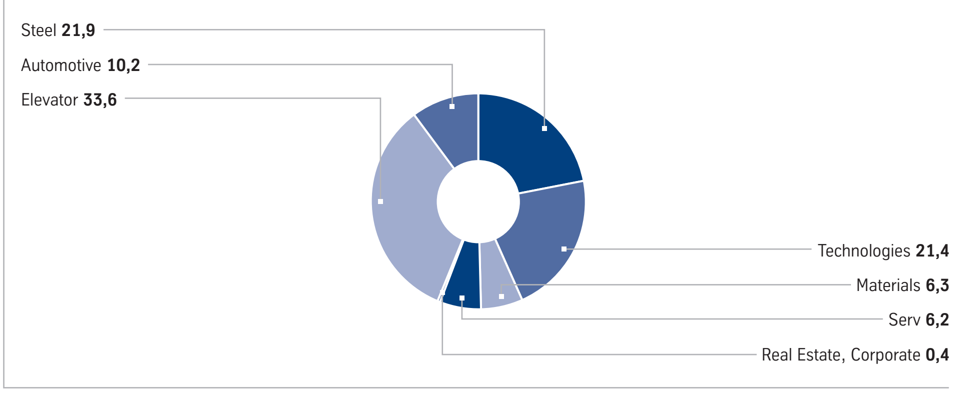
Total assets of the ThyssenKrupp Group decreased by €1.2 billion to €34.6 billion. The changes in the balance sheet structure have been minor.

BALANCE SHEET STRUCTURE
in %



Goodwill, reported under intangible assets, decreased by €359 million to €3,780 million. This decrease was inclusive of amortization of €228 million and foreign currency translation of €171 million among other items. As a percentage of total assets, it decreased slightly to 10.9%. Goodwill is attributable to the following individual segments:

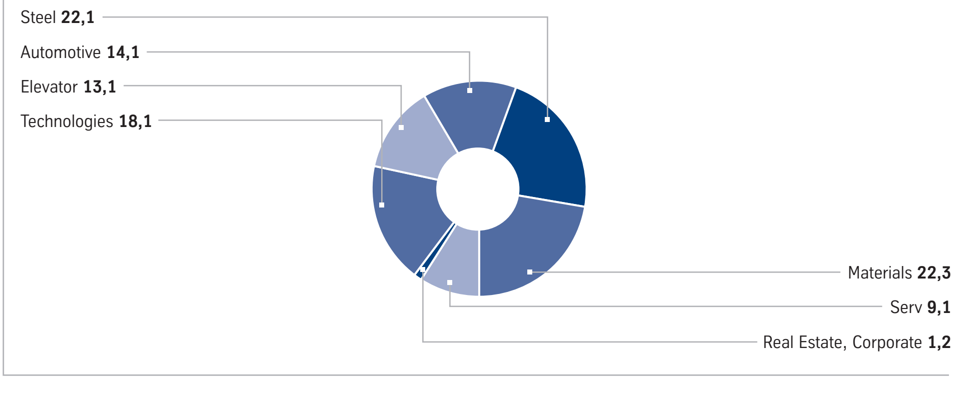
DISTRIBUTION OF GOODWILL
in %



Total fixed assets inclusive of goodwill decreased by €937 million. The change in the scope of consolidation resulted in a reduction of €696 million, mainly due to the sale of the Ferteco iron ore group and Krupp Seeschiffahrt. Foreign currency translation also contributed to the reduction by €379 million. On the other hand, additions rose by €112 million to €2,492 million, €1,144 million thereof realized in the Steel segment and €512 million in the Automotive segment. As of September 30, 2001, 49.3% of fixed assets was covered by Stockholders' Equity.

Inventories decreased by €185 million to €6,525 million. The decrease was mainly due to the Materials, Serv and Steel segments, offset by increases in Technologies and Automotive. Trade accounts receivable as of September 30, 2001 were €5,721 million, a decrease of €502 million from the previous year. The aggregate amount of trade accounts receivable is attributable to the following segments:

DISTRIBUTION OF TRADE RECEIVABLES
in %



Stockholders' Equity without minority interest was €8.786 million, thus matching that of the prior year. The Stockholders' Equity ratio as of September 30, 2001 is 25.4% compared to 24.5% in the prior year.

Accrued pension and similar obligations are €6,908 million. Their share of the balance sheet amount is 19.9% versus 19.4% in the prior year.

In the course of the fiscal year, gross financial payables decreased from €8,751 million as of September 30, 2000, to €7,665 million as of September 30, 2001. This was primarily due to the disinvestments and foreign exchange influences. Net financial payables after deducting cash and cash equivalents and securities included in current assets are €6,407 million. Compared to the previous year this is a decrease of €1,323 million. Gearing is 72.9%, against 87.9% the previous year, with gearing being defined as the ratio of net financial payables to Stockholders' Equity.

5. Central financing of the ThyssenKrupp Group

The financing of the ThyssenKrupp Group is centrally managed. Thus, the parent company ThyssenKrupp AG assumes the obligation to maintain the liquidity of the group companies. This is achieved via the availability of funds within Group financing, by negotiating and warranting loans or by the granting of financial support in the form of letters of comfort.

In order to cover financial requirements of foreign Group companies, ThyssenKrupp AG and its financing companies often use local credit and capital markets.

Central financing is the basis for implementing cost-effective capital procurement alternatives. This financing mode permits a uniform and – with respect to higher volumes – a more significant presence in financial and capital markets. The negotiating position with credit institutions and other market participants is thus strengthened. Moreover, the alternative to operate in international capital markets with the Group's own foreign financing companies is used.

The intercompany cash management system is conducive to reducing external financing and optimizing financial and capital investments of the ThyssenKrupp Group, which results in less interest expense. The cash management system, which controls intercompany financial and capital investments, takes advantage of the surplus funds of individual Group companies to cover internal financial requirements of other Group companies. Due to the intercompany pricing between the Group companies via intercompany financial accounts maintained by ThyssenKrupp AG, volumes on bank accounts are substantially reduced.

In addition to money market and equity market instruments (e.g. commercial paper, debentures and bonds), financing is accomplished through bilateral bank loans and syndicated credit facilities.

In order to maintain a presence in international financial and capital markets now and in the future, the Group continues to examine potential financing alternatives and will enter the market when favorable market conditions exist for the ThyssenKrupp Group.

Rating

In the summer of 2001, we requested the two American rating agencies of Moody's and Standard & Poor's to conduct an issuer rating. With this issuer rating, we have established the basis for larger financing volumes to be utilized through international capital markets. In their analyses published September 28, 2001, the rating agencies made assessments as follows:

	Long-term rating	Short-term rating	Outlook
Moody's	Baa1	Prime-2	negative
Standard & Poor's	BBB	A-2	stable

Future bond issuances will require an additional rating which provides an assessment of the respective bond. The issuer-rating has established the prerequisite so that such an additional rating can be done very quickly.

Active interest rate risk management as a central task

Due to the international orientation of our 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 U.S. dollar – and with various maturities. The resulting liabilities are partly exposed to risks from changing interest rates. Our interest rate management is responsible for minimizing the risk from changing interest rates resulting from such liabilities. This is achieved by regular interest rate risk analyses in currency areas that are important for our business activities. Those analyses include present value analyses, scenario analyses and crash testing to more clearly identify the risk profile of a credit portfolio exposed to risks from changing interest rates. The regular information on the results of the interest rate risk analyses is an integral part of our risk management system.

Foreign currency management of the ThyssenKrupp Group

The international orientation of our business activities entails numerous cash flows in different currencies – in particular in U.S. dollar. Therefore, economic hedging of 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 generally obliged to hedge foreign currency positions at the moment the position is exposed to charges in foreign currency rates. All domestic companies are obliged to submit documents to the central clearing office on the hedging of foreign currency positions from trade activities. The positions submitted are summarized first by currency and then according to maturity; the resulting overall position is globally hedged on a daily basis by the execution of opposing positions at banks. Moreover, the central clearing office hedges derivatives of our domestic subsidiaries that meet the requirements of hedge accounting according to SFAS 133 on a micro hedge level.

The hedging of financial transactions and the transactions undertaken by the Group's foreign subsidiaries are performed in close cooperation with central Group management. The determination of hedging budgets, the general requirement to cooperate with central Group management, the regular review of exchange rate hedging transactions executed by means of Group-wide surveys as well as a regular examination performed by our central internal auditing team help ensure that currency risk management is in compliance with the Group's requirements.

6. Risk management

Within the scope of value-oriented management of the ThyssenKrupp Group, systematic risk management supports the detection and optimization of risk positions and use of favorable conditions.

Group-wide guidelines for risk management and requirements for structured reporting and valuation as well as the reporting of risks are the prerequisites for efficient risk management. In all segments and material group companies within the country and abroad, employees responsible for the risk management system have been appointed and risk inventories have been performed.

Responsible handling of risks is the duty of all employees. Operational management is responsible for the generation of risk awareness, early recognition, evaluation, control and communication of risks. In accordance with the Group organization consisting of several levels, ThyssenKrupp AG and the segments provide materiality limits for reporting and communication. This is an essential prerequisite in order to place the board of ThyssenKrupp AG in the position to protect the entire Group.

Status and major changes of important risks are communicated through regular reporting as part of the controlling concept. In this context, the high frequency level of management reporting to the board of the parent company throughout the year serves communication between segment and ThyssenKrupp AG.

The risk management system was examined by the auditors inside and outside the country. The reliability of the internal control system and the fundamental components of risk management is the subject of process-independent examinations by Internal Auditing. The consequential findings serve the continuing improvement of the risk management system.

The Group has rules of conduct regarding risk management, which are included in the guidelines and other stipulations. These rules are based on the principles that measures of speculative nature are inadmissible, personal dependencies are to be avoided and resources are to be utilized with due regard of environmental aspects.

The optimization of Group financing and the limitation of financial risks are central tasks of ThyssenKrupp AG. They secure the liquidity of the Group and maintain its financial independence. We respond to risks from foreign currency transactions and raw material price fluctuations as well as interest rate changes through the use of derivative financial instruments.

The central service provider Thyssen Krupp Versicherungsdienst GmbH in consultation with the board of ThyssenKrupp AG controls the transfer of risks to insurance companies.

Risks of future development

ThyssenKrupp as an important industrial Group with core activities in Steel, Capital Goods and Services is exposed to typical business risks that may have a substantial effect on its asset, financial, and income situation. These in particular include decrease of demand, foreign exchange fluctuations, country risks, and risks from technological advances in industrial goods. Risks may also develop in connection with the sale of real estate, companies, or activities. By means of an active IT management, ThyssenKrupp counters the risks typically associated with information technologies utilized to support business processes. The implementation and further development of the IT security policy, which was passed in April 2001, minimizes the risks generally related to data protection.

In the wake of the terrorist attacks in the USA on September 11, 2001, higher insurance premiums and restricted insurance coverages may result.

The volatility of steel prices and the reliance on the economic development in the automotive sector may have a significant influence on the Group’s income situation. The widespread business portfolio, however, both product-wise and geographically, has a stabilizing effect. Therefore, from the corporate point of view, any risks arising from the concentration of individual Group companies or segments on industries, customers or countries are contained. Deteriorating economic conditions impede the proposed cutback of financial payables. These aspects were also taken into consideration for the ratings by Moody’s and Standard & Poor’s.

The Steel segment counters the risks arising from cyclical trends in the steel business by optimizing costs, adjusting production well in time and concentrating on exacting market segments.

The Carbon Steel business unit contains the limited core market risk through globalization of manufacturing in the downstream markets and increased internationalization of sales. This also serves to partially counteract the currency risk of rising raw material costs caused by the difference between the Euro and the U.S. Dollar. To counter the fierce competition on the market for quality flat products, the business unit applies an innovation strategy designed to achieve competitive advantages, at least temporarily. Cases in point are newly developed steels with “Nano” structures or new thin and environmentally friendly surface coatings for sheet products with extended functionality. The automotive industry and its suppliers’ rising standards on weight reductions are met by further developing the so-called Thyssen Tailored Products and developing lightweight wheels made of steel. The decision two years ago to extend the established application technology by the Simultaneous Engineering – Auto unit has provided ThyssenKrupp Steel with competencies of its own in the development of bodies and chassis. As a materials supplier, the business unit Carbon Steel is now in a position to complement their automotive customers' developments of bodies and chassis as well as production processes. This new way of cooperation enables the business unit to take an early influence on the selection of materials and to forward the use of new materials and innovative processing techniques. With the USA potentially restricting imports, risks may arise which could lead to exports being redirected at low prices to Western Europe.

In the Stainless business unit, increasing capacity overshoots in connection with the sealing off of emerging markets lead to higher price and volume risks, which may be impacted by cyclical fluctuations. The subsidiaries of this business unit meet such risks through corporate capacity, distribution and production control. Major income risks resulting from fluctuations in the raw materials and foreign exchange markets are met by congruent commodity and currency contracts.

In the Automotive segment, the risk of negative developments in automobile demand in partial markets is lowered by an increasing global presence, in particular in growth areas such as Asia and Latin America. Regardless thereof, the Automotive Segment, due to the current sales structure, is particularly reliant on further developments in North America. As a result of the terrorist attacks on September 11, 2001, the chances of a swift recovery in the automotive sector are rather slight. Furthermore, indicators point to a market downturn in Europe and Brazil. Negative income effects are softened by tight cost management.

The concentration attempts of automobile manufacturers and competitors are met by dynamic internal and external, quantitative and qualitative growth.

Automotive will expand its market position as a system vendor. Through research and development, cooperation with partners or acquisitions of participants, Automotive is countering possible risks arising from the discontinuation of automotive products manufactured to date. Major consideration is given to the increased use of alternative materials and the use of electronics instead of mechanics. At the same time, however, the increasing complexity of products as well as underlying production processes in some cases carries the risks of higher start-up costs and a strained income situation.

After strategic investments in its market position, the Elevator segment has been further strengthened. No serious risks are anticipated in this area. The sluggish domestic building and construction activities and the increased competitive pressure in the services area are met through cost adjustments, increased intensity of customer commitment, and the opening of new customer segments. Risks from a decline in the growth of passenger potential due to the attacks in the USA will be of minor significance owing to the well-secured activities in Services.

The Technologies Segment comprises units of different risk structures.

After a slump in demand in the USA, particularly at Giddings & Lewis, Production Systems expects a stimulation of the demand for cutting machine tools, which may, however, be delayed due to the events of September 11, 2001 in New York. Further restructuring measures as well as a sales offensive have been initiated for a long-lasting improvement of the income situation.

Calculation risks in connection with major contracts will be countered by more intensive project management and controlling at the respective facilities. The danger of relying too strongly on a small number of major customers by concentrating on technologically demanding, know-how intensive core activities is curbed by means of a broader-spread customer basis as well as further internationalization of business activities.

Plant Technology contains risks arising from the processing of long-term contracts due to a concentration on mastered technologies by means of intensive tender analyses, more efficient contract management as well as stricter project controlling. Any risks affecting relations with major customers in the Near East resulting from recent developments are to be compensated for by stepped-up sales activities in other regions.

Marine curbs any risks arising from order processing through continuous technical and economic performance checks via an expanded project management and controlling system. For the building of naval vessels, capacities are reserved on a long-term basis. To compensate for fluctuations in capacity utilization, the unit is engaged in civil shipbuilding, in which non-payment risks are lowered by contractual provisions and respective terms of payment. Civil shipbuilding defies the harmful price cutting of Asian suppliers by concentrating on fast vessels (ferries, cruise liners), mega-yachts and container ships up to 2,500 TEU.

Mechanical Engineering braves risks arising from the persistently sluggish European building industry through internal adjustment measures, program extensions and exploration of further markets.

In the Materials segment, the dependency on cyclical price developments is lowered through further extension of the service business, which does not depend on the price development of materials. Increasingly centralized warehousing as well as improved logistics control systems – and thus lower inventories – buffer the effects of short-term price fluctuations. According to experience, decreases in income due to falling prices are compensated for by the positive effects of price recovery phases.

Furthermore, risks from possible losses of receivables are covered primarily through a broadly diversified customer portfolio and the worldwide business activities of Materials.

In the Serv segment, the direct dependency on cyclical fluctuations has been lessened through the expansion of the services business as well as the conclusion of long-term customer contracts.

The Industrial Services business unit is virtually independent of economic developments owing to high customer retention and depth of services. The rising internationalization of customers is met by the expansion of the unit's own commitment abroad.

The business units of Construction Services and Facilities Services, which strongly depend on the economic conditions in the building and construction industry, have been further extending their service portfolio. Non-payment and non-performance risks are minimized by strict receivables and key account management.

The Information Services business will continue to focus on the consolidation of markets and the new orientation of multimedia activities. Non-payment risks are reduced to a minimum by a strict receivables management.

Real Estate presently is not faced with any major risks that may arise from changing legislation or other external influences.

The overall evaluation of the risk situation in the ThyssenKrupp Group has shown that the risks are contained and manageable and do not pose a threat to the existence of the company. Neither are there any risks discernible that may jeopardize the existence of the company in the future.

Report of the Executive Board

The Executive Board of ThyssenKrupp AG is responsible for the compilation, completeness and accuracy of the Group annual consolidated financial statements, the description of the economic development and the management`s discussion and analysis as well as the other information presented in the annual report. The Group annual consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP") and, wherever necessary, objective estimates have been made by Management. The description of the economic development and the management´s discussion and analysis contain an analysis of the assets, financial and earnings situation of the Group together with further explanations 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, inclusive of the description of the economic development and the management´s discussion and analysis, 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 and Frankfurt am Main has been appointed by the Supervisory Board after being elected by the stockholders as independent annual consolidated financial statements auditors for the fiscal year 2000/2001 of ThyssenKrupp AG. They have audited the Group annual consolidated financial statements prepared in accordance with US GAAP and they confirm that all of the requirements under Art. 292a of the German Commercial Code, which relieve the Company from the obligation of preparing financial statements under German GAAP, have been fulfilled. The auditors have issued the following auditors' report.

The Group annual consolidated financial statements, the description of the economic development and the management´s discussion and analysis, auditors' report and risk management system have been discussed in depth with the auditors in both the Accounting and Investment Committee of the Supervisory Board, and in the annual consolidated financial statement meeting of the entire Supervisory Board.

Prof. Dr. Ekkehard D. Schulz   Dr. Gerhard Jooss

Auditors' Report

We have audited the consolidated financial statements, comprising the balance sheet, the statement of income, the statement of stockholders´ equity and the statement of cash flows as well as the Notes to the financial statements prepared by ThyssenKrupp AG, Duisburg and Essen, for the fiscal year from October 1, 2000 to September 30, 2001. The preparation and the content of the consolidated financial statements in accordance with United States Generally Accepted Accounting Principles (US GAAP) are the responsibility of the Executive Board. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit of the consolidated financial statements in accordance with German auditing regulations and German generally accepted standards for the audit of financial statements promulgated by the Institute of Auditors (Institut der Wirtschaftsprüfer - IDW). Those standards require that we plan and perform the audit such that it can be assessed with reasonable assurance whether the consolidated financial statements are free of material misstatements. The evidence supporting the amounts and disclosures in the consolidated financial statements are examined on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the net assets, financial position, results of operations and cash flows of the fiscal year in accordance with United States Generally Accepted Accounting Principles.

Our audit, which also extends to the Group management report prepared by the Executive Board for the fiscal year from October 1, 2000 to September 30, 2001, has not led to any reservations. In our opinion on the whole the Group management report provides a suitable understanding of the Group´s position and suitably presents the risks of future development.

In addition, we confirm that the consolidated financial statements and the Group management report for the fiscal year from October 1, 2000 to September 30, 2001 satisfy the conditions required for the Group´s exemption from its duty to prepare consolidated financial statements and the Group management report in accordance with German law.

Düsseldorf, December 18, 2001

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Reinke	Nunnenkamp
Auditor	Auditor

ThyssenKrupp AG
Consolidated Statements of Income

million €, earnings per share in €	Note	Year ending Sept. 30, 2000	**Year ending Sept. 30, 2001**
Net sales	27	37,209	38,008
Cost of sales		(30,036)	(30,972)
Gross margin		**7,173**	**7,036**
Selling expenses	2	(2,941)	(3,102)
General and administrative expenses		(2,419)	(2,679)
Other operating income	3	399	514
Other operating expenses	4	(899)	(824)
Gain on the disposal of subsidiaries	1	131	343
Income from operations		**1,444**	**1,288**
Financial expense, net	5	(354)	(412)
Income before income taxes, minority interest and cumulative effects of changes in accounting principles		**1,090**	**876**
Provisions for income taxes	6	(531)	(193)
Minority interest		(32)	4
Income from operations before cumulative effects of changes in accounting principles		**527**	**687**
Cumulative effects of changes in accounting principles (net of tax)	1	0	(22)
Net income		**527**	**665**
Basic earnings per share	30	**1.02**	**1.29**

See accompanying notes to consolidated financial statements

ThyssenKrupp AG
Consolidated Balance Sheets

ASSETS million €	Note	Sept. 30, 2000	Sept. 30, 2001
Intangible assets, net	7	4,526	4,169
Property, plant and equipment, net	7 8	12,672	12,167
Financial assets, net	7 13	1,557	1,482
Fixed assets	7	**18,755**	**17,818**
Inventories	9	6,710	6,525
Trade accounts receivable, net	10 12	6,223	5,721
Other receivables and other assets, net	11 12	1,617	1,637
Marketable securities	13	58	24
Cash and cash equivalents		963	1,234
Operating assets		**15,571**	**15,141**
Deferred income taxes	6	**1,357**	**1,445**
Prepaid expenses and deferred charges	14	**205**	**245**
Total assets **(current amount is €15,952 and €15,246 million respectively)**		**35,888**	**34,649**

STOCKHOLDERS` EQUITY AND LIABILITIES million €	Note	Sept. 30, 2000	Sept. 30, 2001
Capital stock		1,317	1,317
Additional paid in capital		4,673	4,684
Retained earnings		2,298	2,577
Accumulated other comprehensive income		509	208
Total Stockholders´ Equity	15	**8,797**	**8,786**
Minority interest		**399**	**363**
Accrued pension and similar obligations	17	6,970	6,908
Other accrued liabilities	18	3,298	3,136
Accrued liabilities **(current amount is €2,943 and €3,079 million respectively)**		**10,268**	**10,044**
Financial payables	19	8,751	7,665
Trade accounts payable	20	3,168	3,248
Other payables	21	3,337	3,324
Payables **(current amount is €8,116 and €7,042 million respectively)**		**15,256**	**14,237**
Deferred income taxes **(current amount is €125 and €423 million respectively)**	6	**1,106**	**1,161**
Deferred income **(current amount is €55 an €47 million respectively)**	22	**62**	**58**
Total Stockholders` Equity and Liabilities		**35,888**	**34,649**

See accompanying notes to consolidated financial statements.

ThyssenKrupp AG
Consolidated Statements of Cash Flows

million €	Year ending Sept. 30, 2000	Year ending Sept. 30, 2001
Operating:		
Net income	527	665
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest	32	(4)
Depreciation and amortization of fixed assets	1,874	1,918
(Earnings)/losses from companies valued at equity, net of dividends received	(72)	(26)
Gain from disposal of assets	(137)	(342)
Changes in assets and liabilities, net of effects of acquisitions and dispositions:		
- inventories	(728)	105
- trade accounts receivable	(886)	479
- other assets not related to investing or financing activities	445	(437)
- accrued pensions and similar obligations	42	(58)
- other accrued liabilities	(364)	(62)
- trade accounts payable	321	50
- other liabilities not related to investing or financing activities	275	(43)
Net cash provided by operating activities	**1,329**	**2,245**
Investing:		
Purchase of financial assets and businesses (excluding securities)	(395)	(116)
Cash acquired from acquisitions	38	20
Purchase of securities presented as financial assets	(2)	(6)
Capital expenditures for property, plant and equipment	(2,008)	(2,084)
Capital expenditures for intangible assets	(90)	(121)
Proceeds from the sale of financial assets and businesses (excluding securities)	390	768
Cash of disposed businesses	(12)	(39)
Proceeds from the sale of securities presented as financial assets	11	35
Proceeds from disposals of property, plant and equipment	256	238
Proceeds from disposals of intangible assets	24	6
Net cash used in investing activities	**(1,788)**	**(1,299)**

million €	Year ending Sept. 30, 2000	Year ending Sept. 30, 2001
Financing:		
Proceeds from issuance of bonds	0	500
Repayment of bonds	(6)	(9)
Proceeds from payables to financial institutions	1,653	560
Repayments of payables to financial institutions	(745)	(1,217)
Net proceeds from/(repayments on) notes payable and other loans	91	(72)
Increase/(decrease) in bills of exchange	2	(21)
Decrease in securities classified as operating assets	8	38
Payment of ThyssenKrupp AG dividend from the preceding year	(368)	(386)
Profit distributions to entities outside the Group	(7)	(24)
Other financing activities	(19)	(3)
Net cash provided by/(used in) financing activities	**609**	**(634)**
Effect of exchange rate changes on cash and cash equivalents	45	(41)
Net increase in cash and cash equivalents	**195**	**271**
Cash and cash equivalents at beginning of year	768	963
Cash and cash equivalents at end of year	**963**	**1,234**

See accompanying notes to consolidated financial statements.

