

ThyssenKrupp Finance Nederland B.V.

**Financial statements  
for the fiscal year ending  
30 September 2010**

0960734



**KPMG**

KPMG Accountants  
Tweede Eekhoutweg 100 Postbus 1000  
1000 AA Amsterdam

22 DEC 2010

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## **Table of contents**

<b>Management report 1 October 2009 to 30 September 2010</b>	<b>2</b>
<b>Financial statements for the fiscal year ending 30 September 2010</b>	
Balance sheet	4
Income statement	5
Cash flow statement	6
Notes	7
 <b>Other information</b>	
Provisions in the Articles of Association regarding profit appropriation	11
Profit appropriation	11
Responsibility statement	12
Auditor's report	13

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KPMG Audit  
in accordance with our report dated

- 2 DEC 2010

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## Management report 1 October 2009 to 30 September 2010

### Profile

ThyssenKrupp Finance Nederland B.V. with domicile in Krimpen aan den IJssel operates as a finance company for the ThyssenKrupp Group and is wholly owned by the Group holding company ThyssenKrupp AG. The company issues bonds on the international financial markets and passes on the capital loaned with interest to companies of the Group.

### Business performance / Loans and bonds

The loans and bonds of the company are based on fixed long-term conditions. Thus we do not expect material impacts on the company's business and profitability.

The details of the outstanding bonds are:

Bonds in million EUR	Interest (fixed) in %	Maturity Date
1,000	6.75	25 February 2013
1,000	8.5	25 February 2016

At the same time the company agreed to lend the proceeds to the ThyssenKrupp Group for the same period.

During the fiscal year 2009/2010 a new APA has been agreed between the company and the tax authorities. Compared to the last APA it determines a slightly lower remuneration for the company from loans to Group companies. Due to this fact the interest of loans to Group companies was adjusted with effect from October 1, 2009.

At 30 September 2009 loans to companies of the ThyssenKrupp Group were as follows:

Loan facilities to Group companies in million EUR	Interest (fixed) in %	Maturity Date
1,000	6.8145	25 February 2013
1,000	8.5645	25 February 2016

Due to the adjustment of the interest, loans to companies of the ThyssenKrupp Group were as follows at 30 September 2010:

Loan facilities to Group companies in million EUR	Interest (fixed) in %	Maturity Date
1,000	6.813	25 February 2013
1,000	8.563	25 February 2016

The bonds and loans of the company are based on fixed long-term conditions therefore the company's profitability is not impacted by the global financial crisis.

In the fiscal year 2009/2010 ended 30 September 2010 earnings before taxes (EBT) of EUR 1.4 million were reported. EBT at the end of fiscal year 2008/2009 were EUR 1.1 million. The increase in profit compared to the last fiscal year results mainly from the increase in financial income due to the new bonds and loans issued during the fiscal year 2008/2009.

**Employees.** Apart from the three managing directors who receive no compensation for their work, there are no employees.

**Financial situation.** The funds reported in the cash flow statement correspond to the balance-sheet item "Cash and cash equivalents". Operating cash flow amounted to around EUR 1.1 million in the reporting period. The balance sheet at the end of fiscal year 2009/2010 amounts to EUR 2,120 million, at the end of prior fiscal year balance sheet was EUR 2,127 million.

ThyssenKrupp Finance Nederland B.V.

**Risk report.** The risk management system minimizes exposure and keeps the risks manageable. In view of the customer structure - exclusively companies of the ThyssenKrupp Group - difficulties with repaying the loans are not expected. The crisis on the international financial markets is carefully monitored and, if at all, only marginal effects are expected for the financing arrangements. There is no threat to the existence of the company currently foreseeable by the management.

**Subsequent events and outlook.** Between the balance sheet date (30 September 2010) and the date of issue of this report (2 December 2010) no significant events took place which have to be disclosed.

Krimpen aan den IJssel, 2 December 2010.

The Managing Directors:

Maarten R.H.B. Hoogeweegen

Ronald Ton

Thomas S. Empelmann

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Maarten R.H.B. Hoogeweegen  
Ronald Ton  
Thomas S. Empelmann

## Financial statements for the fiscal year ending 30 September 2010

### Balance sheet

(before appropriation of profit)

	Notes	30 Sep. 2009	30 Sep. 2010
(in Euro)			
<b>Assets</b>			
<b>Fixed assets</b>			
Loan facilities to Group companies	1	2,000,000,000	2,000,000,000
Deferred premium on loans to Group companies	2	12,032,044	8,496,097
Deferred discount on bonds	3	10,543,510	8,598,688
Capitalised issue costs	4	5,811,853	4,544,696
		<u>2,028,387,407</u>	<u>2,021,639,481</u>
<b>Current assets</b>			
Receivables	5	91,410,096	91,441,766
Cash and cash equivalents	6	6,734,752	6,923,132
		<u>98,144,848</u>	<u>98,364,898</u>
		<u>2,126,532,255</u>	<u>2,120,004,379</u>
<b>Liabilities</b>			
<b>Capital and reserves</b>			
	7		
Issued and paid-up capital		2,300,000	2,300,000
Retained earnings		4,228,403	4,228,403
Result for the year		891,717	1,101,510
		<u>7,420,120</u>	<u>7,629,913</u>
<b>Long-term liabilities</b>			
Long-term bonds payable	8	2,000,000,000	2,000,000,000
Deferred premium on long-term bonds payable	9	13,366,467	9,438,362
Deferred discount on loans to Group companies	10	15,020,940	12,201,119
		<u>2,028,387,407</u>	<u>2,021,639,481</u>
<b>Current liabilities</b>	11	90,724,728	90,734,985
		<u>26,532,255</u>	<u>2,120,004,379</u>

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## Income statement for the fiscal year 2009/2010

	Notes	2008/2009	2009/2010
(in Euro)			
<b>Financial income</b>	12		
Interest income	102,609,852	153,925,108	
Interest charges	(101,044,565)	(152,501,791)	
Amortisation discount on loans	1,684,060	2,819,821	
Amortisation premium on long-term bonds	1,658,533	3,928,105	
Amortisation premium on loans to Group companies	(1,492,956)	(3,535,947)	
Amortisation issue costs and discount on bonds	(2,206,637)	(3,211,979)	
		1,208,287	1,423,317
<b>Sundry income</b>	13	14,750	6,853
<b>Expenses</b>			
General expenses	14	(90,315)	(51,965)
		(90,315)	(51,965)
<b>Profit before taxation</b>		1,132,722	1,378,205
Corporation