ThyssenKrupp AG
Consolidated Statements of Stockholders' Equity

million €, except number of shares	Number of shares outstanding	Capital stock
Balance as of September 30, 1999	**514,444,774**	**1,315**
Net income		
Other comprehensive income		
Total comprehensive income		
Conversion of capital stock from DM to Euro		2
Capital increase at subsidiaries		
Dividend payment		
Treasury stock issued	15,310	
Balance as of September 30, 2000	**514,460,084**	**1,317**
Net income		
Other comprehensive income		
Total comprehensive income		
Capital increase at subsidiaries		
Dividend payment		
Treasury stock purchased	(860,318)	
Treasury stock issued	864,118	
Balance as of September 30, 2001	**514,463,884**	**1,317**

See accompanying notes to consolidated financial statements.

			Accumulated other comprehensive income					
	Additional paid in capital	Retained earnings	Cumulative translation adjustment	Available-for-sale securities	Minimum pension liability	Derivative financial instruments	Treasury stock	Total
	4,668	**2,139**	**(9)**	**7**	**(13)**	**0**	**(1)**	**8,106**
		527						527
			494	31	(1)	0		524
								1,051
	(2)							0
	7							7
		(368)						(368)
							1	1
	4,673	**2,298**	**485**	**38**	**(14)**	**0**	**0**	**8,797**
		665						665
			(230)	(7)	(34)	(30)		(301)
								364
	10							10
		(386)						(386)
							(14)	(14)
	1						14	15
	4,684	**2,577**	**255**	**31**	**(48)**	**(30)**	**0**	**8,786**

ThyssenKrupp AG
Notes to the consolidated financial statements

Summary of significant accounting policies

Consolidation

The consolidated financial statements include the accounts of ThyssenKrupp Aktiengesellschaft ("ThyssenKrupp AG") and all material controlled subsidiaries, collectively the "Group". Included in the Group financial statements are 325 (1999/2000: 332) domestic and 461 (1999/2000: 456) foreign controlled subsidiaries that are consolidated. During fiscal year 2000/2001, 58 subsidiaries were consolidated for the first time, while 60 subsidiaries were deconsolidated.

Material equity investments are accounted for using the equity method whenever significant influence can be exerted; this is principally in instances whereby the Group holds between 20% and 50% of the voting rights ("Associated Companies"). All other equity investments are carried on the balance sheet at cost. The Group has 290 (1999/2000: 343) controlled subsidiaries that are not consolidated because their combined influence on the net assets, net income, and net cash flows of the Group is not material. Their net sales amount to 0.6%, their net loss amounts to 2.4% and their Stockholders' Equity amounts to 0.5% of the Group's respective balances. Of these non-consolidated subsidaries, 11 (1999/2000: 18) are accounted for under the equity method and the remaining 279 (1999/2000: 325) are accounted for under the cost method. These non-consolidated subsidiaries are classified as financial assets and are presented under the "Investments in non-consolidated subsidiaries" line item. The Group also has 69 (1999/2000: 49) Associated Companies that are accounted for under the equity method. Another 89 (1999/2000: 113) Associated Companies are accounted for under the cost method because their combined results are not material to the Group. Their net gain, attributable to the Group, amounts to 1.0% and their Stockholders' Equity amounts to 0.3% of the Group's respective balances. These 89 (1999/2000: 113) Associated Companies are classified as financial assets and are presented under the "Other investments" line item.

In consolidating investments in subsidiaries, the purchase price has been allocated to the fair market value of the interest held in the net assets of the consolidated subsidiaries at the time of acquisition. Any excess purchase price is capitalized as goodwill and amortized using the straight-line method over the estimated useful life.

For the non-consolidated subsidiaries and Associated Companies accounted for under the equity method, the excess of cost of the stock of those companies over the Group's share of their net assets as of the acquisition date is treated as embedded goodwill and amortized on a straight-line basis over the estimated useful life. Subsequent changes to the value of this balance resulting from the Group's share of income or losses including amortization of the embedded goodwill are included in "Income from equity investments" of the consolidated statement of income.

Intercompany accounts and transactions have been eliminated.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the current exchange rate at the time of the transaction and adjusted to the current exchange rate at each balance sheet date; any resulting currency fluctuations are recognized in the statement of income.

Financial statements of the foreign subsidiaries included in the Group annual 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 computed according to the current rate method, i.e. balance sheet amounts are translated to the reporting currency using the current exchange rate as of the balance sheet date, while income statement amounts are translated using the annual average exchange rates. Net exchange gains or losses resulting from the translation of foreign financial statements are accumulated and included in “Other comprehensive income”.

Non-U.S. companies that manage their sales, purchases and financing substantially in U.S. dollar use the U.S. dollar as their functional currency. Using the functional currency in these cases involves translating non-monetary items such as fixed assets including scheduled depreciation and equity to U.S. dollar using the average exchange rates of the respective year of addition (historical exchange rates). All other balance sheet line items are translated using the current exchange rate as of the balance sheet date and all other income statement line items are translated using the annual average exchange rates. The resulting translation differences are included in the consolidated statement of income as "Other operating expenses or income". Thereafter, the U.S. dollar annual financial statements are translated into the reporting currency using the current rate method.

The exchange rates of those currencies important to the Group and located outside the European Economic and Currency Union have changed as follows:

CURRENCIES	Exchange rate as of		Annual average exchange rate for the year ending	
	Sept. 30, 2000	**Sept. 30, 2001**	Sept. 30, 2000	**Sept. 30, 2001**
	(Basis 1 €)		(Basis 1 €)	
U.S. Dollar	0.88	0.92	0.96	0.89
Canadian Dollar	1.32	1.45	1.42	1.36
Pound Sterling	0.60	0.62	0.62	0.62
Brazilian Real	1.63	2.45	1.77	1.94

Revenue recognition

Sales are generated via the delivery of products, the rendering of services, and from rental and lease agreements. Sales are recognized net of applicable provisions for discounts and allowances, when realized or realizable and earned. This is usually the case when there is clear evidence of an agreement, the risk of ownership has been transferred or the service has been rendered, the price has been agreed upon, and there is adequate assurance that collection will be made.

In addition to the above, a significant portion of the Group´s sales (8%) are derived from long-term manufacturing agreements which are accounted for under the percentage-of-completion-method. Such agreements are prominent in the Automotive, Elevator, Technologies and Serv segments.

In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements" which summarized the staff´s views regarding the application of generally accepted accounting principles to the recognition, presentation and disclosure of revenue in financial statements. The adoption of SAB No. 101 on October 01, 2000 resulted in an expense of €34 million (€21 million net of tax) or €0.04 per share, reported as a cumulative effect of a change in accounting principle. This represents mainly current year revenue also recognized in the previous year. The prior year adoption of SAB No. 101 would have had an immaterial effect on the financial condition and results of operations of the Group.

Long-term contracts

Sales and profits from long-term contracts are recognized using the percentage-of-completion method of accounting. Long-term contracts are defined as contracts for which performance will take place over a period of at least 12 months, beginning from the effective date of the contract to the date on which the contract is substantially completed. Contracts where the Group acts in the capacity of general contractor or provides engineering services are also considered to be long-term contracts.

The percentage of completion is measured by 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. All anticipated losses from long-term contracts are recognized in the fiscal year in which such losses are identified.

Long term contracts under the percentage of completion method are measured at manufacturing cost plus profits earned based on the percentage of the contract completed.

Research and development costs

Research and development costs are expensed as incurred.

Earnings per share

Basic earnings per share is computed by dividing the Group's net income by the weighted average number of shares outstanding. There were no dilutive securities in the periods presented.

Intangible assets

Purchased intangible assets are capitalized and amortized on a straight-line basis over their estimated useful lives. For identifiable internally developed intangible assets, only the direct external costs incurred in generating these assets are capitalized and amortized on a straight-line basis over their estimated useful life. Goodwill, which represents the excess of purchase price over the fair value of net assets acquired, is capitalized and amortized on a straight-line basis over its estimated useful life, usually 20 years, except for goodwill attributable to Elevator and Information Services businesses, which is amortized over 30 and 10 years, respectively.

Costs incurred in connection with the acquisition and self-development of internally used computer software, inclusive of the costs for transforming such software into an operational condition, are capitalized and amortized on a straight-line basis over its estimated useful life, usually 3 to 5 years.

Costs incurred during the preliminary stage of internal use computer software projects are expensed as incurred.

Property, plant and equipment

Property, plant and equipment are valued at acquisition or production cost less accumulated depreciation. Capitalized production costs for internally developed assets include material, direct labor costs, and allocable material and manufacturing overhead costs. When production activities are performed over an extended period, interest costs incurred during production are capitalized. Administrative costs are capitalized only if such costs are directly related to production. Maintenance and repair costs are expensed as incurred. Costs for activities that lead to the prolongation of useful life or to expanded future use capabilities of an asset are capitalized.

Property, plant and equipment are primarily depreciated using the straight-line method on a pro rata basis. Items which cost less than €2,500 (€5,000 for the Steel segment), are written off in the year acquired. 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 PROPERTY, PLANT AND EQUIPMENT	
Buildings	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

Leases

Leases are classified as either capital or operating. Leasing transactions whereby the Group is the lessee and bears all substantial risks and rewards from use of the leased item are accounted for as capital leases. Accordingly, the Group capitalizes the leased asset and records the corresponding lease obligation on the balance sheet. All other leasing agreements entered into by the Group, as a lessee, are accounted for as operating leases whereby the lease payments are expensed as incurred.

Leasing 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 or financing of the leased asset. 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 recorded as income when earned.

Long-lived asset impairment (including intangible assets and goodwill)

The carrying values of long-lived assets are reviewed for possible impairment on each balance sheet date or whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the carrying amount of any long-lived asset may be impaired, an evaluation of recoverability would be performed whereby the estimated future undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine if a write-down to fair value is required. The remaining useful life of the assets is evaluated accordingly. In determining whether or not goodwill is impaired, the undiscounted future free cash flows are compared to fixed assets.

Operating assets

Operating assets represent the Group's inventories, receivables, securities and cash and cash equivalents, including amounts expected to be realized in excess of one year. The portion of assets expected to be realized or settled in excess of one year have been disclosed.

Inventories other than percentage of completion contracts

Inventories are stated at the lower of acquistion/manufacturing cost or market. In the Steel segment, the inventory cost of similar inventories is determined predominately using the LIFO method. In the other segments the valuation of similar inventories is dominated by the average cost method.

The elements of costs include direct material, labor and allocable material and manufacturing overhead.

Receivables

Receivables are stated at net realizable value. If receivables are completely or partly uncollectible, bad debt expense and a corresponding allowance for doubtful accounts is recorded. Receivables that do not bear interest or bear below market interest rates and have an expected term of more than one year are discounted.

The Group sells undivided interests in certain trade accounts and notes receivable both on an ongoing and one-time basis to special purpose entities or other lending institutions. Effective April 01, 2001, the Group accounts for such transactions in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities – a replacement of FASB Statement No. 125”. This statement provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities and revises the accounting standards for securitizations and transfers of financial assets and collateral. This standard also requires new disclosures that have been provided in note 10 to the consolidated financial statements. Financial assets sold under these arrangements are excluded from accounts receivable in the Group´s balance sheet at the time of sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, checks, deposits with national banks, as well as other bank deposits with an original maturity of three months or less.

Marketable securities

All marketable securities in which the Group invests are classified as available for sale and valued at market prices as of the balance sheet date. Any unrealized gains and losses, net of deferred income taxes, are reported as a component of the "Accumulated other comprehensive income" line item within equity. A permanent loss of value is realized in the statement of income.

Deferred income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities reflect both net loss carry forwards and the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred taxes are measured using the currently enacted tax rates in effect during the years in which the temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in the period that the law is enacted. Deferred tax assets, net of valuation allowances, are recognized only to the extent that it is more likely than not that the related tax benefits will be realized.

Accumulated other comprehensive income

Accumulated other comprehensive income includes changes in the equity of the Group that were not recognized in the income statement of the period, except those resulting from investments by owners and distributions to owners. Accumulated other comprehensive income includes foreign currency translation adjustments, unrealized holding gains and losses on available-for-sale securities and on derivative financial instruments, as well as additional pension liabilities not yet recognized as net periodic pension cost.

Accrued pension and similar obligations

Accrued pension obligations as well as provisions for health care obligations are valued according to the actuarial projected benefit obligation method (or "projected unit credit method"). Plan assets and pension obligations are measured as of July 01 of each year ("early measurement"). For some German pension obligations, an additional minimum pension liability exists. A portion of the additional minimum pension liability is offset by an intangible asset to the extent of unrecognized prior service cost with the remainder charged against Stockholders´ Equity. Unrecognized prior service cost results from a net transition obligation of the former Thyssen companies. Unrecognized gains and losses are generally amortized over no more than the average remaining service lives or the average remaining life expectancies of the employees entitled to receive benefits.

Other accrued liabilities

Liabilities for loss contingencies, including environmental remediation costs, arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Recoveries from third parties that are probable of realization, are separately recorded, and are not offset against the related accrued liability. Provisions for guarantees and provisions for contingent losses are calculated using full production cost.

Financial instruments

Effective October 01, 2000, the ThyssenKrupp Group adopted SFAS 133 "Accounting for Derivative Instruments and Hedging Activities" as changed and amended by SFAS 138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities". This standard requires that all derivative financial instruments be recorded at fair value as either assets or liabilities on the balance sheet. The adoption of this standard also requires the accounting for derivative financial instruments that are embedded within other contractual agreements. In general, the Group recognizes the changes in fair value of all derivative financial instruments in earnings. However, the Group records the changes in fair value of foreign currency derivatives used to hedge anticipated foreign currency denominated cash flows on firm commitments and forecasted transactions in accumulated other comprehensive income on the balance sheet when the requirements of the standard to apply cash flow hedge accounting are met. The reclassification from accumulated other comprehensive income into earnings occurs in the same period as the underlying transaction takes place. The ThyssenKrupp Group uses a form of accounting in which the fair value changes that are due to time value changes are disregarded when measuring the effectiveness between the underlying hedged transaction and the hedging instrument. This amount is considered the ineffective portion of the hedge and is therefore recognized in earnings immediately.

The fair value changes of interest rate derivatives designated to hedge long term liabilities subject to interest rate fluctuations are also recognized in accumulated other comprehensive income if they meet the requirements to apply cash flow hedge accounting. These amounts in other comprehensive income will be offset against related asset or liability accounts in the future as fair values fluctuate. When the cash flow hedging model is applied, changes in market rates will not impact future interest expense positions.

Beginning on October 01, 2000, certain subsidiaries of the Group introduced changes in the organizational structure to monitor their risk management process in order to apply hedge accounting for their foreign currency derivatives. The fair value changes recorded in accumulated other comprehensive income as of September 30, 2001 due to the application of the cash flow hedging model for foreign currency derivatives and interest rate derivatives amount to an unrealized loss of €30 million (after tax and minority interest).

As interest rate derivatives, foreign currency derivatives and commodity forward transactions have already been accounted for at their fair values in prior periods, the transition adjustments related to the adoption of the standard were primarily due to accounting for embedded derivatives for the first time. Embedded derivatives are created, for example, when usual trade agreements between our subsidiaries and foreign customers or suppliers are performed in a currency that is not the functional currency (local currency) of both parties. According to the provisions of SFAS 133, under these circumstances an embedded derivative is assumed. The adoption of these provisions led to the recognition of assets in the amount of €7 million and liabilities of €19 million affecting current earnings. In the following periods these balance sheet items are reclassified into earnings and offset the earnings impact of the realized underlying transactions. The adoption of SFAS 133 on October 01, 2000 resulted in an expense of €2 million (€1 million net of tax) which is reported as a cumulative effect of change in accounting principles. This is due to the accounting of foreign currency derivatives that did not meet the hedge accounting requirements of the standard. The prior year adoption of SFAS 133 would have had an immaterial effect on the financial condition and results of operations of the Group.

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.

The consolidated statements of income and the consolidated balance sheets are presented in accordance with the 4th and 7th directive of the EU. Additional disclosures required by US GAAP are included in the Notes to the consolidated financial statements.

Use of estimates

The preparation of the Group consolidated financial statements requires Management to make estimates and assumptions that affect the reported carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the amounts of revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

New accounting pronouncements

In July 2001, the Financial Accounting Standards Board (FASB) issued Statements of Financial Accounting Standards (SFAS) 141, "Business Combinations" and SFAS 142, "Goodwill and Other Intangible Assets". These pronouncements significantly changed the accounting for business combinations, goodwill, and intangible assets. SFAS 141 eliminated the pooling of interests method of accounting for business combinations and further clarified the criteria to recognize intangible assets separately from goodwill. The requirements of SFAS 141 are effective for any business combination accounted for by the purchase method that is completed after June 30, 2001. SFAS 142 requires that goodwill and indefinite lived intangible assets no longer be amortized but be reviewed for impairment annually (or more frequently if impairment indicators arise). However, separable intangible assets that are deemed to have definite lives will continue to be amortized. The amortization provisions of SFAS 142 apply to goodwill and intangible assets acquired after June 30, 2001. The Group has applied the provisions of SFAS No. 141 to all business combinations initiated after June 30, 2001, and to all business combinations accounted for by the purchase method for which the date of acquisition was on or subsequent to July 01, 2001. With respect to goodwill and intangible assets acquired prior to July 01, 2001, the provisions should be adopted no later than in fiscal year 2002/2003. For goowill and intangible assets acquired prior to July 01, 2001, ThyssenKrupp elected to early adopt the provisions of SFAS 141 and 142 as of October 01, 2001. The Group is still assessing the impact of the new standards. During fiscal 2001/2002, ThyssenKrupp will perform the required impairment tests of goodwill and indefinite lived intangible assets. However, the Group has not yet determined what effect these tests will have on its earnings and financial position.

In August 2001, the FASB issued SFAS 143, "Accounting for Asset Retirement Obligations". This Statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS 143 requires an enterprise to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of a tangible long-lived asset. The Statement also requires the enterprise to increase the carrying amount of the related long-lived asset (i.e., the associated asset retirement cost) and to depreciate that cost over the remaining useful life of the asset. The liability is adjusted at the end of each period to reflect the passage of time (i.e., accretion expense) and changes in the estimated future cash flows underlying the initial fair value measurement. SFAS 143 is to be adopted for fiscal years beginning after June 15, 2002, with early adoption encouraged.

In October 2001, the FASB issued SFAS 144, “Accounting for the Impairment or Disposal of Long-Lived Assets”, which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. Statement 144 supersedes both SFAS 121, “Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of”, and APB Opinion No. 30, “ Reporting the Results of Operations – Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions”. However, SFAS 144 retains many of the fundamental provisions of SFAS 121 and retains the requirement in Opinion 30 to report separately discontinued operations and extends that reporting to a “component of an entity” that either has been disposed of (by sale, abandonment, or in a distribution to owners) or is classified as held for sale. SFAS 144 is effective for fiscal years beginning after December 15, 2001, with early application encouraged.

ThyssenKrupp has not yet determined what effect these statements will have on its consolidated financial statements.

Acquisitions and divestitures

During the fiscal years 2000/2001 and 1999/2000 the Group completed the following transactions:

Year ending September 30, 2001

In December 2000, Krupp Werner & Pfleiderer group (Technologies segment) was sold to a newly founded joint venture of Georg Fischer AG, Schaffhausen, West Private Equity Ltd., a private equity fund registered in London and Westdeutsche Landesbank, Düsseldorf. The selling price amounted to €150 million, resulting in profit before taxes in the amount of €71 million.

In February 2001, Thyssen Röhm Kunststoffe GmbH (Materials segment) was established, in which ThyssenKrupp and Röhm combined their plastics trading activities. ThyssenKrupp holds an interest of 65.45% in the company. The activities contributed by Röhm are accounted for under the purchase method, which resulted in goodwill in the amount of €9 million, subject to straight-line amortization over a period of 20 years. Due to immateriality pro forma sales and results were not disclosed.

In April 2001, Ferteco Mineração S.A., a Brazilian iron ore mining corporation (Steel segment) was sold to Companhia Vale do Rio Doce, Rio de Janeiro, at a transaction value of approximately €790 million. This disposal resulted in a profit before taxes of €333 million.

In July 2001, ThyssenKrupp and General Ore International Corporation Ltd., Isle of Man, signed an agreement for the sale of Krupp Seeschiffahrt GmbH and the related bulk-carrier business, (Corporate). The sale was completed on September 28, 2001 and resulted in a loss before taxes of €62 million and a reduction of financial payables approximating €0.4 billion.

Also in July 2001, the sale of Thyssen Schienen Technik GmbH, Duisburg (Steel segment) to Voest-Alpine Schienen GmbH & Co. KG, Austria, was completed, allowing for concentration on the flat steel business. Upon antitrust approval of the EU Commission as of September 11, 2001, the company was deconsolidated. This resulted in a loss before taxes of €1 million.

There were various other divestitures and acquistions during the current fiscal year, which had an immaterial financial impact on ThyssenKrupp.

The following table shows the income effect of all disposals of subsidiaries in fiscal year 2000/2001:

million €	
Gain on disposal of subsidiaries, net	343
Provisions for income taxes	(80)
Net gain/(loss) on disposal after tax	**263**
Net gain on disposal after tax per share (in €)	**0.51**

Year ending September 30, 2000

During 1999/2000, the Group completed 16 minor acquisitions, inclusive of Stahl Specialty, EBG India, Kessler + Luch, TKA Atlas, Peiniger, HiServ and the acquisition of the remaining 50% of Safway. Total consideration given in connection with these acquisitions was €386 million, of which €368 million was paid in cash and €18 million via the issuance of shares in subsidiaries controlled by the Group.

The aforementioned transactions were accounted for under the purchase method and after the final purchase price allocation of the HiServ and Stahl Specialty acquisitions, goodwill amounted to €162 million (initial purchase price allocation resulted in goodwill of €144 million). The goodwill is being amortized on a straight line basis over 20 years, except for goodwill attributable to Information Services businesses, which is amortized over 10 years. The operating results of the businesses acquired during 1999/2000 have been included in the consolidated financial statements of income from their respective dates of acquisition.

Notes to the consolidated statements of income

2 Selling expenses

Selling expenses include direct shipping and handling cost including related insurance premiums in the amount of €687 million (1999/2000: €699 million).

3 Other operating income

Other operating income includes gain on the disposal of property, plant and equipment and intangible assets in the amount of €70 million (1999/2000: €75 million) and insurance compensation in the amount of €126 million (1999/2000: €33 million).

4 Other operating expenses

Other operating expenses include goodwill amortization of €228 million (1999/2000: €216 million), loss on the disposal of property, plant and equipment and intangible assets in the amount of €84 million (1999/2000: €81 million), restructuring charges in the amount of €29 million (1999/2000: €57 million) and provisions for accruals (excluding restructuring) in the amount of €43 million (1999/2000: €156 million). Additional expenses in connection with non-customer related research activities are shown here in the amount of €180 million (1999/2000: €116 million).

5 Financial expense, net

million €	Year ending Sept. 30, 2000	**Year ending Sept. 30, 2001**
Income from profit and loss sharing agreements	1	1
Losses from profit and loss sharing agreements	(3)	(3)
Income from companies valued at equity	72	62
Income from investments valued at cost	12	22
amount thereof from non-consolidated subsidiaries	*2*	*1*
Gains, net from disposals of investments in non-consolidated companies and other investments	13	9
Write-down of investments in non-consolidated companies and other investments	(24)	(17)
Income from equity investments	**71**	**74**
Income from other securities and loans classified as financial assets	13	17
amount thereof from non-consolidated subsidiaries	*1*	*1*
Other interest and similar income	125	102
amount thereof from non-consolidated subsidiaries	*4*	*6*
Interest and similar costs	(557)	(592)
amount thereof from non-consolidated subsidiaries	*(3)*	*(4)*
Interest expense, net	**(419)**	**(473)**
Gains from disposals of loans and securities, net	6	10
Write-down of loans and securities	(10)	(1)
Miscellaneous, net	(2)	(22)
Other financial income/(loss), net	**(6)**	**(13)**
Total	**(354)**	**(412)**

Interest capitalized in connection with long-term construction activities resulted in a decrease of interest expense in the amount of €22 million (1999/2000: €13 million).

6 Income taxes

In the fiscal year ending Sept. 30, 2001 73% of income before income taxes and minority interest was attributable to Germany and 27% to foreign countries. The gain from the sale of the Brazilian iron ore mining corporation Ferteco is included in the German portion.

Income tax expense (benefit) for the years ending September 30, 2000 and 2001 consists of the following:

million €	Year ending Sept. 30, 2000	**Year ending Sept. 30, 2001**
Current income taxes		
Germany	(13)	62
Foreign	297	98
Deferred income taxes		
Germany	229	(49)
Foreign	18	82
Total	**531**	**193**

Corporate income tax law applicable for 1999/2000 and 2000/2001 provides for an income tax rate of 40% for retained earnings plus solidarity surcharge of 5.5%. This results in a total corporate tax rate of 42.2%. In the event of a distribution of profits earned in Germany to stockholders, the corporate tax rate is reduced to 30% (plus solidarity surcharge of 5.5%); for total corporate tax rate of 31.65%. This reduction is effected through a refund of taxes. The distribution of the earnings of ThyssenKrupp AG for 1999/2000 and 2000/2001 is not attributable to profits earned in Germany and, therefore, no refund of taxes has occurred for those years.

In October 2000, the German government enacted new tax legislation which will reduce the Company´s statutory tax rate from 40% on retained earnings and 30% on distributed earnings to a uniform 25% effective for the Company´s year ending September 30, 2002. In addition, the new tax law provides a tax exemption for gains realized on the disposition of shares of domestic corporations. The gains exemption rule is generally effective for dispositions of non-consolidated investments occurring on or after January 01, 2002. The impact of the required revaluation of deferred tax balances was to reduce income tax expense by €124 million.

As a result of the tax law changes deferred taxes at year-end September 30, 2001 have been calculated with the future combined income tax rate of 39.42%, which is comprised of the corporation income tax rate of 26.38% including solidarity surcharge and the trade tax rate (13.04%). For foreign companies, the respective country-specific tax rates have been used.

The following table reconciles the statutory income tax expense to the actual income tax expense presented in the financial statements. For calculating the statutory income tax expense, in fiscal 1999/2000 and 2000/2001, the combined income tax rate of 52.40% (including 10.20% trade tax rate) was multiplied by income before taxes and minority interest.

million €	Year ending Sept. 30, 2000	**Year ending Sept. 30, 2001**
Expected income tax	571	459
German tax reform	0	(124)
Foreign tax rate differential	(160)	2
Gains on disposal of businesses	0	(99)
Non-deductible expenses	18	26
Amortization of non-tax-deductible goodwill	78	76
Change in valuation allowance	4	5
Tax losses not taken for financial statement	0	(153)
Other, net	20	1
Actual income tax expense	**531**	**193**

As of September 30, 2001, domestic corporate tax loss carry forwards amount to €1,610 million (2000: €1,568 million), domestic trade tax loss carry forwards amount to €877 million (2000: €705 million) and foreign tax loss carry forwards amount to €358 million (2000: €143 million). Since 1985, it has been possible to carry forward domestic losses indefinitely and in unlimited amounts. An amount of €238 million of the foreign tax loss carry forwards is timely restricted.

For deferred tax assets, a valuation allowance of €129 million (2000: €60 million) was established for tax loss carry forwards. In general, deferred tax assets are recognized to the extent it is considered more likely than not that such benefits will be realized in future years. Management believes that, based on a number of factors, the available evidence creates sufficient uncertainty regarding the ability to realize tax loss carry forwards. In determining this valuation allowance, all positive and negative factors, also including prospective results, were taken into consideration in determining whether sufficient income would be generated to realize deferred tax assets.

Significant components of the deferred tax assets and liabilities are as follows:

million €	Sept. 30, 2000	**Sept. 30, 2001**
Intangible assets	68	31
Property, plant and equipment	930	447
Financial assets	7	50
Inventories	99	86
Other assets	166	156
Tax loss carry forwards	769	691
Accrued pension and similar obligations	490	645
Other accrued liabilities	584	427
Other liabilities	1,780	954
	4,893	**3,487**
Valuation allowance	(60)	(129)
Deferred tax assets	**4,833**	**3,358**
Intangible assets	141	140
Property, plant and equipment	1,933	1,470
Financial assets	285	50
Inventories	711	498
Other assets	388	371
Accrued pension and similar obligations	24	10
Other accrued liabilities	301	264
Other liabilities	799	271
Deferred tax liabilities	**4,582**	**3,074**
Net deferred tax assets	**251**	**284**

The classification of the deferred tax assets and liabilities is as follows:

million €	Sept. 30, 2000	Non current portion	**Sept. 30, 2001**	Non current portion
Deferred tax assets	1,357	1,037	1,445	1,297
Deferred tax liabilities	1,106	981	1,161	738
Net deferred tax assets	**251**	**56**	**284**	**559**

Deferred tax liabilities on retained profits of foreign subsidiaries were not recorded, as such profits are to remain invested on a permanent basis. It is not practicable to estimate the amount of unrecognized deferred tax liabilities for these undistributed foreign earnings.

The components of income tax expense are as follows:

million €	Year ending Sept. 30, 2000	Year ending Sept. 30, 2001
Income tax expense as presented on the income statement	531	193
Income tax expense/(benefit) for "other comprehensive income"	29	(55)
Income tax benefit on the cumulative effects of changes in accounting principles	0	(14)
Total	**560**	**124**

Notes to the consolidated balance sheets

7 Fixed assets

The statement of change in the Group's fixed assets is presented in the Consolidated Fixed Assets Schedule included herein.

Property, plant and equipment include leased buildings, technical machinery and equipment and other equipment that have been capitalized, as the Group, as lessee, is assuming substantially all of the benefits and risks of use of the leased asset.

million €	Gross values		Accumulated depreciation		Net values	
	Sept. 30, 2000	Sept. 30, 2001	Sept. 30, 2000	Sept. 30, 2001	Sept. 30, 2000	Sept. 30, 2001
Land, leasehold rights and buildings including buildings on third-party land	139	135	23	32	116	103
Technical machinery and equipment	453	57	60	22	393	35
Other equipment, factory and office equipment	117	128	62	79	55	49
Assets under capital lease	**709**	**320**	**145**	**133**	**564**	**187**

In fiscal 2000/2001, impairments pursuant to SFAS 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" in the total amount of €38 million were recorded. Of this amount, €23 million is for long lived assets to be held and used of which, €18 million was for impairments of fixed assets mainly relating to multimedia activities in the Serv segment and €5 million for goodwill impairment affecting exclusively the Serv segment. Impairments of €15 million relate to long lived assets to be disposed of within the next fiscal year, thereof an amount of €13 million resulted from the abandonment of energy producing facilities at the Dortmund location (segment Steel). In additon, pursuant to APB 18

"The Equity Method of Accounting for Investments in Common Stock" the goodwill of an investment accounted for under the equity method in the Serv segment and the carrying amount of an equity investment in the Materials segment were written down by €16 million

For Associated Companies and non-consolidated subsidiaries accounted for under the equity method, the difference between the carrying amount and the amount of underlying equity in net assets totals €258 million (2000: €265 million) and is treated as embedded goodwill.

Included in Associated Companies valued at equity is a 20.6% interest in RAG Aktiengesellschaft. The carrying amount of RAG Aktiengesellschaft is €410 million (2000: €349 million). The difference between the carrying amount and underlying net assets amounts to €50 million (2000: €56 million), which is treated as goodwill and is being amortized over 20 years.

Consolidated Fixed Assets Schedule

million €	Gross values		
	Sept. 30, 2000	Currencies differencies	Acquisitions/ disposals of businesses
Intangible assets			
Franchises, trademarks and similar rights and values as well as licenses thereto	555	(10)	(47)
Goodwill	4,717	(171)	(16)
Advance payments on intangible assets	8	0	0
Intangible pension asset	49	0	1
	5,329	**(181)**	**(62)**
Property, plant and equipment			
Land, leasehold rights and buildings including buildings on third-party land	7,567	(66)	(101)
Technical machinery and equipment	13,044	(195)	(162)
Other equipment, factory and office equipment	2,436	(38)	(16)
Assets under capital lease	709	(2)	(394)
Advance payments on property, plant and equipment	1,008	(26)	(17)
	24,764	**(327)**	**(690)**
Financial assets			
Investments in non-consolidated subsidiaries	163	(1)	(42)
Loans to non-consolidated subsidiaries	13	0	(6)
Associated Companies valued at equity	962	13	1
Other investments	212	(2)	(24)
Loans to Associated Companies and other investees	28	0	(4)
Securities classified as financial assets	185	0	0
Other loans	173	(2)	(4)
	1,736	**8**	**(79)**
Total	**31,829**	**(500)**	**(831)**

Gross values				Amortization/Depreciation		Net values	
Additions	Transfers	Disposals	**Sept. 30, 2001**	Amortization, depreciation year ending Sept. 30, 2001	**Accumulated amortization, depreciation as of Sept. 30, 2001**	Sept. 30, 2000	**Sept. 30, 2001**
100	16	18	596	88	297	330	299
36	0	13	4,553	228	773	4,139	3,780
14	(5)	0	17	0	0	8	17
30	0	7	73	0	0	49	73
180	**11**	**38**	**5,239**	**316**	**1,070**	**4,526**	**4,169**
203	71	98	7,576	219	2,668	5,086	4,908
845	436	375	13,593	964	8,483	5,091	5,110
357	29	249	2,519	322	1,637	924	882
61	(16)	38	320	78	133	564	187
689	(531)	41	1,082	1	2	1,007	1,080
2,155	**(11)**	**801**	**25,090**	**1,584**	**12,923**	**12,672**	**12,167**
12	2	7	127	9	86	83	41
2	0	3	6	0	0	13	6
107	59	59	1,083	0	0	962	1,083
10	(62)	30	104	8	57	141	47
4	0	9	19	0	5	23	14
13	1	38	161	0	1	185	160
9	0	26	150	1	19	150	131
157	**0**	**172**	**1,650**	**18**	**168**	**1,557**	**1,482**
2,492	**0**	**1,011**	**31,979**	**1,918**	**14,161**	**18,755**	**17,818**

8 Operating lease as lessor

The Group is the lessor of various residential and commercial real estate under operating lease agreements. The gross value of the assets under lease is €2,271 million (1999/2000: €2,267 million) and accumulated depreciation is €556 million (1999/2000: €516 million).

As of September 30, 2001, the future minimum lease payments on non-cancelable operating leases are as follows:

million € (for fiscal year)	
2001/2002	67
2002/2003	18
2003/2004	14
2004/2005	12
2005/2006	10
thereafter	24
Total	**145**

The amounts reflected as future lease payments do not contain any contingent rentals. Contingent rentals in the amount of €1 million (1999/2000: €1 million) have been recognized in the consolidated statements of income.

9 Inventories

million €	Sept. 30, 2000	**Sept. 30, 2001**
Raw materials	950	1,047
Supplies	484	436
Work in process	2,356	2,422
amount thereof relating to percentage-of-completion contracts	*447*	*535*
amount thereof relating to completed contracts	*21*	*13*
Finished products	2,500	2,163
Merchandise	788	784
Advance payments to suppliers	418	494
	7,496	**7,346**
Less customer advance payments received	(786)	(821)
Total	**6,710**	**6,525**

Inventories in the amount of €1,612 million (2000: €1,482 million) are valued according to the LIFO method. The current market value is €52 million (2000: €101 million) in excess of the LIFO value.

10 Trade accounts receivable

million €	Sept. 30, 2000	**Sept. 30, 2001**
Receivables from sales of goods and services (excluding long-term contracts)	6,100	5,516
Unbilled receivables from long-term contracts, less customer deposits received	459	576
	6,559	**6,092**
Less allowance for doubtful accounts	(336)	(371)
Total	**6,223**	**5,721**

Receivables from the sales of goods and services in the amount of €68 million (2000: €21 million) have a remaining term of more than 1 year.

The amount of sold receivables and notes outstanding as of September 30, 2001, was €1,028 million. When the Group sells receivables it retains, in some cases, servicing provisions and retained interests in the sold receivables. Due to the nature of the receivables sold, the retained interests in those receivables approximates cost. The value of the retained interests in sold receivables was €74 million as of September 30, 2001, mainly consisting of cash reserve accounts held by the buyer. Costs associated with the sale of receivables, primarily related to the discount and other expenses related to the receivables sold, was €24 million, and are included in “Financial expenses, net” in the Consolidated Statements of Income. The risk of loss associated with discounted notes receivable is included in note (23) “Commitments and contingencies”.

The following table summarizes certain cash flow movements:

million €	**Year ending Sept. 30, 2001**
Proceeds from accounts receivable sales	5,134
Servicing fees received	31

11 Other receivables and other assets

million €	Sept. 30, 2000	**Sept. 30, 2001**
Receivables due from non-consolidated subsidiaries	173	123
Receivables due from Associated Companies and other investees	156	128
Other assets	1,464	1,589
	1,793	**1,840**
Less allowance for doubtful accounts	(176)	(203)
Total	**1,617**	**1,637**

Other assets include tax refund claims in the amount of €499 million (2000: €579 million).

Other receivables and other assets in the amount of €186 million (2000: €106 million) have a remaining term of more than 1 year.

12 Allowance for doubtful accounts

million €	Trade accounts receivable	Other receivables and other assets
Balance as of September 30, 1999	297	126
Acquisitions/(divestitures)	2	0
Additional charges	126	64
Amounts utilized	(67)	0
Amounts reversed	(35)	(17)
Other changes	13	3
Balance as of September 30, 2000	**336**	**176**
Acquisitions/(divestitures)	2	3
Additional charges	159	34
Amounts utilized	(73)	(3)
Amounts reversed	(47)	(6)
Other changes	(6)	(1)
Balance as of September 30, 2001	**371**	**203**

13 Marketable securities classified as financial and operating assets

All securities presented in the consolidated balance sheet classified as either a component of financial assets or operating assets are available-for-sale securities:

million €	Sept. 30, 2000	Sept. 30, 2001	Current portion	Non current portion
Securities presented as financial assets	185	160	0	160
Securities presented as operating assets	58	24	24	0
Total	**243**	**184**	**24**	**160**

The amortized cost, gross unrealized holding gain, gross unrealized holding loss and fair value of available-for-sale securities by major security type and class of security as of September 30, 2000 and September 30, 2001, were as follows:

million €	Sept. 30, 2000				**Sept. 30, 2001**			
	Cost, amort.cost	Gross unrealized holding gain	Gross unrealized holding loss	Fair value	Cost, amort.cost	Gross unrealized holding gain	Gross unrealized holding loss	Fair value
Shares	83	77	0	160	83	63	0	146
Foreign government bond certificates	31	0	0	31	5	0	0	5
Corporation bond certificates	42	0	0	42	26	0	0	26
Debt based securities	2	0	0	2	3	0	0	3
Promissory notes secured by property lien	1	0	0	1	0	0	0	0
Other marketable securities	7	0	0	7	3	1	0	4
Total	**166**	**77**	**0**	**243**	**120**	**64**	**0**	**184**

The contractual maturities of debt securities available for sale as of September 30, 2001, regardless of their balance sheet classifications, are as follows:

Fair values in million €	**Sept. 30, 2001**
Due within one year	31
Due between 1 and 5 years	3
Due between 5 and 10 years	0
Due after 10 years	1
Total	**35**

Proceeds from the sale of available-for-sale securities amounted to €67 million (1999/2000: €35 million). Gains of €11 million (1999/2000: €6 million) and losses of €1 million (1999/2000: 0) were realized. These amounts were determined using the specific identification method.

14 Prepaid expenses and deferred charges

million €	Sept. 30, 2000	**Sept. 30, 2001**
Prepaid pension costs	91	98
Other prepaid expenses and deferred charges	114	147
Total	**205**	**245**

Prepaid expenses and deferred charges in the amount of €34 million (2000: €17 million) have a remaining term of more than 1 year.

15 Stockholders' Equity

Capital stock

The capital stock of ThyssenKrupp AG consists of 514,489,044 no-par-value bearer shares of common stock, all of which have been issued, and 514,463,884 are outstanding as September 30, 2001. Each share of common stock has a stated value of €2.56.

During 1999/2000, capital stock was converted from DM to the Euro without the issuance of new shares. As a result of rounding in connection with this conversion, as of September 30, 2000, capital stock was increased and additional paid in capital was decreased by €1,821,596.83.

Principal owner

The Alfried Krupp von Bohlen und Halbach Foundation holds 18.11% of ThyssenKrupp AG. It is a "principal owner" according to SFAS 57 "Related Party Disclosures".

Treasury stock

During 2000/2001, the Group offered its eligible members of the domestic workforce the right to participate in the ThyssenKrupp employee share program. In connection with this program, eligible employees were offered the opportunity to participate in the purchase of up to seventeen ThyssenKrupp shares. In order to fulfill this program, 860,318 shares of treasury stock were purchased at cost of €14 million in compliance with Art. 71 Para. 1 No. 2 of the Stock Corporation Act (AktG) and issued to the employees at a price of €8.95 per share. The issuance of these shares to the employees resulted in compensation expense of €9 million (see note (16)).

In 1998/1999, ThyssenKrupp AG acquired 5,477,000 of its own stock in compliance with Art. 71 Para. 1 No. 3 of the Stock Corporation Act (AktG) for the purpose of being exchanged for the remaining outstanding shares of the former stockholders of Thyssen Industrie AG in accordance with Art. 320 of the Stock Corporations Act. As of September 30, 2001, ThyssenKrupp AG held 25,160 shares of its own at a total cost of €0.2 million.

Additional paid in capital

As of September 30, 2001, additional paid in capital was increased by €10 million as a result of the capital increase by subsidiaries and by €1 million as a result of the employee share purchase plan.

As a result of the capital increase by subsidiaries, additional paid in capital increased by €7 million, while the conversion of the capital stock from DM to Euro lowered the additional paid in capital by €2 million as of September 30, 2000.

Other comprehensive income

The following table shows the components of “Other comprehensive income”, net of tax effects:

million €	Year ending Sept. 30, 2000			**Year ending Sept. 30, 2001**		
	Pre tax	Tax effect	Net	**Pre tax**	**Tax effect**	**Net**
Foreign currency translation adjustment:						
Change in unrealized gains/(losses), net	494	0	494	(202)	0	(202)
Net realized (gains)/losses	0	0	0	(28)	0	(28)
Net unrealized gains/(losses)	**494**	**0**	**494**	**(230)**	**0**	**(230)**
Unrealized gains/(losses) from market valuation of securities:						
Change in unrealized holding gains/(losses), net	64	(32)	32	(2)	1	(1)
Net realized (gains)/losses	(1)	0	(1)	(11)	5	(6)
Net unrealized holding gains/(losses)	**63**	**(32)**	**31**	**(13)**	**6**	**(7)**
Minimum pension liability adjustment	**(4)**	**3**	**(1)**	**(61)**	**27**	**(34)**
Unrealized gains/(losses) on derivative instruments:						
Change in unrealized gains/(losses), net	0	0	0	(53)	22	(31)
Net realized (gains)/losses	0	0	0	1	0	1
Net unrealized gains/(losses)	**0**	**0**	**0**	**(52)**	**22**	**(30)**
Other comprehensive income	**553**	**(29)**	**524**	**(356)**	**55**	**(301)**

Dividend proposal

The Executive Board has agreed to propose to the stockholders´ meeting a dividend in the amount of €309 million to be distributed from unappropriated net income of the stand-alone entity ThyssenKrupp AG for fiscal 2000/2001 as determined in conformity with the principles of the German Commercial Code (HGB); this corresponds to a dividend per share in the amount of €0.60.

16 Long-term management incentive plan

On December 03, 1999, ThyssenKrupp AG introduced a long-term management incentive plan with a term of five years. The plan is a performance-based model in which the amount of any compensation is not determined until the end of the performance period.

After issuance of the first installment of the incentive plan with 224 selected participants, each of the second and third installments was expanded by approximately 400 participants. Beneficiaries of the second and third installments are 612 and 630 participants, respectively. Included in this expanded group are - apart from members of the executive board and the management of Group companies - managerial employees in Germany and comparable executive employees from foreign countries. The beneficiaries of the plan are granted appreciation rights ("phantom stocks") on the basis of annual commitments which upon fulfillment of certain prerequisites will be remunerated in cash at the end of the particular performance period. The decision to expand the number of plan participants in the second year of the incentive plan, resulted in an increase of the total number of appreciation rights from 9.5 million to 14 million. Of the total number of appreciation rights approximately 1.8 million were granted within the framework of the first installment, approximately 3.0 million for the second installment and approximately 3.1 million for the third installment.

A prerequisite for remuneration of the appreciation rights is the achievement of at least one of the two following performance hurdles at the end of a particular performance period, i.e. for the first installment as of December 3, 1999, by the regular stockholders' meeting in 2002, for the second installment as of May 25, 2000, by the regular stockholders' meeting in 2003, and for the third installment as of March 05, 2001, by the regular stockholders' meeting in 2004. At the end of the respective performance periods:

- either the stock market price of the ThyssenKrupp stock must have developed better than the DJ STOXX index, or
- the stock market price of ThyssenKrupp stock must have increased by at least 15%.

In a stock option program the beneficiary is given the right to purchase shares at a certain exercise price. The difference between the exercise price and the current share price represents the benefit. In the long term management incentive plan, in place of stock options, appreciation rights are granted which lead to a cash payment. The amount of the payment corresponds to the gain the beneficiary could achieve under a stock option program.

Accordingly, the amount of the remuneration is calculated based on the difference between the current stock market rate and the base price, with the remuneration per appreciation right being limited to €25. The base price is derived from the current share price from which the following two deductions must be made:

- The market price/index performance deduction, which takes into consideration the change in value of ThyssenKrupp stock in relation to that of the DJ STOXX in a particular performance period,
- and the price change deduction, which takes into consideration the absolute change in stock price of ThyssenKrupp stock in the particular performance period.

The current share price is the average of the current stock market rate of the ThyssenKrupp stock on the first five days of trading after the regular stockholders' meeting with which the respective installment of the incentive plan occurs.

The market price/index performance deduction is determined by multiplying the percentage of the outperformance or underperformance of the ThyssenKrupp stock in relation to the DJ STOXX by the current share price. The price change deduction corresponds to half of the absolute appreciation of the share. The two deductions are combined and then deducted from the current share price to obtain the base price.

Insofar as the sum of the two deductions is not so high as to reduce the base price below the minimum of €2.56 and does not exceed €25.00, the sum of the deductions is equal to the payout per appreciation right.

To exclude measurement-date influences,the ThyssenKrupp price and the DJ STOXX are based on averages both for the start and the end of the reference period of the performance period. For the start reference period of the first installment, the average value of the share price was €23.91, and the average value of the DJ STOXX was €425.43; for the start reference period of the second installment, the average value of the share price was €18.33, and the average value of the DJ STOXX was €491.02 and for the start reference period of the third installment, the average value of the share price was €16.88, and the average value of the DJ STOXX was €416.02. The comparable values as of September 30, 2001 are €15.41 for ThyssenKrupp´s share price applicable to the first installment (adjusted by the dividend payments for the 1998/1999 fiscal year and 1999/2000 fiscal year), €14.69 for the second installment (adjusted by the dividend payment for the 1999/2000 fiscal year) and €13.94 for the third installment and €370.19 for DJ STOXX.

Pursuant to SFAS 123, "Accounting for Stock-Based Compensation", the Group has elected to apply APB No. 25, "Accounting for Stock Issued to Employees", and related Interpretations in accounting for its stock-based compensation plans.

The incentive plan is accounted for under FASB Interpretation No. 28 "Accounting for Stock Appreciation Rights and Other Variable Stock Option or Award Plans - an interpretation of APB Opinions No. 15 and 25". Accordingly, a pro-rata liability must be accrued for the appreciation rights issued, reflecting the estimated intrinsic value of the appreciations rights as of the measurement date. Due to the fact that as of September 30, 2001 neither of the performance hurdles was fulfilled for either the first, the second or the third installment as the prerequisite for the remuneration of the appreciation rights, - as in prior years - no compensation expense has been recorded since the inception of the incentive plan.

The compensation expense reported in accordance with the fair value method prescribed by SFAS 123 would not have been materially different from that reported under APB 25. As a result, no pro forma information has been provided.

17 Accrued pension and similar obligations

million €	Sept. 30, 2000	**Sept. 30, 2001**
Accrued pension liability	6,084	6,064
Accrued postretirement obligations other than pensions	599	580
Other accrued pension-related obligations	287	264
Total	**6,970**	**6,908**

Pensions and similar obligations in the amount of €6,484 million (2000: €6,433 million) have a remaining term of more than 1 year.

Pension plans

The Group provides pension benefits to substantially all employees in Germany. A majority of employees in the USA, Canada and the United Kingdom also receive pension benefits. In Italy, statutory rules require eligible employees to receive retirement benefits. In other countries, some employees receive benefits in accordance with the respective local requirements.

The benefits in Germany generally take the form of pension payments. 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. The law requires pension payments in Germany to be indexed for inflation. In Germany ThyssenKrupp AG grants defined benefits to employees for the deferral of compensation. Amounts of deferred compensation earn interest at a rate of 6.00% per year.

In the USA and Canada, hourly paid employees receive benefits based on years of service. Benefits for salaried employees are based on years of service and salary. Benefits for employees in the United Kingdom are based on years of service and an employee's final salary before retirement.

The benefit obligations in Germany and Italy are unfunded. In the USA, Canada, the United Kingdom and the Netherlands assets have been transferred to fund the pension plans (plan assets). The plan assets consist of national and international stocks, fixed-interest government and non-government securities and real estate. The funding of the plans in the USA and Canada is governed by statutory requirements and, additionally in the case of some large plans, by trade union agreements. The plans in the United Kingdom are funded on the basis of actuarial calculations taking the statutory minimum funding amounts into consideration.

Within the framework of the transition to US GAAP, the valuation of plans not previously accounted for according to SFAS 87 was changed, effective October 01, 1998, as though these plans had previously been valued according to SFAS 87 since October 01, 1989. October 01, 1989 is the date on which Thyssen would have been required to implement SFAS 87 for its plans outside the USA, had a US GAAP valuation been used at that time. This retrospective restatement results in a transitional deficit for the pension benefit obligations in Germany. The transitional deficit was computed on the basis of the valuation assumptions as of October 01, 1998 and hypothetically carried forward to the October 01, 1998 effective date. The plans in the USA and Canada were already valued pursuant to SFAS 87 before October 01, 1998. Therefore, the existing historical valuations were not altered.

A reconciliation of the changes in the plans' benefit obligations and fair value of assets in the Group's unfunded and funded plans follows. The obligations presented in the unfunded category relate primarily to pension obligations in Germany and to a lesser extent, the benefit obligations in Italy and similar pension obligations in other countries. The obligations presented in the funded plan category relate to the USA, Canada, the United Kingdom and the Netherlands.

The development of the pension obligations and related fund assets is as follows:

million €	Sept. 30, 2000		**Sept. 30, 2001**	
	Funded plans	Unfunded plans	**Funded plans**	**Unfunded plans**
Change in projected benefit obligations (PBO):				
PBO at the beginning of the fiscal year	1,465	6,125	1,804	5,844
Service cost	43	55	51	58
Interest cost	116	333	142	343
Participant contributions	6	0	6	0
Plan amendments	6	0	29	1
Actuarial (gain)/loss	7	(184)	50	147
Acquisitions/(divestitures)	20	(71)	(8)	(59)
Settlements and curtailments	(19)	(1)	(1)	0
Currency changes	262	0	(88)	0
Benefit payments	(102)	(413)	(110)	(428)
PBO at the end of the fiscal year	**1,804**	**5,844**	**1,875**	**5,906**
Change in plan assets:				
Fair value of plan assets at beginning of fiscal year	1,693		2,194	
Actual return on plan assets	251		(98)	
Acquisitions/(divestitures)	19		(22)	
Employer contributions	34		31	
Participant contributions	6		6	
Settlements	(21)		0	
Currency changes	314		(94)	
Benefit payments	(102)		(110)	
Fair value of plan assets at the end of fiscal year	**2,194**		**1,907**	

The divestitures in the current fiscal year consist primarily of the benfit plan from the Krupp Werner & Pfleiderer group.

Additions resulting from Group acquisitions in 1999/2000 consist primarily of the obligations of HiServ and Stahl Specialty. The divestitures resulting from Group sales during the prior year largely consist of the obligations of Krupp Kunststofftechnik.

The following represents the funded status of these plans:

million €	Sept. 30, 2000		**Sept. 30, 2001**	
	Funded plans	Unfunded plans	**Funded plans**	**Unfunded plans**
Funded status at end of fiscal year	390	(5,844)	32	(5,906)
Unrecognized net obligation at initial date of application of SFAS 87	(7)	163	(4)	125
Unrecognized prior service cost	36	0	49	1
Unrecognized actuarial gain	(445)	(208)	(44)	(61)
Net amount recognized	**(26)**	**(5,889)**	**33**	**(5,841)**
Amounts recognized in the consolidated balance sheets consist of:				
Prepaid benefit cost	91	0	98	0
Accrued pension liability	(121)	(5,963)	(94)	(5,970)
Intangible asset	1	48	10	63
Accumulated other comprehensive income*	3	26	19	66
Net amount recognized	**(26)**	**(5,889)**	**33**	**(5,841)**

* including minorities

The valuation of the post-retirement benefits in Germany was based on the 1998 Heubeck tables. The benefit obligations in Italy are recognized at the undiscounted value of the vested rights, which is in conformity with EITF 88-1 “Determination of Vested Benefit Obligation for a Defined Benefit Pension Plan”.

Pension plans for which the aggregated projected benefit obligation exceeds the plan´s assets relate to projected benefit obligations in the amount of €772 million (2000: €214 million) versus plan´s assets in the amount of €693 million (2000: €180 million). Pension plans for which the aggregated accumulated benefit obligation exceeds the plan´s assets relate to accumulated benefit obligations in the amount of €367 million (2000: €80 million) versus plan´s assets in the amount of €334 million (2000: €62 million).

The assumptions for interest rates and the rates of compensation increase on which the calculation of the obligations is based were derived in accordance with standard principles and established for each country as a function of their respective economic conditions. The assumptions on expected capital gains on plan assets are based on the economic circumstances in the country concerned. The Group applied the following weighted average assumptions:

in %	Sept. 30, 2000		Sept. 30, 2001	
	Funded plans	Unfunded plans	Funded plans	Unfunded plans
Weighted-average assumptions as of July 01:				
Discount rate	7.47	6.12*	7.15	5.88*
Expected return on plan assets	9.28	0	9.22	0
Rate of compensation increase	4.48	3.00	4.31	3.00

* Germany: 2000: 6.25%, 2001: 6.00%

The net periodic pension costs for the defined benefit plans were as follows:

million €	Year ending Sept. 30, 2000		Year ending Sept. 30, 2001	
	Funded plans	Unfunded plans	Funded plans	Unfunded plans
Service cost	43	55	51	58
Interest cost	116	333	142	343
Expected return on plan assets	(160)	0	(201)	0
Amortization of transition obligations	(2)	38	(2)	38
Amortization of prior service cost	9	1	12	0
Amortization of actuarial gain	(29)	0	(39)	(6)
Other	1	0	(1)	0
Net periodic pension cost	**(22)**	**427**	**(38)**	**433**

Some company plans require the Group to make contributions on behalf of employees' defined contribution plans. The total cost of such contributions in the current fiscal year was €17 million (2000: €15 million).

Postretirement obligations other than pensions

Postretirement health care coverage and life insurance is provided by some companies in the USA and Canada to former full time employees who meet certain minimum requirements regarding age and length of service. The plans primarily relate to The Budd Company and are mainly unfunded.

The changes in benefit obligations are as follows:

million €	Sept. 30, 2000 US/Canadian plans	Sept. 30, 2001 US/Canadian plans
Change in accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation at beginning of fiscal year	474	600
Service cost	8	12
Interest cost	40	46
Actuarial loss	14	32
Acquisitions/(divestitures)	1	0
Currency changes	102	(29)
Benefit payments	(39)	(47)
Accumulated postretirement benefit obligation at end of fiscal year	**600**	**614**

The following represents the unfunded status of these plans:

million €	Sept. 30, 2000 US/Canadian plans	Sept. 30, 2001 US/Canadian plans
Unfunded status at end of fiscal year	(600)	(614)
Unrecognized prior service cost	(38)	(34)
Unrecognized actuarial loss	39	68
Net amount recognized for postretirement obligations other than pensions	**(599)**	**(580)**

The determination of the actuarial obligations was based on the following weighted average assumptions:

in %	Sept. 30, 2000 US/Canadian plans	Sept. 30, 2001 US/Canadian plans
Weighted-average assumptions as of July 01		
Discount rate	7.89	7.45
Health care cost trend rate for the following year	5.65	5.67
Ultimate health care cost trend rate	5.50	5.46

The net periodic postretirement benefit cost for health care obligations is as follows:

million €	Year ending Sept. 30, 2000 US/Canadian plans	Year ending Sept. 30, 2001 US/Canadian plans
Service cost	8	12
Interest cost	40	46
Amortization of prior service cost	(3)	(3)
Amortization of actuarial (gain)/loss	(2)	1
Net periodic postretirement benefit cost	**43**	**56**

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	8	(7)
Effect on postretirement benefit obligation	72	(63)

Other pension related obligations

Some companies of the Steel Segment and Corporate 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 majority of the obligations relate to the closing of the Dortmund steel plants. 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. The discount rate is 4.5% and 5.0% as of September 30, 2001 and September 30, 2000, respectively. A rate of compensation increase of 2.6% has been assumed.

million €	Sept. 30, 2000	**Sept. 30, 2001**
Accrued liability at the beginning of the fiscal year	227	179
Acquisitions/(divestitures)	(6)	0
Service cost	9	3
Interest cost	7	6
Actuarial gain	(6)	(11)
Benefit payments	(52)	(58)
Accrued liability at the end of the fiscal year	**179**	**119**

Actuarial gains recognized as of September 30, 2001 largely result from higher cash payments for short-time work as a consequence to a change in the German Social Code No. III.

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 €59 million (2000: €33 million) were recognized in accordance with SFAS 112 “Employers´ Accounting for Postemployment Benefits”. Other pension-related obligations also include the obligations for existing employees of French companies.

18 Other accrued liabilities

million €	Sept. 30, 2000	**Sept. 30, 2001**
Accrued income taxes and other taxes (for current taxes)	**702**	**592**
Other provisions		
Accrued contractual costs	902	802
Accrued compensation and benefit costs	721	752
Restructuring activities	107	67
Environmental protection and remediation obligations	176	159
Other miscellaneous accruals	690	764
	2,596	**2,544**
Other accrued liabilities	**3,298**	**3,136**

Accrued income taxes and other taxes in the amount of €12 million (2000: €272 million) and other provisions in the amount of €469 million (2000: €620 million) have a remaining term of more than 1 year.

Accrued contractual costs represent pending losses from uncompleted contracts and warranties.

Accrued compensation and benefit costs represent employment anniversary bonuses and accrued vacation, while social plan and related costs pertaining to personnel-related structural measures are reflected in the accrual for restructuring activities. Pension-related obligations for partial retirement agreements and early retirement programs are part of the accrual for pensions and similar obligations.

The restructuring accrual is subdivided into accruals 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 Groups.

Restructuring measures are being carried out in all segments. The change in the accrual balance is as follows:

million €	Involuntary employee termination benefits and relocation costs	Exit costs	**Total**
Balance as of September 30, 1999	63	40	103
Acquisitions/(divestitures)	3	1	4
Additional charges	45	12	57
Amounts utilized	(35)	(20)	(55)
Reversals	(10)	(1)	(11)
Currency changes	2	7	9
Balance as of September 30, 2000	**68**	**39**	**107**
Acquisitions/(divestitures)	14	1	15
Additional charges	26	3	29
Amounts utilized	(60)	(14)	(74)
Reversals	(5)	(3)	(8)
Currency changes	(1)	(1)	(2)
Balance as of September 30, 2001	**42**	**25**	**67**

As a result of personnel restructuring, approximately 1,200 (1999/2000: 1,000) employees left the company in fiscal 2000/2001 and approximately 900 employees will leave in subsequent years under restructuring measures. Of the total amount of restructuring accruals as of September 30, 2001, €6 million (2000: €8 million) relates to restructuring charges in connection with acquisitions.

As of September 30, 2001, the accumulated accrued liability for environmental protection and remediation obligations amounted to €159 million (2000: €176 million). These amounts include liabilities for subsidence damage in the amount of €81 million (2000: €95 million) which relate primarily to the operation of pumping stations for the removal of water in soil as a consequence of mining in the Ruhr District. The operation of the pumping stations is a continual obligation. The accrued liability is recorded at twenty times the amount of average expenses during the last five years. These amounts also include expenses for structural damage, shaft backfills and similar measures. The accrued liablity for environmental protection obligations in the amount of €78 million (2000: €81 million) consists of €42 million (2000: €49 million) from the recultivation and surface sealing of company waste disposal sites and clean-up of closed company sites. The liability also includes provisions for soil and groundwater clean-up projects, protective measures to secure installations handling water contaminants and removal of interim waste deposits.

19 Financial payables

Book values in million €	Sept. 30, 2000	amount thereof with remaining term more than 1 year	Sept. 30, 2001	amount thereof with remaining term of up to 1 year	more than 1 year	amount thereof more than 5 years
Bonds	529	523	1,021	6	1,015	0
Notes payable	341	330	425	26	399	249
Payables to financial institutions	6,855	5,169	5,746	715	5,031	1,965
Acceptance payables	67	0	49	47	2	0
Capital lease obligations	730	629	266	53	213	112
Other loans	229	108	158	94	64	45
Financial payables	**8,751**	**6,759**	**7,665**	**941**	**6,724**	**2,371**

Financial payables in the amount of €658 million (2000: €840 million) are collateralized by real estate. Of these collateralized payables, €327 million (2000: €385 million) is related to mortgage loans of Thyssen Krupp Immobilien GmbH.

As of September 30, 2001, the financial payables reflect a total discount in the amount of €11 million (2000: €10 million), which is offset by a total premium in the amount of €3 million (2000: €4 million). Amortization of discounts and premiums of financial payables are included in “Interest expense, net”.

“Other loans” include loans to Associated Companies and other investees in the amount of €5 million (2000: €5 million).

Bonds, Notes payable	Book value in million € Sept. 30, 2000	**Book value in million € Sept. 30, 2001**	Nominal value in million € Sept. 30, 2001	Interest rate in %	Fair value in million € Sept. 30, 2001	Maturity date
ThyssenKrupp Finance Nederland B.V. bond (DM 400 million) 96/03	216	211	204	6.50	211	06/13/2003
ThyssenKrupp Finance Nederland B.V. bond (DM 600 million) 98/06	313	312	307	5.25	304	07/14/2006
ThyssenKrupp Finance Nederland B.V. bond (€500 million) 01/06	0	498	500	5.75	505	04/05/2006
ThyssenKrupp Finance Nederland B.V. note (DM 30 million) 95/02	16	16	15	7.00	16	09/18/2002
Giddings & Lewis note loan (USD 100 million) 95/05	114	109	109	7.50	123	10/01/2005
Thyssen Krupp Stahl AG note loan (DM 200 million) 98/05	62	51	51	7.05	56	10/15/2005
ThyssenKrupp AG note loan (€100 million) 00/07	99	99	100	6.00	106	02/21/2007
ThyssenKrupp AG note loan (€50 million) 00/07	50	50	50	5.80	52	03/16/2007
ThyssenKrupp AG note loan (€100 million) 01/07	0	100	100	5.45	99	10/25/2007
Total	**870**	**1,446**	**1,436**		**1,472**	

ThyssenKrupp AG has assumed the unconditional and irrevocable guarantee for the due payments pursuant to the terms and conditions of the bonds of ThyssenKrupp Finance Nederland B.V.

Apart from the note loan of Thyssen Krupp Stahl AG, which is to be repaid in annual installments of €10.2 million, all bonds and note loans are interest only with principle due at maturity.

As of September 30, 2001, the financing structure of payables to financial institutions and other loans comprise the following:

Payables to financial institutions, Other loans	Book value in million € Sept. 30, 2000	**Book value in million € Sept. 30, 2001**	Amount thereof in €	Weighted average interest rate % Sept. 30, 2001	Amount thereof in USD	Weighted average interest rate % Sept. 30, 2001	Amount thereof in other currencies	Fair value in million € Sept. 30, 2001
Syndicated joint credit multi-facility agreement (at variable interest rates)	1,126	1,571	0	0	1,505	3.562	66	1,571
Revolving bilateral bank loans (at variable interest rates)	1,930	1,439	61	4.846	966	3.581	412	1,439
Other loans at variable interest rates	2,894	2,059	290	4.725	1,263	3.977	506	2,059
At fixed interest rates (exclud. real estate credits)	717	481	428	6.120	29	5.384	24	494
Real estate credits at fixed interest rates	417	354	354	4.607	0	0	0	380
Total	**7,084**	**5,904**	**1,133**	**5.226**	**3,763**	**3.720**	**1,008**	**5,943**

As of September 30, 2001, U.S. dollar 450 million (appx. €491 million) was outstanding under the Group's U.S. dollar 1.5 billion (appx. €1.7 billion) syndicated joint credit multi-facility agreement fixed in October, 1995. This agreement expires October 02, 2002. Another U.S. dollar 990 million (appx. €1,080 million) was outstanding as of the balance sheet date under the Group's second U.S. dollar 1.5 billion (appx. €1.7 billion) syndicated joint credit multi-facility agreement fixed in November, 2000. This agreement expires November 29, 2005.

Another component of financial payables at variable interest rates is a revolving credit agreement whereby ThyssenKrupp AG, ThyssenKrupp USA, Inc. or ThyssenKrupp Finance Nederland B.V. can borrow in Euros/DM, U.S. dollar or in British pounds Sterling up to approximately €1,902 million. Of the €1,902 million facility, 73% has a remaining term of more than 5 years and 27% a remaining term of between 1 and 5 years. As of September 30, 2001, U.S. dollar 886 million (appx. €966 million) at a weighted average interest rate of 3.58%, British pounds Sterling 257 million (appx. €412 million) at a weighted average interest rate of 5.22% and €61 million at a weighted average interest rate of 4.85% were outstanding.

A component of the fixed-interest real estate credits is either interest free or below market rate. They amount to €191 million (2000: €193 million). Such subsidized loans were obtained by Thyssen Krupp Immobilien GmbH to finance projects in social welfare housing. In turn, the company is subject to rental price control limitations.

For capital lease obligations, the future minimum lease payments as of September 30, 2001 amount to:

million € (for fiscal year)	
2001/2002	76
2002/2003	58
2003/2004	46
2004/2005	36
2005/2006	29
thereafter	187
Total future minimum payments	**432**
less executory costs	(89)
less interest	(77)
Present value of future minimum lease payments (= payables from capital lease)	**266**

The decrease of payables from capital lease from €730 million as of September 30, 2000 to €266 million as of September 30, 2001 primarily results from the sale of the bulk-carrier-business of Krupp Seeschiffahrt.

Maturities of financial payables are as follows:

million € (for fiscal year)	Total financial payables	thereof: Payables to financial institutions
2001/2002	941	715
2002/2003	867	605
2003/2004	632	586
2004/2005	312	275
2005/2006	2,542	1,600
thereafter	2,371	1,965
Total	**7,665**	**5,746**

20 Trade accounts payable

million €	Sept. 30, 2000	amount thereof with remaining term more than 1 year	**Sept. 30, 2001**	amount thereof with remaining term of: up to 1 year	more than 1 year	amount thereof more than 5 years
Trade accounts payable	3,168	13	3,248	3,210	38	0

21 Other payables

million €	Sept. 30, 2000	amount thereof with remaining term more than 1 year	**Sept. 30, 2001**	amount thereof with remaining term of: up to 1 year	more than 1 year	amount thereof more than 5 years
Payables to non-consolidated subsidiaries	69	2	54	54	0	0
Payables to Associated Companies and other investees	246	4	190	190	0	0
Payables from orders in progress (POC)	1,311	346	1,527	1,117	410	0
Miscellaneous payables	1,711	16	1,553	1,530	23	3
amount thereof for taxes	*326*	*3*	*287*	*287*	*0*	*0*
amount thereof for social security	*235*	*0*	*229*	*224*	*5*	*0*
Other payables	**3,337**	**368**	**3,324**	**2,891**	**433**	**3**

Other payables in the amount of €5 million (2000: €9 million) are collateralized by real property.

The payables to non-consolidated subsidiaries originated mainly from intercompany financing and from profit and tax sharing.

22 Deferred income

Deferred income in the amount of €11 million (2000: €7 million) has a remaining term of more than 1 year.

23 Commitments and contingencies

Contingencies

The amounts reflected for the following contingent payables are at notional amounts:

million €	Sept. 30, 2000	**Sept. 30, 2001**
Contingent issuance and transfer of notes	130	120
Suretyships and guarantees for third party debts	481	526
Warranty/guaranty contracts for products and services sold	14	66
Liability for the collateralization of third party debts	6	5

The line item "Contingent issuance and transfer of notes" also includes the risk of contingent loss associated with notes receivable discounted as disclosed in note (10) "Trade accounts receivable".

No accrued liabilities have been recorded for the above contingent payables, as the risk of occurrence is not deemed probable.

Additionally, the Group bears joint and several liability as a member of certain civil law partnerships, ordinary partnerships and consortiums.

Commitments

The Group is the lessee to property, plant and equipment classified as operating leases. Rental expense in the amount of €174 million (1999/2000: €159 million) resulting from rental contracts, long-term leases and leasing contracts classified as operating leases was incurred in fiscal 2000/2001. It comprises as follows:

million €	Year ending Sept. 30, 2000	**Year ending Sept. 30, 2001**
Minimum rental payments	161	174
Contingent rental payments	1	2
less income from sublease agreements	(3)	(2)
Total	**159**	**174**

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, 2001, are (at face amounts):

million € (for fiscal year)	
2001/2002	127
2002/2003	98
2003/2004	142
2004/2005	123
2005/2006	109
thereafter	982
Total	**1,581**

Rental obligations to affiliated companies are not material.

In March 2000, the Group (Steel segment) entered into an agreement for the construction and financing of the Schwelgern Coke Conversion Plant. When completed, the Group will be obligated under a 16 year take-or-pay coke purchasing agreement. This will be accounted for as an operating lease, the payments of which are reflected in the above schedule as “Minimum rental payments” from operating leases commencing in fiscal 2003/2004.

The future minimum rental income from non-cancelable sublease contracts in the amount of €23 million (1999/2000: €26 million) is not included in the total of future minimum rental payments.

The commitment to subscribe to investment projects amounts to €609 million (2000: €625 million) and relates mainly to the Steel segment. Of this amount €246 million relates to the first stage of expanding capacities at the Shanghai Stainless Steel Cold Rowling Mill by 94,000 tons per year to 166,000 tons per year.

Payment commitments and obligations to make further contributions to corporations and cooperative associations exist in the total amount of €4 million (2000: €8 million). In addition, other financial commitments exist in the amount of €82 million (2000: €82 million), primarily from a joint services agreement regarding the distribution of software developed by an outside licensor, and liability commitments from the transfer of pension obligations.

The Group (Steel segment) has entered into an agreement for the availability of raw material (energy) for use in their production process. In connection with this agreement, Thyssen Krupp Stahl AG has entered into a long-term ground lease (an “inheritable building right”) with the energy company, who has committed to construct a power plant thereon. In addition to the ground lease, Thyssen Krupp Stahl AG will provide certain media and common infrastructure facilities to the energy company. Thyssen Krupp Stahl AG is obligated under a 25-year “take-or-pay” power purchase contract.

24 Pending lawsuits and claims for damages

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 all affected stockholders, even if they were not petitioners in the judicial proceedings. However, the Group believes, based on the facts of the case, that an unfavorable outcome is unlikely.

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.

ThyssenKrupp AG also expects that the ultimate disposition of lawsuits resulting from the merger of Hoesch AG into Fried. Krupp AG Hoesch-Krupp, as well as, the incorporation of Krupp Stahl AG into Fried Krupp AG Hoesch-Krupp, which have been pending since 1993, will not have material adverse impact on financial position or results of operations.

Regarding the aforementioned lawsuits, there has not been any considerable progress during the current fiscal year.

Two stockholders have taken legal action to suspend and have declared null and void certain resolutions of the May 24, 2000 annual stockholders' meeting as follows: discharge of the Executive and Supervisory Boards; transfer of investments to ThyssenKrupp Steel AG; consent to corporate agreements. The complaints have been dismissed; the plantiffs have appealed the lower court´s decision. One complaint was withdrawn. Management believes the complaint to be unfounded.

The Group is involved in pending and threatened litigation in connection with the sale of certain companies, which may lead to partial repayment of purchase price or to the award of damages. In addition, damage claims may be payable to customers and subcontractors under performance contracts. Certain of these claims have proven unfounded or have expired under the statute of limitations. The Group believes, based upon consultation with relevant legal counsel, that the ultimate outcome of these pending and threatened lawsuits will not result in a material impact on the Group´s financial condition or results of operations.

ThysssenKrupp subsidiaries resident in the U.S. import certain carbon and stainless steel products into the U.S. The imports have been subject to antidumping reviews conducted by the U.S. Department of Commerce (D.O.C) resulting in customs levies. Importers must tender antidumping duty cash deposits with the U.S. Customs Service. Such deposits are not recoverable unless challenged by requesting an administrative review through D.O.C

During the current year, the Group was required, on appeal, to return a punitive damage award originally received in a claim for reimbursement of clean-up costs and decrease in property value. The lawsuit has been remanded to the lower court.

The Group has filed a complaint with the European Court against the issuance of a fine by the EU Commission relating to alleged cartel agreements with the Stainless Business Unit.

The Group is subject to various other lawsuits, claims and proceedings related to matters incidental to its business. Based upon the best knowledge of Management, the Group does not believe that the ultimate outcome of such other pending matters will have a material effect on the financial condition or results of operations of ThyssenKrupp AG or subsidiaries.

25 Other 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, interest rate caps and commodity forward contracts as a means of hedging exposure to foreign currency, interest rates and commodity price risks.

The Group is exposed to potential credit-related losses, limited to the unrealized gain on such contracts that have a positive fair market value, in the event of nonperformance by counterparties to these financial instruments; however, counterparties to these agreements are major international financial institutions, so the risk of loss due to nonperformance is believed to be minimal. The financial derivative arrangements entered into by the Group are exclusively for hedging purposes.

Central foreign currency risk management

The Group manages foreign currency risks centrally. Within the scope of the Group's centralized foreign exchange management, domestic subsidiaries are obliged to offer all open positions arising from import or export transactions in the major transaction currencies to the clearing office. The positions offered are, depending on the purpose of the derivatives, hedged under a portfolio-hedge approach or directly hedged with banks on a one-to-one basis.

Foreign currency derivatives generally have maturities that do not exceed twelve months. However, a limited number of instruments have maturities of up to four years, depending on the underlying hedged transaction.

In accordance with SFAS 133, the hedging of foreign currency risks 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 SFAS 133 regarding documentation and effectiveness. These derivatives are accounted for at their fair value. The fluctuations in fair value of these derivatives are accrued in accumulated other comprehensive income and are released into earnings only when the underlying transaction affects earnings. The maximum period of time in which cash flows from future transactions are currently hedged is 22 months.

During the current fiscal year, net losses of approximately €1 million were released from accumulated other comprehensive income into earnings due to the realization of the corresponding underlying transactions.

As of September 30, 2001, net gains in the amount of approximately €1 million are included in sales/cost of sales. This gain 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 accumulated other comprehensive income into earnings in the amount of less than €1 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.

As of September 30, 2001 an unrecognized loss of approximately €3 million is reflected in the accumulated other comprehensive income and will be released into earnings due to the realization of the corresponding underlying transactions in fiscal year 2001/2002.

Fair value hedges

Some of the subsidiaries within the Group are located in countries where the currency exposure cannot be hedged by taking out usual 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 often 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 SFAS 133, 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 other financial income.

Central interest rate risk management

The Group uses derivative financial instruments, among other things, to manage and optimize its credit portfolio.

The interest derivatives employed include payer swaps and purchased interest rate caps. Additionally, special option forms are also used as interest hedge instruments. These instruments are contracted with the objective of limiting the interest and fair-value volatility of the underlying basic transactions, thereby minimizing the financing costs by an optimal mix of variable-interest and fixed-interest means. Major portions of the interest derivatives are designated directly and immediately to a specific loan (micro hedge). The changes in fair value of these interest derivatives are accrued in accumulated other comprehensive income. As of September 30, 2001, the fair market value of these derivatives amounted to €(50) million. These amounts in other comprehensive income will be offset against related asset or liability accounts in the future as fair values fluctuate. When the cash flow hedging model is applied, changes in market rates will not impact future interest expense positions.

A portion of interest derivatives is not specifically allocated to an individual loan, but hedges a portfolio of loans by means of a macro hedge approach. These macro hedges are also reported at fair value on the balance sheet. The changes in fair value of these interest derivatives immediately affect earnings in the period of occurrence. As of September 30, 2001, the changes in fair value of these derivatives led to an interest expense of €2 million.

The Group pays an average fixed interest rate of 5.98% on Euro-liabilities and 5.53% on USD-liabilities due to payer swap contracts. The strike rate of the Euro-interest rate caps averages 6.00%.

Hedging against commodity price risk

The transactions of certain Group companies are exposed to risks from changes in commodity prices, especially in the nonferrous metals sector. In cases which, because of contractual agreements, price changes cannot be passed on to customers (contractual price escalation clauses), these companies make use of derivative commodity instruments. Economic 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 (for example those traded on the London Metal Exchange or other reputable commodity exchanges). The instruments used are commodity futures transactions, cash transactions in combination with forward transactions, and the purchase of options. The selling of option positions is prohibited. As of September 30, 2001, the commodity derivatives are reported at their fair value as either other assets or other accrued liabilities. The changes in fair value are recognized in sales/cost of sales.

The values of the Group's derivative financial instruments are as follows:

million €	Notional value Sept. 30, 2000	Balance at Sept. 30, 2000	**Notional value Sept. 30, 2001**	**Balance at Sept. 30, 2001**
Forward foreign currency transactions				
Buy	1,397	133	1,052	(4)
Sell	2,517	(266)	2,178	14
Foreign currency option transactions				
Buy	337	8	632	11
Sell	516	(8)	490	(6)
Total foreign currency derivatives	**4,767**	**(133)**	**4,352**	**15**
Embedded derivatives*				
Asset	0	0	178	7
Liability	0	0	353	(19)
Total embedded derivatives	**0**	**0**	**531**	**(12)**
Interest rate derivatives				
Interest rate swaps	583	(12)	1,374	(61)
Interest rate caps	342	1	311	0
Interest rate swaptions	0	0	14	0
Total interest rate derivatives	**925**	**(11)**	**1,699**	**(61)**
Foreign commodity transactions				
Buy	168	10	103	(14)
Sell	132	(6)	58	8
Total commodity transactions	**300**	**4**	**161**	**(6)**
Total	**5,992**	**(140)**	**6,743**	**(64)**

* The accounting for embedded derivatives was first applied as of September 30, 2001

The notional amounts of the derivative financial instruments do not represent agreed payments between the contracting parties but are merely the basis for the calculation of the payment. They do not reflect the risk content of the financial derivatives. The actual payments are effected by interest rates, exchange rates and other factors.

Fair market value of financial instruments

The carrying values and fair market values of the Group's financial instruments are as follows:

million €	Balance at Sept. 30, 2000	Fair Value Sept. 30, 2000	Balance at Sept. 30, 2001	Fair value Sept. 30, 2001
Non-derivative financial instruments				
Assets				
Loans	186	186	151	151
Securities classified as financial and operating assets	243	243	184	184
Cash and cash equivalents	963	963	1,234	1,234
Liabilities				
Financial payables (excluding capital lease)	8,021	8,010	7,399	7,464
Derivative financial instruments				
Assets				
Foreign currency derivatives including embedded derivatives	2	3	87	87
Interest rate derivatives	1	1	0	0
Commodity derivatives	10	10	0	0
Liabilities				
Foreign currency derivatives including embedded derivatives	135	143	84	84
Interest rate derivatives	12	13	61	61
Commodity derivatives	6	6	6	6
Total	**9,579**	**9,578**	**9,206**	**9,271**

The fair values of the derivative financial instruments represent the price at which one party could assume the rights and obligations from 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 interest, exchange or price basis.

The fair value of derivative financial instruments is generally determined independent of developments from underlying hedged transactions that may exist.

The following methods have been used to determine the fair market value of financial instruments:

Lendings and financial payables

The fair market value of quoted bonds or notes can be derived from the stock quotation as of the balance sheet date. The fair market value of long-term lendings and financial payables 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 payables subject to variable interest approximate their face values as they reflect current market rates.

Securities classified as financial and operating assets

The fair value of securities is derived from the stock quotation as of the balance sheet date. The other investments, that are carried at historical cost, are not included in the mark-to-market valuation. These investments are not publicly traded, therefore a fair market value is not objectively determinable.

Cash and cash equivalents

The face values equal the fair values.

Foreign currency 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 models to calculate the option prices. 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 foreign exchange rate and the volatility of the underlying foreign currency base.

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.

Commodity forward contracts

The fair value of commodity forward contracts is estimated based on quotes from the market makers of these instruments and represents the estimated amounts that the company would expect to receive or pay to terminate the agreements as of the reporting date.

26 Related parties

The Alfried Krupp von Bohlen und Halbach Foundation holds an interest of 18.11% in ThyssenKrupp AG. Outside the services and considerations provided for in the by-laws (Article 20 of the Articles of Association of ThyssenKrupp AG), there are no other significant delivery and service relations.

Other related parties of major importance are RAG, in which ThyssenKrupp has an interest of 20.6%, and its affiliated companies and Hüttenwerke Krupp-Mannesmann (HKM), in which ThyssenKrupp holds a 50% interest. Substantial business relations existed with both companies during the current and the previous fiscal year. Primarily coal products were purchased from RAG. Sales to RAG involved primarily transport services and the sale of co-products from steel production. Crude steel (semi-finished continuous casting) was purchased from HKM. Sales to HKM consisted of transport services and coke deliveries.

RAG GROUP million €	Sept. 30, 2000	**Sept. 30, 2001**
Sales	15	6
Supplies and services	417	262
Receivables	5	1
Payables	66	64

HÜTTENWERKE KRUPP MANNESMANN GMBH million €	Sept. 30, 2000	**Sept. 30, 2001**
Sales	58	41
Supplies and services	702	609
Receivables	7	4
Payables	61	62

27 Segment reporting

According to SFAS 131 “Disclosures about Segments of an Enterprise and Related Information”, segment reporting follows the internal organizational and reporting structure of the Group. During the first quarter of 2000/2001 ThyssenKrupp adjusted the strategic concept to the changing market and environment conditions. Corresponding to the products and services the new Group organization is comprised of the Steel, Automotive, Elevator, Technologies, Materials and Serv segments as well as the Real Estate activitites. The prior year is presented in a comparable manner.

Steel

This segment produces and sells flat steel in all basic and quality steel grades. The flat steel program includes carbon steel with and without surface finishing, electric strip and stainless steel. In addition, high-grade metal materials such as nickel-base alloys and titanium are produced by this segment.

Automotive

This segment produces parts, components, sub-assemblies and modules/systems for vehicle chassis, body and drive train/steering of passenger cars and trucks.

Elevator

This segment is involved in the construction, modernization, and servicing of elevators, escalators, stair lifts, and airbridges.

Technologies

In this segment the machinery and systems activities are combined under a single management. These activities include Production Systems, Plant Technology, Marine and Mechanical Engineering. Production Systems handles the development, manufacture, and customer-specific servicing of metal-cutting machine tools and systems for automobile body technology and assembly of machinery systems. Plant Technology carries out the project management for the planning and construction of production facilities for the chemical and petrochemical industries, cement and sugar industries, conveyor systems, and coking and energy technology. Marine offers building, repair, conversion and servicing of ships, with the emphasis on naval ships. Mechanical Engineering develops and manufactures components that are used primarily in machine building applications. Included are large-diameter bearings, precision bearings, undercarriages, and undercarriage components as well as energy, refrigeration and air-conditioning technology and ship-technical components. In addition, plastic profile systems and garage and industrial doors are manufactured and production facilities for technical rubber products are offered. Planning, project management and construction of magnetic levitation vehicles (Transrapid) are also activities of Mechanical Engineering.

Materials

In this segment, material management is carried out, with the metallic materials being in the foreground. In addition to the pure sale of product, services are also offered, which extend from warehousing to machining, distribution and information logistics to inventory management.

Serv

This segment is composed of industrial maintenance and management of buildings, including demolition services. In addition, various IT services are offered, extending from computer center services to multimedia and e-commerce solutions.

Real Estate

Real Estate operates the real properties of the Group through the leasing and sale of properties as well as real estate services in the area of real estate development and real estate consulting.

Corporate

Corporate contains Group administration functions, inclusive of financing companies and national holding companies outside Germany as well as the inactive companies, such as Thyssen Stahl AG, Krupp Stahl GmbH, and Krupp Hoesch Stahl AG. Also included are those operating companies which have not been assigned to a segment such as insurance services, significant equity investments and Krupp Seeschiffahrt.

Corporate loss before taxes and minority interest consists of:

million €	Year ending Sept. 30, 2000	**Year ending Sept. 30, 2001**
Group administration		
Pension expenses	(211)	(209)
Interest income (expense), net	57	(11)
Compensation for expenses		
Steel	(11)	(18)
Technologies	(9)	0
Serv	(16)	0
Payment to foundation initiative	(25)	(27)
Administration cost	(81)	(83)
Intragroup charges received	44	43
	(252)	**(305)**
Operating companies	**54**	**25**
Total	**(198)**	**(280)**

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 Materials are jointly involved also takes place in the Group consolidation. These jointly owned companies are fully consolidated by the segment in which they are managed. In the other segment, either the equity method or cost method of accounting for investments is used. Within Steel, results on investments from intra-group joint ventures amount to €7 million (1999/2000: €17 million) and within Materials amount to €7 million (1999/2000: €11 million). Additionally, within consolidation the double counting of the result of two real estate companies in the amount of €8 million (1999/2000: €8 million) is recorded. These two real estate companies are consolidated within Steel due to their legal affiliation and within Real Estate due to their managing function.

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 and minority interest“ line item presented in the income statement.

Sales between segments are transacted at settlement prices standard for the market.

Allocation of sales by country is based on the location of the customer and the location of the company. Allocation of financial investments by country is based on the location of the investment whereas the other investments are allocated according to the registered office of the investing company.

Due to the high volume of customers and the variety of business activities, there are no individual customers that generate sales material to the Group’s consolidated net sales.

SEGMENT INFORMATION BY PRODUCTS AND SERVICES FOR THE YEAR ENDING SEPT. 30, 2000

million €

	Steel	Automotive
External sales	10,247	6,095
Internal sales within the Group	2,429	13
Total sales	12,676	6,108
Equity in the net income of investees accounted for by the equity method	21	2
Interest revenue	60	29
Interest expense	(243)	(84)
Income/(loss) before income taxes and minority interest	569	286
Segment assets (= balance sheet total)	13,788	5,207
Depreciation and amortization expense	886	298
Other significant non-cash items (expense, net)	(507)	(96)
Capital expenditures (including intangible assets)	945	505
Equity investments	0	3
Other investments	40	168

SEGMENT INFORMATION BY PRODUCTS AND SERVICES FOR THE YEAR ENDING SEPT. 30, 2001

million €

	Steel	Automotive
External sales	10,331	6,192
Internal sales within the Group	2,308	20
Total sales	12,639	6,212
Equity in the net income of investees accounted for by the equity method	(1)	6
Interest revenue	129	26
Interest expense	(288)	(103)
Income/(loss) before income taxes and minority interest	605	143
Segment assets (= balance sheet total)	12,944	5,374
Depreciation and amortization expense	878	317
Other significant non-cash items (expense, net)	(113)	(6)
Capital expenditures (including intangible assets)	1,106	487
Equity investments	7	0
Other investments	39	13

Elevator	Technologies	Materials	Serv	Real Estate	Corporate	Consolidation	Group
3,093	5,882	9,562	1,790	331	209	0	**37,209**
5	52	573	318	38	31	(3,459)	**0**
3,098	5,934	10,135	2,108	369	240	(3,459)	**37,209**
1	1	1	9	0	35	2	**72**
21	101	38	19	13	604	(747)	**138**
(100)	(126)	(132)	(38)	(34)	(547)	747	**(557)**
203	82	129	77	58	(198)	(116)	**1,090**
3,506	8,130	4,777	2,222	2,768	21,391	(25,901)	**35,888**
102	244	93	142	48	65	(4)	**1,874**
(73)	(351)	(76)	(57)	(26)	15	0	**(1,171)**
55	202	118	192	28	117	(64)	**2,098**
1	0	1	0	0	0	0	**5**
3	69	21	151	3	0	(63)	**392**

Elevator	Technologies	Materials	Serv	Real Estate	Corporate	Consolidation	Group
3,504	5,583	9,507	2,280	289	322	0	**38,008**
11	48	617	309	34	31	(3,378)	**0**
3,515	5,631	10,124	2,589	323	353	(3,378)	**38,008**
0	5	5	(7)	(1)	60	(5)	**62**
20	114	31	22	7	477	(707)	**119**
(101)	(105)	(132)	(57)	(25)	(488)	707	**(592)**
226	140	32	(54)	86	(280)	(22)	**876**
3,220	7,788	4,195	2,328	2,684	20,987	(24,871)	**34,649**
110	224	105	205	49	51	(21)	**1,918**
(26)	(182)	(37)	(85)	0	165	0	**(284)**
53	157	91	215	48	55	(7)	**2,205**
0	9	0	0	0	0	0	**16**
16	14	23	20	4	10	(33)	**106**

Segment information by geographical area:

million €	Germany	Other EU	USA	Other countries	Group
External sales (location of the customer)					
Year ending Sept. 30, 2000	13,022	9,553	8,420	6,214	**37,209**
Year ending Sept. 30, 2001	13,747	9,483	8,330	6,448	**38,008**
External sales (location of the company)					
Year ending Sept. 30, 2000	20,056	6,270	8,128	2,755	**37,209**
Year ending Sept. 30, 2001	20,641	6,606	8,200	2,561	**38,008**
Intangible assets; Property, plant and equipment					
Sept. 30, 2000	9,506	1,943	3,763	1,986	**17,198**
Sept. 30, 2001	9,072	1,952	3,464	1,849	**16,337**

28 Subsequent events

In October 2001 the Group entered into a contract to sell retired equipment of the Dortmund steel plant to the Chinese steelmaker Shagang. The disposal is expected to result in proceeds of €31 million.

In November 2001, ThyssenKrupp acquired the South American activities of Kone Oy within the Elevator segment.

In December 2001, the Group entered into a general agreement defining the conditions of the sale of the 13.48% investment in Bergemann GmbH, which includes an indirect investment of 4.68% in Ruhrgas AG. The sales price is expected to be €486 million. The sale is subject to regulatory approval and is expected to be consummated in the first half of 2002.ThyssenKrupp will remain entitled to a share in profits until consummation.

In December 2001 ThyssenKrupp Steel acquired from the TAD group the remaining 10% minority share of the Italian stainless steel producer Acciai Speciali Terni S.p.A. (AST), Terni, and as a result, owns 100% of AST.

Notes to the consolidated statements of cash flows

29 Additional information

The liquid funds considered in the consolidated statement of cash flows correspond to the "Cash and cash equivalents" line item in the balance sheet.

Included in the Group's cash flows from operations were the following amounts of interest and income taxes paid:

million €	Year ending Sept. 30, 2000	**Year ending Sept. 30, 2001**
Interest paid	546	600
Income taxes paid	437	232

Non-cash investing activities

In fiscal 2000/2001, the acquisition and first-time consolidation of companies created an increase in fixed assets of €0.1 billion (1999/2000: €0.6 billion).

The non-cash addition of assets under capital leases in fiscal 2000/2001 amounts to €61 million (1999/2000: €52 million).

Non-cash financing activities

In fiscal 2000/2001, the acquisition and first-time consolidation of companies resulted in an increase in gross financial payables in the amount of €20 million (1999/2000: €204 million).

Other information

30 Earnings per share

Basic earnings per share is computed as follows:

	Year ending Sept. 30, 2000		**Year ending Sept. 30, 2001**	
	Total amount in million €	Earnings per share in €	**Total amount in million €**	**Earnings per share in €**
Numerator:				
Income from operations before changes in accounting principles	527	1.02	687	1.33
Cumulative effect of changes in accounting principles (net of tax)	0	0.00	(22)	(0.04)
Net income	527	**1.02**	665	**1.29**
Denominator:				
Weighted average shares	514,489,044		514,489,044	

The calculation of the weighted average shares includes 25,160 shares held in treasury for settlement with outside shareholders of the former Thyssen Industrie AG who have not yet converted their shares but continue to be entitled to dividends. The impact of these treasury shares does not have a material effect on earnings per share.

Additional disclosures pursuant to Art. 292a German Commercial Code (HGB)

1. Changes in accounting, valuation and consolidation methods

The consolidated financial statements of ThyssenKrupp AG have been prepared in accordance with United States Generally Accepted Accounting Principles (US GAAP). ThyssenKrupp AG is therefore exempt from the obligation to prepare its financial statements under German Commercial Code (HGB), as set out in Art. 292a. The Company's consolidated financial statements are in compliance with the 4th and 7th EU Accounting Directive, as interpreted by the German Standards Committee Council in its German Accounting Standard No. 1.

The complete set of consolidated financial statements under Art. 292a HGB, including investment holdings, are filed with the Commercial Register in Duisburg under reference number HR B 9092 and with the Commercial Register in Essen under reference number HR B 15364.

The accounting, valuation and consolidation methods under US GAAP are different from the German provisions of the HGB primarily in the following respects:

Intangible assets

Under HGB and US GAAP, intangible assets acquired for consideration must be capitalized. However, under HGB, intangible assets which were not acquired for consideration or which were developed internally may not be capitalized.

Under US GAAP, external costs that are directly attributable to the development of intangible assets may be capitalized. This includes incidental costs incurred in obtaining patents and copyright protection. Also, direct expenses associated with the development of internally used software may be capitalized.

Capitalized interest

Under HGB, the capitalization of interest expense in the cost of property, plant and equipment is not mandatory, but permitted if certain conditions are met. Under US GAAP, in accordance with SFAS 34, interest expense is required to be capitalized if such costs are material and attributable to the acquisition or production of a qualifying asset. Qualifying assets are assets that require a long time to acquire or produce.

Leases

The HGB does not explicitly prescribe the treatment of leasing operations. Measurement is generally based on regulations promulgated by the German Fiscal Administration. Taking account of fiscal criteria, lease agreements are generally designed in a such way that the leased property must be recorded by the lessor.

US GAAP contains comprehensive regulations regarding the reporting of leasing transactions (in particular SFAS 13). It basically makes a distinction between "capital leases" and "operating leases" which depends upon the identification of the economic owner to whom substantially all benefits and risks inherent in the ownership of the property are transferred. If the transaction qualifies as a "capital lease", the lessee as the economic owner is required to capitalize the leased property. Under an "operating lease", the lessor capitalizes the property.

Reversal of impairment charges

Under HGB, when impairment charges have been recorded to reflect a lower applicable asset value, this lower value must be reversed if the reason for which the impairment charge was recorded no longer exists at a later balance sheet date (requirement to reinstate original values under Art. 280 HGB). Under US GAAP, SFAS 121 prohibits the reversal of an impairment charge to an asset's original value.

As only investments that eliminate in consolidation were subject to reinstatement of original values, the consolidated financial statements remained unaffected.

Inventory valuation

Lower of cost or market

Under HGB, the lower of cost or market principle must be observed, which requires that inventory be valued as of the balance sheet date at acquisition or production cost or at the lower of market or applicable value. The applicable value for raw materials and supplies is determined on the basis of the purchase cost on the market. The applicable value for unfinished and finished goods is determined on the basis of the estimated net realizable value obtainable from selling the goods and – for merchandise held for resale – on the basis of the cost to replace the goods and the estimated net realizable value obtainable from selling the goods. US GAAP – in accordance with ARB 43 – follows the lower of cost or market principle, too. In contrast to HGB, all categories of inventory require that the purchase price as well as the selling price be taken into account when determining inventory value. If the replacement cost is lower than the acquisition or production cost, inventories are valued at the middle value of the calculated replacement cost, net realizable value or net realizable value less an allowance for normal profit.

Long-term production/construction contracts

Principally, the German HGB and German GAAP permit income recognition only after delivery and acceptance of an item is completed, that is, at the earliest when the contractual obligations have largely been met and the remaining risks can be considered immaterial ("completed-contract-method").

Under US GAAP, income is recognized based on the progress made toward completing the contract if a reliable estimate of total proceeds, total costs and stage of progress can be determined ("percentage-of-completion-method"). Measurement is prescribed primarily by SOP 81-1 and ARB 45.

Valuation of unrealized gains as of the balance sheet date

The imparity principle under HGB prescribes that only unrealized losses be reported. Under US GAAP, however, unrealized gains are also reported in the following instances:

Assets and liabilities denominated in foreign currency

Under HGB, unhedged assets and liabilities denominated in a foreign currency are valued at either their purchase cost or at their market price, whichever is more conservative as of the balance sheet date. Under US GAAP, pursuant to SFAS 52, all assets and liabilities denominated in foreign currency are valued at the prevailing market rates as of the balance sheet date. As a result, unrealized gains are recognized in the results of the current year.

Long term and current asset investments

Under HGB, investments are valued at net book value or market value, whichever is lower as of the balance sheet date. Under US GAAP, securities are allocated to different categories, according to which the valuation is made as prescribed by SFAS 115. The securities held by the ThyssenKrupp Group are classified as "available for sale" and are accounted for at year-end market values, even if it results in recording an unrealized gain. The year-end market value adjustment is not recognized in income however, but is rather recorded as a component of equity.

Derivative financial instruments

According to HGB, there is no mandatory approach with respect to the measurement and accounting of derivative financial instruments. Hence, valuation of these instruments is based on the historical cost concept, the realization rule and the imparity principle.

In common interpretations of the HGB, global macro hedges require that the hedged items are accounted for at the hedged rate. However, according to US GAAP all primary and derivative financial instruments must be accounted for at fair value. Special accounting treatment, in which fluctuations in fair values are recognized in Stockholders' Equity rather than directly affecting earnings, is permitted when specific restictive criteria are met. The application of hedge accounting depends on the nature of the underlying transactions and financial instruments used for hedging those transactions. If the criteria for hedge accounting are not met, the fluctuations in fair value of the derivatives are posted to earnings in the period of occurence. Global macro hedges do not qualify for hedge accounting under US GAAP.

Deferred taxation

Under HGB, deferred taxes must be determined for all timing differences arising between the tax bases of assets or liabilities and their reported amounts in the consolidated financial statements (so-called timing concept), using the current tax rate for computational purposes. Deferred taxes may not be recognized for quasi-permanent differences, which are reconciled only after a very long period of time or through sale or liquidation. Likewise, deferred taxes may not be recognized for tax loss carryforwards.

Under US GAAP, SFAS 109, deferred taxes must be reported for all temporary differences arising between the tax bases of assets or liabilities and their reported amounts in the consolidated financial statements; quasi-permanent differences are also regarded as temporary differences (temporary concept). In addition, deferred tax assets are recognized for tax loss carryforwards. The applicable tax rate is the current rate based on enacted law as of the balance sheet date, which incorporates future known changes to the tax rate. At the end of each accounting period, a judgement must be made concerning the realizability of the deferred tax assets recognized.

Accrued pension and similar obligations

Under both HGB and US GAAP, a liability for the potential cost of post-employment benefits must be accrued on the basis of the expected amount of the projected discounted benefit obligation. HGB permits a number of different actuarial methods; the partial value ("Teilwert") method pursuant to Art. 6a of the German Income Tax Law is most commonly used, but it is not the only permissible method. Under US GAAP, the projected unit credit method is mandatory. Thanks to the flexibility in choice of methods, this is also permitted under HGB. As far as pension funds are concerned, certain qualifying assets, pursuant to SFAS 87, must be deducted from the total amount of the obligation or must be capitalized, should the assets exceed the amount of the obligation. In some instances, certain assets also have the ability to offset pension liabilities under German GAAP. However, what qualifies as assets which have the ability to offset pension liabilities differs under US GAAP and HGB. The extent to which a minimum liability must be recognized under SFAS 87 meets the requirement under HGB. The allocation to the accrual, however, is not always expensed. Instead, the full amount of the obligation may be covered by recording an intangible asset or reducing equity, thereby not affecting income. This is not permitted under HGB.

Other accrued liabilities

Under HGB, in addition to the recognizable accruals for probable contingencies and contingent losses, accruals for anticipated internal expenses (such as cost of repair or maintenance) are permitted, although they do not represent an obligation to a third party. Measurement is made based on conservatism.

US GAAP is much more restrictive in this regard. Accruals are permitted only if they correspond to an obligation to a third party, if the event leading to the accrual is probable to occur and if the amount of the accrual is reasonably measurable. Accruals for anticipated internal expenses are not permitted. With respect to the measurement of the accrual, the most probable amount is accrued and in a range of equally probable amounts, the lowest amount is accrued. Recognition is essentially prescribed in CON 6 and SFAS 5.

Discontinued operations

Pursuant to Art. 246 (2) of the HGB, expenses may not be offset against income, nor assets against liabilities. As a result, the items allocable to discontinued operations may not be disclosed separately.

Under US GAAP, however, in accordance with APB 30, the income statement and balance sheet items are adjusted for the effects associated with discontinued operations. After offsetting, the adjusted amounts are reported in a separate line of the income statement or balance sheet respectively, as the result or net assets of discontinued operations.

During the reporting year, the ThyssenKrupp Group did not conduct any operations qualifying as “discontinued operations”.

Scope of consolidation

Under Art. 295 HGB, a controlled subsidiary shall not be included in the consolidated financial statements if its activities are so divergent from the activities of the other consolidated companies that its inclusion in the consolidated financial statements would conflict with the requirement to present a true and fair view. Pursuant to US GAAP, all controlled subsidiaries must be included in consolidation regardless of their activities. The ThyssenKrupp Group has no controlled subsidiaries whose inclusion in the consolidated financial statements would be prohibited under Art. 295 HGB.

Purchase accounting

In accordance with both Art. 302 of the HGB and APB 16, in business combinations initiated up to June 30, 2001, the historical book values were carried forward in a business combination accounted for as a pooling of interests transaction. However, the requirements which must be met to obtain pooling of interests accounting under APB 16 are much more stringent than those of the HGB.

The ThyssenKrupp merger satisfied the pooling of interests provisions prescribed by the HGB but failed to meet the pooling requirements of APB 16. Accordingly, the ThyssenKrupp merger had to be reported as a business purchase in accordance with the purchase accounting provisions of APB 16.

Minority interest

The HGB follows the entity theory, which requires that minority interest be classified as a part of equity. In addition, the income or loss attributable to minority interest is included in the consolidated entity's net income or loss.

Under US GAAP, in accordance with the parent company theory, minority interest is not considered part of equity but is classified separately between equity and liabilities. The income or loss attributable to minority interest is recorded as income or expense and is therefore excluded from the consolidated entity's net income or loss.

Excess of acquired net assets over cost ("badwill")

If the fair market values assigned to the net assets acquired exceed the cost of the investment, a negative difference arises in purchase accounting. Under Art. 309 (2) HGB, this difference is released and recognized in the income statement if it reflects unfavorable developments expected for the results of the company or if it becomes clear as of the balance sheet date that it corresponds to a realized gain. Pursuant to APB 16, the excess of acquired net assets over cost must proportionally reduce the fair market value of non-current assets, excluding long term investments in marketable securities, being acquired. If the allocation reduces the value of non-current assets to zero, the remainder of the excess over cost should be classified as a deferred credit and amortized ratably to income.

Classification requirements

In order to comply with the 4th and 7th EU Accounting Directive as required, the balance sheet was prepared in accordance with the classification standards prescribed in Art. 266 HGB. Hence, it does not conform to the classification standards applicable in the preparation of US financial statements, which are orientated toward the realizability of assets and liabilities. Nevertheless, the information regarding the realizability of the individual balance sheet items, which would have been presented if the financial statements had been classified in conformity with US GAAP standards, is provided as additional information in the Notes or on the balance sheet prepared under HGB classification requirements.

Under HGB, the development of fixed assets must be presented separately, whereas such a separate disclosure is not required by US accounting standards. In order to ensure conformity with EU Accounting Directives, the development of fixed assets is presented additionally as a schedule in the Notes.

2. Additional information

Personnel expenses

The following information is presented in order to be compliant with the disclosure requirements of the German Commercial Code.

million €	Year ending Sept. 30, 2000	Year ending Sept. 30, 2001
Wages and salaries	7,104	7,626
Social security taxes	1,273	1,297
Net periodic pension costs – defined benefit	405	395
Net periodic pension costs – defined contribution	15	17
Net periodic postretirement benefit cost other than pensions	43	56
Other expenses for pensions and retirements	56	75
Related fringe benefits	208	229
Total	**9,104**	**9,695**

Employees

In the Group, the actual average numbers of employees over the past fiscal year were as follows:

	Year ending Sept. 30, 2000	Year ending Sept. 30, 2001
Steel	53,581	52,694
Automotive	38,924	40,416
Elevator	26,652	27,811
Technologies	33,929	31,343
Materials	13,224	14,144
Serv	20,131	25,554
Real Estate	836	801
Corporate	1,070	806
Total	**188,347**	**193,569**
This total breaks down to		
Wage earners	118,236	121,898
Salaried employees	64,875	66,655
Trainees	5,236	5,016

Executive and Supervisory Board Remuneration

Total remunerations made to the Executive Board amounted to €8 million (1999/2000: €9 million); the fix amount thereof is €5 million (1999/2000: €5 million). The total renumerations made to former members of the Executive Board and of their surviving dependants amount to €14 million (1999/2000: €11 million).

An amount of €86 million (2000: €74 million) is accrued for pension obligations benefiting former members of the Executive Board and their surviving dependants.

Since ThyssenKrupp AG succeeds both Thyssen AG and Fried. Krupp AG Hoesch-Krupp, all disclosures relating to former members of the board also comprise compensation and pension obligations to the board members of former Thyssen AG and Fried. Krupp AG Hoesch-Krupp, including all companies preceding the latter.

As of September 30, 2000 and 2001, no credits or advances have been granted to members of the Executive Board.

To cover the honorarium stipulated for the Supervisory Board in the Articles of Incorporation, an amount of €2 million (2000: €1 million) was recognized as a liability for the fiscal year.

The members of the Executive Board and of the Supervisory Board are listed on the following pages.

3. Seats held by Executive Board members

Prof. Dr. Ekkehard D. Schulz
Chairman
- ○ Axa Colonia Konzern AG
- ○ Commerzbank AG
- ○ Deutsche Bahn AG
- ○ MAN AG
- ○ Preussag AG
- ○ RAG AG (Vice Chair)*
- ○ RWE Plus AG
- ○ Strabag AG
- ◦ Evangelisches und Johanniter Klinikum Duisburg/Dinslaken/Oberhausen gem. GmbH
- ◦ Rheinkalk Verwaltungs GmbH

Within the Group:
- ○ Eisen- und Hüttenwerke AG (Chair)
- ○ ThyssenKrupp Materials AG (Chair)
- ○ Thyssen Krupp Stahl AG (Chair)
- ◦ Krupp Thyssen Stainless GmbH (Chair)
- ◦ The Budd Company (USA)
- ◦ Thyssen Inc. (USA)

Dr. Ulrich Middelmann
Vice Chairman (since October 01, 2001)
- ○ Deutsche Hyp Deutsche Hypothekenbank Frankfurt-Hamburg AG
- ○ RAG AG*
- ◦ Bergemann GmbH (Vice Chair)*
- ◦ Remington Arms Company, Inc. (USA)

Within the Group:
- ○ ThyssenKrupp Automotive AG
- ○ ThyssenKrupp Elevator AG
- ○ Thyssen Krupp Stahl AG (Vice Chair)
- ○ ThyssenKrupp Technologies AG (Chair)
- ◦ Acciai Speciali Terni S.p.A. (Italy)
- ◦ Giddings & Lewis, LLC (USA)
- ◦ Krupp Thyssen Stainless GmbH
- ◦ The Budd Company (USA)
- ◦ Thyssen Elevator Holding Corp. (USA)

Dr. Hans-Erich Forster
Within the Group:
- ○ ThyssenKrupp Elevator AG (Chair)
- ○ ThyssenKrupp Serv AG (Chair)
- ○ WIG Industrieinstandhaltung GmbH
- ◦ Thyssen Elevator Holding Corp. (USA)
- ◦ Thyssen Inc. (USA, Chair)
- ◦ ThyssenKrupp Immobilien GmbH (Vice Chair)
- ◦ ThyssenKrupp Information Services GmbH

Dr. Jürgen Harnisch
- ○ ALSTOM GmbH
- ◦ Hülsbeck & Fürst GmbH & Co. KG (Chair)

Within the Group:
- ○ BLW Präzisionsschmiede GmbH (Chair)
- ○ Krupp Bilstein GmbH (Chair)
- ○ Krupp Gerlach GmbH (Chair)
- ○ Krupp Hoesch Federn GmbH (Chair)
- ○ Thyssen Umformtechnik + Guss GmbH
- ◦ INPRO Innovationsgesellschaft für fortgeschrittene Produktionssysteme in der Fahrzeugindustrie mbH
- ◦ Krupp Hoesch Automotive of America Inc. (USA)
- ◦ Krupp Presta AG (Liechtenstein, Chair)

Dieter Hennig
- ○ Böhler Thyssen Schweißtechnik GmbH*
- ◦ Novitas Vereinigte BKK
- ◦ PEAG Personalentwicklungs- und Arbeitsmarktagentur GmbH (Chair)*
- ◦ Wohnbau Dinslaken GmbH (Vice Chair)*

Within the Group:
- ○ EBG Gesellschaft für elektromagnetische Werkstoffe mbH
- ○ Eisenbahn und Häfen GmbH
- ○ Hoesch Hohenlimburg GmbH
- ○ Rasselstein Hoesch GmbH
- ○ ThyssenKrupp Automotive AG
- ○ ThyssenKrupp Materials AG
- ◦ ThyssenKrupp Immobilien GmbH
- ◦ Veerhaven B.V. (Netherlands)

○ Membership of statutory Supervisory Boards within the meaning of Art. 125 of the German Stock Corporation Act ("AktG") (As of September 30, 2001)

* Minority interest of the ThyssenKrupp Group

◦ Membership of comparable German and non-German regulatory bodies of business enterprises within the meaning of Art. 125 of the German Stock Corporation Act ("AktG") (As of: September 30, 2001)

Dr. Gerhard Jooss
- Allgemeine Kreditversicherung AG
- ERGO Versicherungsgruppe AG
- Westfalenbank AG
- Ahrend GmbH & Co. KG
- Friedrich-Alexander-University Hospital Erlangen-Nuremberg
- WestLB International S.A. (Luxembourg)

Within the Group:
- Buckau-Walther AG (Chair)
- ThyssenKrupp Serv AG
- ThyssenKrupp Steel AG
- ThyssenKrupp Technolgies AG
- Grupo ThyssenKrupp S.A. (Spain)
- ThyssenKrupp Information Services GmbH

Prof. Dr. Eckhard Rohkamm
- HDI Haftpflichtverband der Deutschen Industrie VVaG (Vice Chair)
- Transrapid International Verwaltungs-gesellschaft mbH (Vice Chair)*

Within the Group:
- Blohm + Voss Holding AG (Chair)
- ThyssenKrupp Elevator AG
- ThyssenKrupp Engineering AG
- ThyssenKrupp Werften GmbH (Chair)
- Berco S.p.A. (Italy)
- Giddings & Lewis, LLC (USA)
- Grupo ThyssenKrupp S.A. (Spain)
- The Budd Company (USA)
- Thyssen Elevator Holding Corp. (USA)

Dr. Heinz-Gerd Stein
- Axa Colonia Versicherung AG
- Bankgesellschaft Berlin AG
- Dürr AG
- Gerling-Konzern Speziale Kreditversicherungs-AG
- Evangelisches und Johanniter Klinikum Duisburg/Dinslaken/Oberhausen gem. GmbH
- Hülskens Holding GmbH & Co.
- Institut für Management und Technologie IMT Berlin GmbH*
- Kunststoffwerk Philippine GmbH & Co. KG (Chair)
- Saarpor Klaus Eckhardt GmbH Neunkirchen Kunststoffe KG (Chair)
- Thumann & Heitkamp Verwaltungs-GmbH

Within the Group:
- Eisen- und Hüttenwerke AG
- ThyssenKrupp Automotive AG (Chair)
- ThyssenKrupp Technologies AG
- ThyssenKrupp Materials AG
- ThyssenKrupp Steel AG
- Thyssen Stahl AG (Chair)
- The Budd Company (USA)
- Thyssen Elevator Holding Corp. (USA)
- ThyssenKrupp Information Services GmbH

The previous Chairman **Dr. Gerhard Cromme** resigned from the Executive Board effective September 30, 2001 and has been Chairman of the Supervisory Board of ThyssenKrupp AG since October 01, 2001. His seats are listed on page 238 of the Annual Report under “Seats held by members of the Supervisory Board”.

Jürgen Rossberg resigned from the Executive Board effective December 31, 2001 and retired. Effective September 30, 2001 he held the following seats:
- Alfried Krupp von Bohlen und Halbach-Krankenhaus gem. GmbH

Within the Group:
- ThyssenKrupp Elevator AG
- ThyssenKrupp Serv AG
- ThyssenKrupp Technologies AG
- Krupp Iran Ltd. (Iran, Chair)
- ThyssenKrupp Immobilien GmbH (Chair)

4. Seats 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 (since October 01, 2001)
Former Chairman of the Executive Board of ThyssenKrupp AG
- Allianz Versicherungs-AG
- E.ON AG
- Ruhrgas AG
- ThyssenKrupp Technologies AG (until September 30, 2001)
- Volkswagen AG
- ABB AG (Switzerland)
- Suez-Lyonnaise des Eaux S.A. (France)
- Thales S.A. (France)
- The Budd Company (USA, until September 30, 2001)

Dieter Schulte, Duisburg
Vice Chairman
Chairman of the German Trade Union Federation
- Bayer AG

Dr. Karl-Hermann Baumann, Munich
Chairman of the Supervisory Board of Siemens AG
- Allianz AG (until September 30, 2001)
- Deutsche Bank AG
- E.ON AG
- Linde AG
- mg technologies ag
- Schering AG
- Siemens AG (Chair)
- Wilhelm von Finck AG

Wolfgang Boczek, Bochum
Materials tester
Chairman of the Works Council Union of ThyssenKrupp Automotive
Within the Group:
- ThyssenKrupp Automotive AG

Carl-L. von Boehm-Bezing, Bad Soden
Former member of the Executive Board of Deutsche Bank AG
- AKA Ausfuhrkredit-Gesellschaft mbH (Chair)
- Rütgers AG
- RWE AG
- Steigenberger Hotels AG
- FIAT S.p.A. (Italy)

Udo Externbrink, Dortmund
(since June 28, 2001)
Systems programmer
Chairman of the General Works Council of Triaton GmbH

Dr. Klaus Götte, Munich
Chairman of the Supervisory Board of MAN AG
- Allianz Lebensversicherungs-AG
- KM Europa Metal AG
- MAN AG (Chair)
- SMS AG

Klaus Ix, Siek
(since June 28, 2001)
Fitter
Chairman of the Works Council of Thyssen Fahrtreppen GmbH
Within the Group:
- ThyssenKrupp Elevator AG
- Thyssen Aufzüge GmbH (until September 30, 2001)
- Thyssen Fahrtreppen GmbH

Gerd Kappelhoff, Witten
Trade union secretary in the Düsseldorf branch office of IG Metall
- Rasselstein Hoesch GmbH
- ThyssenKrupp Automotive AG
- ThyssenKrupp Elevator AG
- ThyssenKrupp Technologies AG

Dr. Martin Kohlhaussen, Frankfurt/Main
(since June 28, 2001)
Chairman of the Supervisory Board of Commerzbank AG
- ○ Bayer AG
- ○ Commerzbank AG (Chair)
- ○ Heraeus Holding GmbH
- ○ Hochtief AG
- ○ Infineon Technologies AG (Vice Chair)
- ○ KarstadtQuelle AG
- ○ Linde AG
- ○ Schering AG

Dr. Heinz Kriwet, Düsseldorf
Chairman (until September 30, 2001)
Former Chairman of the Executive Board of Thyssen AG
- ○ Allianz Lebensversicherungs-AG
- ○ Dresdner Bank AG
- ○ Siemens AG
- ○ ThyssenKrupp Steel AG (Chair, until September 30, 2001)

Dieter Kroll, Voerde
(until April 30, 2001)
Member of the Executive Board of Rasselstein Hoesch GmbH
Within the Group:
- ○ ThyssenKrupp Steel AG (until April 30, 2001)

Reinhard Kuhlmann, Frankfurt/Main
Secretary General of the European Metalworkers' Trade Union Federation
- ○ Adam Opel AG

Werner Nass, Dortmund
(until April 30, 2001)
Salaried employee
Former Chairman of the European Works Council of ThyssenKrupp AG

Dr. Mohamad-Mehdi Navab-Motlagh, Tehran
Vice Minister for Economics and International Affairs in the Industrial and Mining Ministry of the Islamic Republic of Iran
- ○ IFIC Holding AG (Chair)

Dr. Friedel Neuber, Duisburg
Former Chairman of the Executive Board of Westdeutsche Landesbank Girozentrale
- ○ Babcock Borsig AG (Chair)
- ○ Deutsche Bahn AG
- ○ Hapag-Lloyd AG
- ○ Preussag AG (Chair)
- ○ RWE AG (Chair)
- ◦ Landwirtschafliche Rentenbank
- ◦ Österreichische Kontrollbank AG (Austria)

Dr. Kersten von Schenck, Bad Homburg
(until September 30, 2001)
Attorney and notary

Thomas Schlenz, Hamminkeln
Shift foreman
Chairman of the Group Works Council of ThyssenKrupp AG
Within the Group:
- ○ ThyssenKrupp Serv AG

Dr. Henning Schulte-Noelle, Munich
Chairman of the Executive Board of Allianz AG
- ○ BASF AG
- ○ E.ON AG
- ○ Linde AG (Vice Chair)
- ○ Münchener Rückversicherungs-Gesellschaft AG (Vice Chair)
- ○ Siemens AG

Within the Group:
- ○ Allianz Versicherungs-AG (Chair)
- ○ Allianz Lebensversicherungs-AG (Chair)
- ○ Dresdner Bank AG
- ◦ Assurances Générales de France S.A. (France, Vice President of the Executive Committee)
- ◦ Elvia Versicherungen AG (Switzerland, Vice President of the Executive Committee)
- ◦ Riunione Adriaitica di Sicurtà S.p.A. (Italy, Vice President of the Executive Committee)

Wilhelm Segerath, Duisburg
Automotive bodymaker
Chairman of the General Works Council of Thyssen Krupp Stahl AG and Chairman of the Works Council Union of ThyssenKrupp Steel
Within the Group:
- ○ ThyssenKrupp Steel AG

Dr. Walter Seipp, Königstein i. Ts.
(until May 31, 2001)
Honorary Chairman of the Supervisory Board of Commerzbank AG

Ernst-Otto Tetau, Brietlingen
Machine fitter
Chairman of the Works Council of Blohm + Voss GmbH and Chairman of the Works Council Union of ThyssenKrupp Technologies
Within the Group:
- ○ ThyssenKrupp Technologies AG
- ○ Blohm + Voss GmbH
- ○ ThyssenKrupp Werften GmbH

Bernhard Walter, Bad Homburg
Former Speaker of the Executive Board of Dresdner Bank AG
- ○ Bilfinger + Berger Bauaktiengesellschaft
- ○ DaimlerChrysler AG
- ○ Deutsche Telekom AG
- ○ Henkel KGaA
- ○ mg technologies ag
- ○ Staatliche Porzellan-Manufaktur Meissen GmbH
- ○ Wintershall AG (Vice Chair)
- ◦ KG Allgemeine Leasing GmbH & Co. (Chairman of the Executive Committee)

Dieter Wittenberg, Dortmund
Director of ThyssenKrupp Technologies AG

○ Membership of other statutory Supervisory Boards within the meaning of Art. 125 German Stock Corporation Act ("AktG") (As of September 30, 2001 or last day of Supervisory Board membership for members resigning from the Supervisory Board in the course of the year)

◦ Membership in comparable German and non-German control bodies of business enterprises within the meaning of Art. 125 German Stock Corporation Act ("AktG") (As of September 30, 2001)

5. Waive of disclosure pursuant to Art. 264 Par. 3 and Art. 264b German Commercial Code HGB

The following domestic subsidiaries in the legal form of a capital corporation or a commercial partnership as defined in Art. 264a German Commercial Code have fullfiled the requirements of Art. 264 Par. 3 and Art. 264b German Commercial Code to be allowed to make use of the exemption and therefore do not publish their financial statements.

A	AAW Allgemeine Aufzugsvermögensverwaltung GmbH, Berlin
	AAW Aufzüge GmbH, Berlin
	Aloverzee Handelsgesellschaft mbH, Essen

B	Bachmann GmbH, Pegnitz-Bronn
	Bergische Stahl-Industrie Vermögensverwaltung GmbH & Co. KG, Remscheid
	BIS Blohm + Voss Inspection Service GmbH, Hamburg
	Blass Rohr GmbH, Herford
	Blohm + Voss GmbH, Hamburg
	Blohm + Voss Repair GmbH, Hamburg
	BLW Präzisionsschmiede GmbH, Munich
	Brandenburger Sondermaschinen- und Anlagenbau de Haan Aufzüge GmbH, Müllrose

C	Carl Gustav Krause GmbH, Hanover
	Christian Hein GmbH, Langenhagen
	ComLink Service und Datentechnik GmbH, Cologne

D	Dortmunder Eisenhandel Hansa GmbH, Dortmund
	Dortmunder Plastik GmbH, Dortmund
	Dr. Mertens Edelstahlhandel GmbH, Offenbach
	DSU Gesellschaft für Dienstleistungen und Umwelttechnik mbH & Co. KG, Duisburg

E	E. Tschiggfrei Aufzüge GmbH, Freiburg
	Eckert GmbH, Mannheim
	EGM Entwicklungsgesellschaft für Montagetechnik GmbH, Hanover-Langenhagen
	Eisenmetall Handelsgesellschaft mbH, Gelsenkirchen
	Eisenmetall Rohr GmbH, Gelsenkirchen
	ELEG Europäische Lift + Escalator GmbH, Neuhausen a.d.F.
	Emunds & Staudinger GmbH, Hückelhoven
	ems-Isoliertüren Mickeleit GmbH & Co. KG, Pansdorf

F	Fördertechnik und Aufzugservice GmbH, Frankfurt/Main
	Freiburger Stahlhandel GmbH & Co. KG, Freiburg i.Br.
	Fuchs NE-Metallhandel GmbH, Nürtingen
	Fudickar Metall GmbH, Haan/Rhld.
G	Gerhard Sievering GmbH & Co.KG, Hamm
	Gold & Wellfonder GmbH, Himmelstadt
	Götz Aufzüge GmbH, Bühl-Vimbuch
H	Haisch Aufzüge GmbH, Gingen/Fils
	Hans Franke NE-Metallhandel GmbH, Stuttgart
	HCC Health Care Consulting GmbH, Munich
	Health Care Solutions GmbH, Bielefeld
	Henschel Recycling Technik GmbH, Kassel
	Herzig & Marschall GmbH & Co. KG, Fulda
	HF Vermögensverwaltungsgesellschaft im Ruhrtal GmbH, Hagen
	Hoesch Rothe Erde GmbH, Dortmund
	HOGEMA Maschinenhandel GmbH, Cologne
	Hommel CNC Technik GmbH, Cologne
	Hommel Präzision GmbH, Cologne
	Hommel Unverzagt GmbH, Cologne
	Hövelmann & Co. Eisengroßhandlung GmbH, Gelsenkirchen
	Hüller Hille GmbH, Ludwigsburg
I	Immover Gesellschaft für Grundstücksverwaltung mbH, Essen
	Innovative Meerestechnik GmbH, Emden
	Isan-Metall-GmbH, Krefeld
J	Johann A. Krause Maschinenfabrik GmbH, Bremen
	Johann A. Krause Systemtechnik GmbH, Chemnitz
	Jos. Rackl & Co. GmbH, Zirndorf
K	Kloth-Senking Metallgießerei GmbH, Hildesheim
	Kraemer & Freund GmbH & Co., Hagen
	Krupp Automotive Systems GmbH, Bochum
	Krupp Berco Bautechnik GmbH, Essen
	Krupp BERCO Deutschland GmbH, Ennepetal
	Krupp Bilstein GmbH, Ennepetal

Krupp Bilstein Suspension GmbH, Ennepetal
Krupp Bilstein Wagenheber GmbH, Mandern
Krupp Drauz GmbH, Heilbronn
Krupp Druckereibetriebe GmbH, Essen
Krupp Entwicklungszentrum GmbH, Essen
Krupp Fördertechnik GmbH, Essen
Krupp Gerlach GmbH, Homburg/Saar
Krupp GfT Gesellschaft für Technik mbH, Essen
Krupp GfT Tiefbautechnik GmbH, Essen
Krupp Hoesch Federn GmbH, Werdohl
Krupp Hoesch Stahl AG, Dortmund
Krupp Hoesch Stahl und Metall GmbH, Gelsenkirchen
Krupp Hoesch Tecna GmbH, Dortmund
Krupp Koppers GmbH, Essen
Krupp Montage- und Servicetechnik GmbH, Duisburg
Krupp Polysius AG, Beckum
Krupp Presta Ilsenburg GmbH, Ilsenburg
Krupp Stahl AG & Co. Liegenschaftsverwaltung, Bochum
Krupp Stahlbau Berlin GmbH, Berlin
Krupp Stahlbau Hannover GmbH, Hanover
Krupp Uhde GmbH, Dortmund

L LiftEquip GmbH Elevator Components, Neuhausen a.d.F.
Liftservice und Montage GmbH, Saarbrücken
Lintorfer Eisengießerei GmbH, Ratingen-Lintorf
Lufter Industrie- und Kraftwerkservice GmbH, Dortmund

M Mannesmann Röhren- und Stahlhandel GmbH, Riesa
Metalltüren und -tore Celle GmbH, Celle
Montan-Verwaltungsgesellschaft mbH, Dortmund

N Noske-Kaeser Gebäudetechnik GmbH, Düsseldorf
Nothelfer GmbH, Ravensburg
Nothelfer Planung GmbH, Wadern-Lockweiler
Novoferm GmbH, Rees

O Otto Wolff Handelsgesellschaft mbH, Düsseldorf

P PeinigerRöRo GmbH, Gelsenkirchen

R	Reisebüro Dr. Tigges GmbH, Essen

S	Sanierungsgesellschaft Schwarze Pumpe mbH, Schwarze Pumpe
	Siebau Siegener Stahlbauten GmbH, Kreuztal
	Stahlkontor Hahn GmbH, Ratingen
	SVG Steinwerder Verwaltungsgesellschaft mbH, Hamburg

T	TFM Facility Management GmbH & Co. KG, Düsseldorf
	Thyssen Aufzüge Düsseldorf GmbH, Neuss
	Thyssen Aufzüge Berlin GmbH, Berlin
	Thyssen Aufzüge Frankfurt GmbH, Frankfurt a.M.
	Thyssen Aufzüge GmbH, Neuhausen a.d.F.
	Thyssen Aufzüge Hamburg GmbH, Hamburg
	Thyssen Aufzüge München GmbH, Feldkirchen
	Thyssen Aufzüge Sachsen GmbH, Boehlitz-Ehrenberg
	Thyssen Aufzüge Stuttgart GmbH, Neuhausen a.d.F.
	Thyssen Aufzugswerke GmbH, Neuhausen a.d.F.
	ThyssenKrupp Bau Consult GmbH, Essen
	Thyssen Bauträger und Immobilienentwicklungs GmbH & Co. KG Concordiahütte, Oberhausen
	Thyssen Bauträger und Immobilienentwicklungs GmbH & Co. KG Krefeld, Oberhausen
	Thyssen Facility Management GmbH, Düsseldorf
	Thyssen Fahrtreppen GmbH, Hamburg
	Thyssen Fahrzeugtechnik GmbH, Emden
	Thyssen Gastronomie und Service GmbH, Düsseldorf
	Thyssen Grundstücksgesellschaft OHG, Essen
	Thyssen Henschel Airport Systems GmbH, Kassel
	Thyssen Henschel GmbH, Essen
	Thyssen Henschel Industriedienste GmbH, Kassel
	Thyssen Henschel Industrietechnik GmbH, Kassel
	Thyssen Hünnebeck Gerüst GmbH, Ratingen
	Thyssen Hünnebeck GmbH, Ratingen
	Thyssen Hünnebeck Schalung GmbH, Ratingen
	Thyssen Informatik Services GmbH, Krefeld
	Thyssen Metallhandelsgesellschaft mbH, Berlin
	Thyssen Nordseewerke GmbH, Emden
	Thyssen Polymer GmbH, Bogen
	Thyssen Rheinstahl Technik GmbH, Düsseldorf
	Thyssen Stahl AG, Duisburg
	Thyssen Schulte GmbH, Düsseldorf

Thyssen Schulte Nutzeisen GmbH
Thyssen Schulte Werkstoffhandel GmbH, Berlin
Thyssen Sonnenberg GmbH, Düsseldorf
Thyssen Stückblechkontor GmbH, Düsseldorf
Thyssen Trans GmbH, Düsseldorf
Thyssen Treppenlifte GmbH, Lemgo
Thyssen Umformtechnik + Guss GmbH, Bochum
Thyssen Umformtechnik Turbinenkomponenten GmbH, Essen
Thyssen Verwaltungsgesellschaft für Röhrenhandel mbH, Düsseldorf
ThyssenKrupp Automotive AG, Bochum
Thyssen Krupp Garten- und Landschaftsbau GmbH, Essen
Thyssen Liegenschaften Verwaltungs GmbH & Co. KG Draht, Essen
Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co.KG Industrie, Oberhausen
Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co.KG Stahl, Oberhausen
Thyssen Liegenschaften Verwaltungs GmbH & Co. KG TAG-Grundbesitz, Essen
Thyssen Liegenschaften Verwaltungs GmbH & Co. KG Umformtechnik, Oberhausen
Thyssen Liegenschaften Verwaltungs GmbH & Co. KG Andernach, Essen
ThyssenKrupp Dienstleistungen GmbH, Essen
ThyssenKrupp Education and Training GmbH, Essen
ThyssenKrupp Elevator AG, Essen
ThyssenKrupp Engineering AG, Essen
ThyssenKrupp HiServ GmbH, Düsseldorf
ThyssenKrupp Immobilien Development GmbH, Essen
ThyssenKrupp Immobilien GmbH, Essen
ThyssenKrupp Immobilien Management GmbH, Essen
ThyssenKrupp Industrieservice GmbH, Düsseldorf
ThyssenKrupp Information Services GmbH, Düsseldorf
ThyssenKrupp Materials & Services GmbH, Düsseldorf
ThyssenKrupp Materials AG, Düsseldorf
ThyssenKrupp Serv AG, Düsseldorf
ThyssenKrupp Stahlunion GmbH, Düsseldorf
ThyssenKrupp Technologies AG, Essen
ThyssenKrupp Transrapid GmbH, Kassel
ThyssenKrupp Versicherungsdienst GmbH Industrieversicherungsvermittlung, Düsseldorf
TKIS Document Services GmbH, Essen
Triaton GmbH, Krefeld
TRR Thyssen Rohstoff-Recycling GmbH, Berlin
TULE Thyssen Umformtechnik Leichtbau Entwicklungs GmbH, Ludwigsfelde

U	Uhde Hochdrucktechnik GmbH, Hagen
	UVA Unverzagt GmbH, Stuttgart

V	Volker Mack GmbH, Stutensee-Spöck

W	Walter Herzog GmbH, Stuttgart
	Westdeutsche Max Cochius GmbH, Frankfurt am Main
	Willy Schiffer Eisen- und Bautenschutz GmbH, Düren
	Witzig & Frank GmbH, Offenburg

Additional information

Detailed, high-quality reporting has its price – and costs the reader time. The following information, lists and tables are intended to help you find your way around our report and make it easier to understand. We have also added an extensive multi-year overview. And if you want to find out more, we tell you who to contact.

06

Multi-year overview

THYSSENKRUPP GROUP		pro forma Year ending Sept. 30, 1999	Year ending Sept. 30, 1999	Year ending Sept. 30, 2000	**Year ending Sept. 30, 2001**
Earnings situation					
Sales	€ m	32,378	29,794	37,209	38,008
Gross margin	€ m	5,632	5,182	7,173	7,036
EBITDA	€ m	2,545	2,391	3,383	3,267
Depreciation and amortization	€ m	1,684	1,580	1,874	1,918
Goodwill amortization	€ m	188	164	216	228
EBIT	€ m	861	811	1,509	1,349
Interest expense, net	€ m	(260)	(202)	(419)	(473)
EBT	€ m	601	609	1,090	876
Net income	€ m	270	262	527	665
Basic earnings per share	€	0.52	0.54	1.02	1.29
Normalized earnings per share	€	0.79	0.82	0.89	0.58
Gross margin	%	17.4	17.4	19.3	18.5
EBITDA margin	%	7.9	8.0	9.1	8.6
EBIT margin	%	2.7	2.7	4.1	3.5
EBT margin	%	1.9	2.0	2.9	2.3
Return on equity (before taxes)	%	7.4	7.5	12.4	10.0
Assets situation					
Fixed assets	€ m	17,428	17,428	18,755	17,818
Operating assets[1]	€ m	15,285	15,285	17,133	16,831
Inventories	€ m	6,014	6,014	6,710	6,525
Trade accounts receivable	€ m	5,216	5,216	6,223	5,721
Cash and cash equivalents incl. operating securities	€ m	806	806	1,021	1,258
Total assets	€ m	32,713	32,713	35,888	34,649
Stockholders' equity	€ m	8,106	8,106	8,797	8,786
Debt capital	€ m	24,607	24,607	27,091	25,863
Accrued pension and similar obligations	€ m	7,023	7,023	6,970	6,908
Gross financial payables	€ m	6,999	6,999	8,751	7,665
Trade accounts payable	€ m	2,828	2,828	3,168	3,248
Stockholders' equity ratio	%	24.8	24.8	24.5	25.4
Gearing	%	76.4	76.4	87.9	72.9
Ratio of equity to fixed assets	%	46.5	46.5	46.9	49.3
Time of turnover of inventories	days	66.9	72.7	64.9	61.8
Term of payment: trade accounts receivable	days	58.0	63.0	60.2	54.2

THYSSENKRUPP GROUP		pro forma Year ending Sept. 30, 1999	Year ending Sept. 30, 1999	Year ending Sept. 30, 2000	**Year ending Sept. 30, 2001**
Value management					
Capital employed (average)	€ m	20,020	20,020	22,415	22,913
ROCE	%	6.3	6.3	8.7	7.7
Weighted average cost of capital	%	9.0	9.0	9.0	9.0
Economic value added	€ m	(532)	(547)	(72)	(298)
Steel	€ m	(395)	–	(83)	(81)
Automotive	€ m	165	–	129	(33)
Elevator	€ m	78	–	125	132
Technologies	€ m	(43)	–	(48)	12
Materials	€ m	(34)	–	3	(104)
Serv	€ m	16	–	22	(117)
Real Estate	€ m	(56)	–	(54)	(32)
Cash flow / capital investments					
Net cash provided by operating activities	€ m	–	1,505	1,329	2,245
Net cash used in investing activities	€ m	–	(2,818)	(1,788)	(1,299)
Free cash flow (before dividend)	€ m	–	(1,313)	(459)	946
Net cash provided by financing activities	€ m	–	1,439	609	(634)
Capital investments	€ m	3,766	3,646	2,495	2,327
Net financial payables	€ m	6,193	6,193	7,730	6,407
Internal financing capability		–	0.5	0.7	1.7
Debt to cash flow ratio		–	4.1	5.8	2.9
Employees					
Employees (average)		181,783	169,885	188,347	193,569
Personnel expenses	€ m	8,531	7,973	9,104	9,695
Sales per employee	€	178,113	175,377	197,556	196,354
ThyssenKrupp AG					
Net income	€ m	–	482	425	355
Dividend payout	€ m	–	368	386	309 2)
Dividend per share	€	–	0.72	0.75	0.60 2)

1) including deferred income taxes as well as prepaid expenses and deferred charges 2) Proposal to the Annual Stockholders' Meeting

Major consolidated subsidiaries and equity interests

Steel

NAME (as of September 30, 2001)	Shareholding in %[1]	Equity in € million[2]	Employees
Thyssen Krupp Steel AG, Duisburg	100.00	3,862.5	95
Carbon Steel			
EBG Gesellschaft für elektromagnetische Werkstoffe mbH, Bochum	99.50	25.6	1,535
EBG India Private Ltd., Mimbai/Nashik, India	76.00	13.2	747
Eisen- und Hüttenwerke AG, Cologne	87.98	105.0	3
COSTE S.A.S., Fosses, France	100.00	12.0	56
Gwent Steel Ltd., Newport, UK	100.00	8.4	93
Herzog Coilex GmbH, Stuttgart	74.90	8.1	131
Hoesch Hohenlimburg GmbH, Hagen	99.50	56.8	1,812
Hoesch Siegerlandwerke GmbH, Siegen	99.50	15.4	340
LA.RE. Laminatoi del Reghena S.p.A., Turin, Italy	100.00	0.3	140
Rasselstein GmbH, Neuwied	100.00	172.2	513
Rasselstein Hoesch GmbH, Andernach	99.50	135.8	2,515
Stahlwerke Bochum AG, Bochum	97.00	31.5	0
Thyssen Bausysteme GmbH, Dinslaken	100.00	10.0	161
Thyssen Fügetechnik GmbH, Dortmund	100.00	29.2	287
Thyssen Krupp Stahl AG, Düsseldorf	99.53	1,572.9	21,167
Thyssen Krupp Stahl Bauelemente GmbH, Oberhausen	100.00	60.2	27
Thyssen Service Acier S.A., Fosses, France	99.76	23,8	5
Thyssen Stahl-Service-Center GmbH, Leverkusen	99.55	52.3	587
ThyssenKrupp Steel Northamerica, Inc., Dover/Delaware, USA	100.00	36.2	170
UGO S.A., Isbergues, France	100.00	22.8	455
Galvanizaciones del Mediterraneo GALMED S.A., Sagunto, Spain	24.50	48.5	60
GalvaSud S.A., Rio de Janeiro, Brazil	49.00	38.4 [3]	153 [3]
Hüttenwerke Krupp Mannesmann GmbH, Duisburg	50.00	125.5 [3]	3,480 [3]
Thyssen Ros Casares S.A., Valencia, Spain	50.00	12.9	148
TWB Company, L.L.C., Detroit, USA	33.33	56.9 [4]	294 [4]
Stainless Steel			
Acciai Speciali Terni Deutschland GmbH, Düsseldorf	100.00	0.8	14
Acciai Speciali Terni España D.V.P. S.A., Barcelona, Spain	100.00	2.7	79
Acciai Speciali Terni S.p.A., Terni, Italy	90.00	261.8	3,348
AST France S.A., Paris, France	100.00	5.3	54
AST USA Inc., New York, USA	100.00	4.3	17
C.i.pro.s. S.r.l., Ballò di Mirano, Italy	70.00	17.9	80
C.S. Inox - Centro Servizi per l'Inossidabile S.p.A., Terni, Italy	70.00	10.4	88
Krupp Thyssen Nirosta GmbH, Krefeld	100.00	153.4	4,744
Krupp Thyssen Stainless GmbH, Duisburg	99.61	578.7	44
Krupp VDM GmbH, Werdohl	98.04	66.5	1,687
Krupp VDM Technologies Corp., Parsippany/New Jersey, USA	100.00	3.2	18
Mexinox S.A. de C.V., San Luis Potosi, Mexico	95.50	(6.2)	1,011
Mexinox USA Inc., Brownsville/Texas, USA	100.00	14.9	28
Nirosta Service Center GmbH, Wilnsdorf-Anzhausen	100.00	8.4	119

[1] related to the respective parent company in the ThyssenKrupp Group [2] local [3] financial statement date December 31, 2000
[4] financial statement date May 31, 2001

NAME (as of September 30, 2001)	Shareholding in %[1]	Equity in € million[2]	Employees
Precision Rolled Products Inc., Reno/Nevada, USA	100.00	18.6	212
Shanghai Krupp Stainless Co. Ltd., Pudong New Area/Shanghai, PR China	60.00	131.8	312
Terni Steel B.V., Rotterdam, Netherlands	100.00	27.9	5
Titania S.p.A., Terni, Italy	100.00	16.6	109
Tubificio di Terni S.r.l., Terni, Italy	97.00	14.9	141
Other Companies			
Berkenhoff GmbH, Heuchelheim	100.00	10.2	738
Edelstahl Witten-Krefeld GmbH, Witten	99.50	67.4	2,463
Edelstahlwerk Witten AG, Witten	98.84	37.3	0
Krupp Edelstahlprofile GmbH, Siegen	100.00	36.3	1,407
Automotive			
ThyssenKrupp Automotive AG, Bochum	100.00	269.6	134
The Budd Company, Troy/Michigan, USA	100.00	52.2	2,854
Thyssen Umformtechnik + Guss GmbH, Bochum	99.50	132.7	335
Body			
Krupp Camford Pressings Ltd., Llanelli, UK	100.00	22.4	713
Milford Fabricating Company, Detroit/Michigan, USA	100.00	48.0	225
TKA Body Stampings Ltd., Cannock, UK	100.00	13.4	761
Chassis			
Budcan Holdings Inc., Kitchener/Ontario, Canada	100.00	50.1	0
Budd Canada Inc., Kitchener/Ontario, Canada	77.30	(32.1)	2,346
Darcast Components Ltd., Smethwick, UK	100.00	30.6	0
Kloth-Senking Metallgießerei GmbH, Hildesheim	100.00	11.6	831
Krupp Camford Ltd., Newton Aycliff, UK	100.00	13.1	525
Krupp Fabco Comp., Halifax/Nova Scotia, Canada	100.00	6.3	1,184
Phillips & Temro Industries Inc., Minneapolis/Minnesota, USA	100.00	23.2	171
QDF Components Ltd., Smethwick, UK	100.00	13.6	477
Stahl Specialty Company, Kingsville/Texas, USA	100.00	(9.7)	810
The Budd Tallent Company, LLC, Hopkinsville/Kentucky, USA	100.00	26.1	210
ThyssenKrupp JBM Private Ltd., New Dehli, India	78.00	6.2	176
Waupaca Foundry Inc., Waupaca/Wisconsin, USA	100.00	293.3	3,145
Powertrain			
Advanced Turbine Components, Inc. (ATC), Winston-Salem/North Carolina, USA	51.00	16.4	232
BLW Präzisionsschmiede GmbH, Munich	100.00	10.5	635
Krupp Gerlach Company, Danville/Illinois, USA	100.00	23.4	233
Krupp Gerlach GmbH, Homburg/Saar	90.00	54.0	1,070
Krupp Hoesch Automotive of America Inc., Troy/Michigan, USA	100.00	70.3	61
Krupp Metalúrgica Campo Limpo Ltda., Campo Limpo, Brazil	59.75	117.0	2,695
Krupp Metalúrgica de México S.A. de C.V., Mexico City, Mexico	100.00	21.3	147
Krupp Metalúrgica Santa Luzia S.A., Santa Luzia, Brazil	100.00	18.6	315
Krupp Presta AG, Eschen, Liechtenstein	100.00	186.6	1,127

[1] related to the respective parent company in the ThyssenKrupp Group [2] local

Elevator

NAME (as of September 30, 2001)	Shareholding in %[1]	Equity in € million[2]	Employees
Krupp Presta de México S.A. de C.V., Puebla, Mexico	100.00	7.8	124
Krupp Presta France S.A., Florange, France	100.00	5.9	331
Thyssen Fundicoes Ltda., Barra do Pirai, Brazil	100.00	20.0	1,398
Thyssen Umformtechnik Turbinenkomponenten GmbH, Essen	100.00	5.1	540
TKA Atlas Corp., Fostoria/Ohio, USA	100.00	12.4	228
Systems/Suspension			
Krupp Automotive Systems GmbH, Bochum	100.00	15.3	103
Krupp Bilstein GmbH, Ennepetal	99.50	12.1	1,017
Krupp Drauz GmbH, Heilbronn	100.00	1.3	547
Krupp Hoesch Federn GmbH, Werdohl	99.32	57.1	1,234
Krupp Hoesch Woodhead Ltd., Leeds, UK	100.00	25.3	135
ThyssenKrupp Elevator AG, Essen	99.75	228.6	61
Germany			
Thyssen Aufzüge GmbH, Neuhausen a.d.F.	100.00	79.9	73
Thyssen Aufzugswerke GmbH, Neuhausen a.d.F.	99.50	14.0	1,033
Thyssen Fahrtreppen GmbH, Hamburg	100.00	1.3	777
France/Belgium			
Compagnie Générale d'Applications Ascenseurs S.A.S. 'C.G.2A.', La Plaine Saint-Denis, France	100.00	30.7	766
Thyssen Ascenseurs Holding S.A.S., Puteaux, France	100.00	103.1	6
Thyssen Ascenseurs S.A.S., Angers, France	100.00	42.3	1,218
ThyssenKrupp Elevator Manufacturing France S.A.S., Angers, France	100.00	2.6	421
Spain/Portugal/South America			
Ascensores Cenia S.A., Andoain, Spain	100.00	18.2	723
Thyssen Boetticher S.A., Madrid, Spain	99.94	50.1	1,793
Thyssen Elevatec Elevadores y Tecnologia S.A., Lisbon, Portugal	100.00	12.1	516
Thyssen Sûr S.A., Sâo Paulo, Brazil	99.77	90.1	1,424 [5]
North America/Australia			
Ascenseurs Thyssen Montenay Ltd., Montreal, Canada	100.00	5.8	206
Mainco Elevator & Electrical Corp., New York, USA	100.00	9.1	272
Northern Elevator Ltd., Scarborough/Ontario, Canada	100.00	68.4	301
Thyssen Elevator Capital Corp., Whittier/California, USA	100.00	370.9	0
Thyssen Elevator Ltd., Toronto, Canada	100.00	32.8	842
ThyssenKrupp Elevator Corp., Horn Lake/Mississippi, USA	100.00	256.9	6,943
ThyssenKrupp Elevator Holding Corp., Whittier/California, USA	100.00	319.4	0
ThyssenKrupp Elevator Manufacturing Inc., Collierville/Tennessee, USA	100.00	107.6	1,287
Rest of world			
Thyssen Aufzüge Ges.mbH, Graz, Austria	100.00	17.7	498
Thyssen Aufzüge Ltd., Nottingham, UK	100.00	35.6	1,106 [5]
Thyssen Elevators Co. Ltd., Zhongshan, PR China	80.00	6.9	581
Thyssen Liften B.V., Krimpen aan den IJssel, Netherlands	100.00	27.6	372 [5]

[1] related to the respective parent company in the ThyssenKrupp Group [2] local [5] preconsolidation group

Technologies

NAME (as of September 30, 2001)	Shareholding in %[1]	Equity in € million[2]	Employees
ThyssenKrupp Technologies AG, Essen	100.00	425.3	158
Production Systems			
Cross Hüller Ltd., Merseyside, UK	100.00	26.4	357
Fadal Engineering Company Inc., Chatsworth/California, USA	100.00	308.1	270
Giddings & Lewis LLC, Fond du Lac/Wisconsin, USA	100.00	251.4	780
Gilman Engineering and Manufacturing Company LLC, Janesville/Wisconsin, USA	100.00	103.3	447
Hüller Hille GmbH, Ludwigsburg	99.50	25.6	1,564
Johann A. Krause Inc., Auburn Hills/Michigan, USA	100.00	20.4	220
Johann A. Krause Maschinenfabrik GmbH, Bremen	100.00	8.9	1,357
Kearney & Trecker Corp., Fond du Lac/Wisconsin, USA	100.00	101.4	0
Nothelfer GmbH, Ravensburg	99.50	10.2	1,534
The Cross Company, Sterling Heights/Michigan, USA	100.00	28.6	239
Thyssen Production Systems Ltda., Diadema-São Paulo, Brazil	100.00	6.2	249
Witzig & Frank GmbH, Offenburg	100.00	9.3	263
Plant Technology			
Krupp Fördertechnik GmbH, Essen	100.00	61.3	790
Krupp Industries India Ltd., Pimpri, India	53.93	32.0	964
Krupp Polysius AG, Beckum	100.00	13.9	1,006
Krupp Polysius Corp., Atlanta/Georgia, USA	100.00	23.3	124
Krupp Uhde GmbH, Dortmund	100.00	68.7	1,241
Polysius S.A., Aix-en-Provence, France	100.00	20.6	159
Thyssen Krupp EnCoke GmbH, Bochum	99.23	49.4	403
Marine			
Blohm + Voss GmbH, Hamburg	99.50	33.2	1,052
Blohm + Voss Repair GmbH, Hamburg	99.50	7.7	432
Thyssen Nordseewerke GmbH, Emden	99.50	12.8	1,433
ThyssenKrupp Werften GmbH, Hamburg	100.00	56.0	0
Mechanical Engineering			
B+V Industrietechnik GmbH, Hamburg	100.00	10.2	626
Berco of America Inc., Waukesha/Wisconsin, USA	100.00	9.4	45
Berco S.p.A., Copparo, Italy	100.00	79.0	2,916
Hoesch Rothe Erde GmbH, Dortmund	99.50	25.6	1,468
Krupp Berco Bautechnik GmbH, Essen	100.00	8.2	419
Krupp Elastomertechnik GmbH, Hamburg	100.00	5.4	551
Noske-Kaeser GmbH, Hamburg	100.00	5.6	369
Novoferm France S.A., Machecoul, France	99.80	8.3	285
Novoferm GmbH, Rees	100.00	41.1	772
Novoferm Nederland B.V., Waardenburg, Netherlands	100.00	4.9	312
Riexinger Türenwerke GmbH, Brackenheim-Hausen	74.50	13.3	424
Rotek Incorporated, Aurora/Ohio, USA	100.00	23.4	286
Thyssen Polymer GmbH, Bogen	100.00	7.4	675
ThyssenKrupp Transrapid GmbH, Kassel	99.99	2.8	267
Vinyl Building Products Inc., Oakland/New Jersey, USA	100.00	26.0	213

[1] related to the respective parent company in the ThyssenKrupp Group [2] local

NAME (as of September 30, 2001)	Shareholding in %[1]	Equity in € million[2]	Employees
Materials			
ThyssenKrupp Materials AG, Düsseldorf	99,77	460.3	350
MaterialsServices Europe			
Cadillac Plastic GmbH, Darmstadt	100.00	11.3	285
Ferroglobus Kereskedóház Rt., Budapest, Hungary	89.63	25.4	362
Fortinox S.A., Buenos Aires, Argentinia	80.00	5.2	42
Freiburger Stahlhandel GmbH & Co. KG, Freiburg i.Br.	51.00	2.7	159
German-Steels Co.,Ltd., Hong Kong, PR China	80.00	14.4	52
LAGERMEX S.A. de C.V., Mexico City, Mexico	71.95	15.3	179
N.V. Thyssen Belge S.A., Grâce-Hollogne, Belgium	100.00	5.6	61
Otto Wolff Handelsgesellschaft mbH, Düsseldorf	99.50	19.3	202
Otto Wolff Kunststoffvertrieb GmbH, Düsseldorf	100.00	10.6	439
Röhm Benelux B.V., Baarn, Netherlands	100.00	26.5	13
Smitfort-Staal B.V., 's-Gravenhage, Netherlands	99.28	16.0	114
Thyssen (Schweiz) AG, Bronschhofen/Wil, Switzerland	100.00	14.4	134
Thyssen France S.A., Maurepas, France	100.00	52.5	710
Thyssen Ibérica S.A., Martorelles, Spain	100.00	15.9	139
Thyssen Nederland B.V., Veghel, Netherlands	100.00	32.1	195
Thyssen Röhm Kunststoffe GmbH, Düsseldorf	65.45	65.6	0
Thyssen Stahlunion Holdings Ltd., Smethwick, UK	100.00	22.5	0
ThyssenKrupp Acciai S.p.A., Sesto San Giovanni, Italy	100.00	10.6	96
Finox S.p.A., Milan, Italy	40.00	16.0	299
MaterialsServices North America			
AIN Plastics, Inc., Mount Vernon/New York, USA	100.00	12.1	141
Copper and Brass Sales, Inc., Eastpointe/Michigan, USA	100.00	39.2	1,175
Ken-Mac Metals Inc., Cleveland/Ohio, USA	100.00	28.0	202
Thyssen Canada Ltd., Rexdale/Ontario, Canada	100.00	18.3	154
Thyssen Inc., Dover/Delaware, USA	100.00	188.8	274
Thyssen Specialty Steels Inc., Carol Stream/Illinois, USA	100.00	16.1	135
Materials Trading			
B.V.`Nedeximpo` Nederlandse Export- en Importmaatschappij, Amsterdam, Netherlands	100.00	7.7	28
Special Materials			
Krupp Energiehandel GmbH, Essen	100.00	28.9	10
Krupp GfT Gesellschaft für Technik mbH, Essen	100.00	10.9	212
ThyssenKrupp Metallurgie GmbH, Essen	100.00	17.6	55
Serv			
ThyssenKrupp Serv AG, Düsseldorf	100.00	191.2	57
Industrial Services			
Commando (UK) Ltd., Birmingham, UK	100.00	3.2	1,214
Hommel Unverzagt GmbH, Cologne	100.00	3.8	15
ThyssenKrupp Industrieservice GmbH, Düsseldorf	100.00	95.2	11
Westdeutsche Industrieinstandhaltungs-Verwaltungsgesellschaft mbH, Cologne	78.33	66.6	0

[1] related to the respective parent company in the ThyssenKrupp Group [2] local

NAME (as of September 30, 2001)	Shareholding in %[1]	Equity in € million[2]	Employees
WIG Industrieinstandhaltung GmbH, Cologne	100.00	6.2	6,773
Construction Services			
Palmers Ltd., Hampshire, UK	100.00	8.7	934 [5]
PeinigerRöRo GmbH, Gelsenkirchen	100.00	41.7	2,479
TH United Enterprises, Inc., Dover/Delaware, USA	100.00	97.6 [5]	2,820 [5]
Thyssen Hünnebeck GmbH, Ratingen	96.00	63.2	95
Facilities Services			
Thyssen Facility Management GmbH, Düsseldorf	100.00	6.7	11
ThyssenKrupp HiServ GmbH, Düsseldorf	100.00	43.7	1,591
Information Services			
Krupp Druckereibetriebe GmbH, Essen	100.00	2.6	324
ThyssenKrupp Information Services GmbH, Düsseldorf	100.00	128.7	76
Triaton GmbH, Krefeld	100.00	4.9	1,972
Real Estate			
ThyssenKrupp Immobilien GmbH, Essen	100.00	50.9	99
Residential Real Estate			
Krupp Hoesch Immobilien GmbH, Essen	100.00	95.0	0
ThyssenKrupp Wohnimmobilien GmbH, Essen	99.69	321.7	276
Real Estate Management			
ThyssenKrupp Immobilien Management GmbH, Essen	100.00	3.0	142
Krupp Stahl AG & Co Liegenschaftsverwaltung, Bochum	100.00	113.9	0
Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co.KG Stahl, Oberhausen	100.00	31.2	0
ThyssenKrupp Garten- und Landschaftsbau GmbH, Essen	100.00	0.2	106
Real Estate Consulting			
Suter + Suter GmbH, Düsseldorf	100.00	7.6	33
Real Estate Development			
ThyssenKrupp Immobilien Development GmbH, Essen	100.00	6.7	26
Corporate			
National Holding Companies			
Grupo ThyssenKrupp S.A., Madrid, Spain	100.00	267.0	0
ThyssenKrupp France S.A., Rueil-Malmaison, France	100.00	332.6	0
ThyssenKrupp Italia S.p.A., Milan, Italy	100.00	146.3	0
ThyssenKrupp Nederland B.V., Roermond, Netherlands	100.00	112.2	0
ThyssenKrupp UK PLC., County Durham, UK	100.00	155.0	0
ThyssenKrupp USA, Inc., Troy/Michigan, USA	100.00	1,225.5	25
Equity interests			
Böhler Thyssen Schweißtechnik GmbH, Hamm	50.00	57.1	15
Kone OY, Helsinki, Finland	8.27	990.5 [3]	1,475
RAG Aktiengesellschaft, Essen	20.60 [6]	486.9 [3]	57,980 [7]
Ruhrgas AG, Essen	4.68 [6]	2,710.0 [3]	2,581 [7]

[1] related to the respective parent company in the ThyssenKrupp Group [2] local [3] financial statement date December 31, 2000
[5] preconsolidation group [6] share calculated through [7] employees average

Index

Glossary

AOD converter
Special converter for stainless steels

Audit
Examination of a company (division) undertaken by an independent auditor to determine whether defined standards have been observed

Average collection period
Trade accounts receivable divided by sales, multiplied by 360 (the lower the ratio, the faster customers pay)

Capital employed
Interest-bearing invested capital

Cash flow from investing activity
Cash receipts/payments from investments/disposals

Cash flow from operating activity
Cash receipts/payments, unless caused by investing or financing activities

CAx-technology
Entirety of computer-aided design, engineering, manufacturing and control techniques

Code of Best Practice
Guidelines for corporate governance in exchange-listed German companies, presented by an independent policy commission

Conference call
Telephone conference, used, for example, for current briefings of analysts

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

DAX
Deutscher Aktien-Index (German Stock Index), compiled by Deutsche Börse. The index reflects the value development of the 30 largest and strongest-selling stocks, including ThyssenKrupp stock.

Debt to cash flow ratio
Net financial payables divided by cash flow from operating activity

Dow Jones STOXX (DJ STOXX)
European stock index of Stoxx Ltd. The founders of Stoxx were Deutsche Börse AG, Bourse de Paris, Schweizer Börse and publishing house Dow Jones and Company

Downstream activities
Further processing operations carried out on flat steel to add value, e.g. coating, steel service center operations, production of tailored blanks

EBIT
Earnings before interest, taxes

EBITDA
Earnings before interest, taxes, depreciation and amortization

EBIT margin
EBIT divided by sales (the higher the ratio, the higher the earning power)

EBITDA margin
EBITDA divided by sales (the higher the ratio, the higher the earning power)

EBT
Earnings before taxes

EBT margin
EBT divided by sales (the higher the ratio, the higher the earning power)

Economic value added (EVA)
Difference between ROCE and cost of capital, multiplied by capital employed. If EVA is positive, returns are higher than the cost of capital

Emerging markets
Emerging economic regions, particularly of the Third World

E-procurement
Purchasing materials using modern electronic media, particularly the internet

Equity ratio
Ratio of balance sheet equity capital to balance sheet total (the higher the ratio, the lower the indebtedness)

Equity to fixed assets ratio
Stockholders' equity divided by fixed assets, multiplied by 100

Euro zone
Economic territory of the member states of the European Currency Union

First-stage processing
Initial processing of materials in service centers (e.g. blanking, surface treatment)

Free cash flow (before dividend)
Cash flow from operating activity less cash flow from investing activity

Full-service supplier
Service company offering customers all required services from one source

Gearing
Ratio of financial payables to equity capital (the lower the ratio, the higher the share of equity in the interest-bearing capital employed)

Gross income
Sales less cost of goods sold

Gross margin
Ratio of gross income to sales (the higher the ratio, the higher the earning power from operations)

Hydroforming
Innovative forming technology for making extremely complex shapes, e.g. from tubular starting material

Internal financing strength
Ratio of cash flow from operating activity to cash flow from investing activity

Inventory turnover
Inventories divided by sales, multiplied by 360 (the lower the ratio, the faster the inventory turnover)

One-stop shopping
Delivery of all products and services from one source

One-to-one marketing
Customized sales advice and support

Page impressions
Number of web pages accessed by users

Pick-up truck
Light commercial vehicle with a small open cargo space

Purchase accounting
US GAAP accounting method for accounting for a company acquisition

Return on equity
Ratio of earnings before taxes to equity capital

ROCE
Return on capital employed

Simultaneous engineering
Close technical cooperation e.g. with the auto industry for material- and production-integrated development

SMC
Sheet Molded Compound, fiber reinforced plastic material

Sport utility vehicle
Multipurpose vehicle, e.g. off-road vehicle

Spot trading
Buying and selling commodities for cash and immediate delivery

Spread
Range of price fluctuations

Stakeholders
Groups within society which contribute to a company's success and place demands on the company in different ways (e.g. stockholders, banks, customers, employees, government agencies)

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".

TOPSIM
Management game for apprentices at ThyssenKrupp

ULSAB
Acronym for Ultra Light Steel Auto Body, development project of the international steel industry for lightweight solutions in auto manufacture

US GAAP
United States Generally Accepted Accounting Principles

Value reporting
Communication with the public and the financial market using value-oriented indicators

Volatility
Intensity of price fluctuations of a stock, currency or bulk commodity compared to the market development

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This report and the financial statements of ThyssenKrupp AG are available in German and English; both versions can also be downloaded from the internet at http://www.thyssenkrupp.com.

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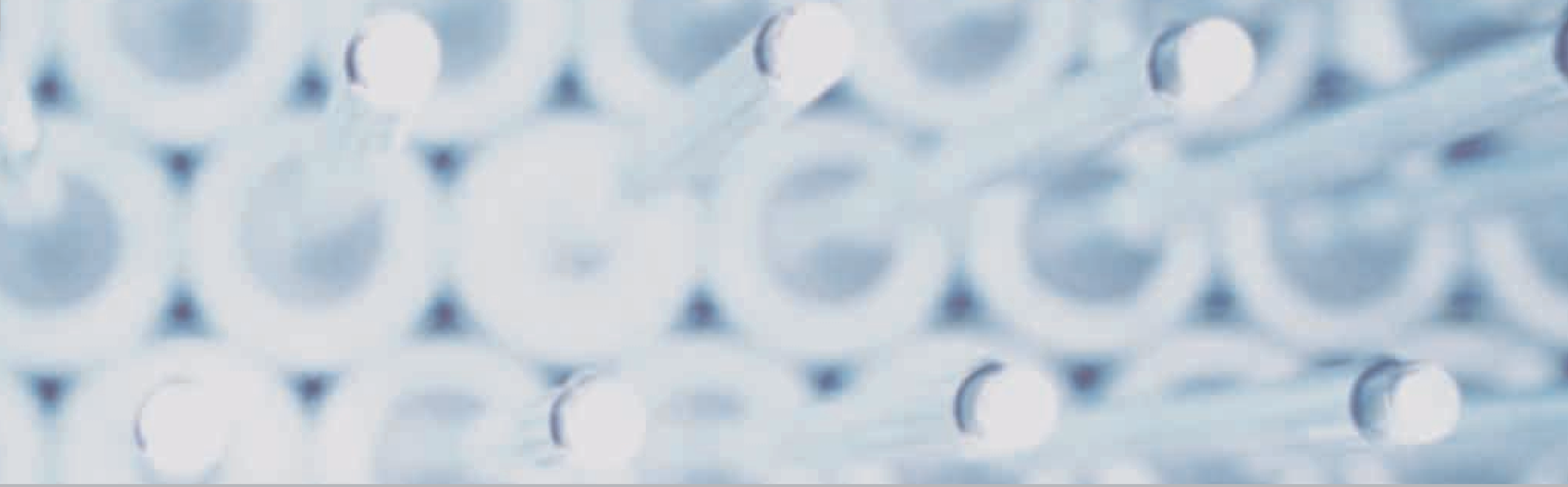
List of abbreviations

AICPA	American Institute of Certified Public Accountants
APB	Accounting Principles Board
ARB	Accounting Research Bulletin
CON	Statement of Financial Accounting Concepts
DJ STOXX	Dow Jones STOXX
EITF	Emerging Issues Task Force
EPS	Earnings per Share
EVA	Economic Value Added
FASB	Financial Accounting Standards Board
FIN	FASB Interpretation
HGB	German Commercial Code
MD&A	Management's Discussion and Analysis of Results of Operations and Financial Condition
OCI	Other Comprehensive Income
PoC	Percentage of Completion
ROCE	Return on Capital Employed
SAB	Staff Accounting Bulletin
SEC	Securities and Exchange Commission
SFAS	Statement of Financial Accounting Standards
SOP	Statement of Position
US GAAP	United States Generally Accepted Accounting Principles
WACC	Weighted Average Capital Cost

2002/2003 dates

February 26, 2002	Interim report 1st quarter 2001/2002 (October to December)
March 1, 2002	Annual Stockholders' Meeting
March 4, 2002	Payment of dividend for the 2000/2001 fiscal year
May 23, 2002	Interim report 1st half 2001/2002 (October to March)
May 24, 2002	Analysts' meeting
August 22, 2002	Interim report 9 months 2001/2002 (October to June)
Mid-November 2002	First overview of the 2001/2002 fiscal year
December 20, 2002	Annual press conference Conference call with analysts
January 8, 2003	Analysts' meeting
February 18, 2003	Interim report 1st quarter 2002/2003 (October to December)
February 21, 2003	Annual Stockholders' Meeting



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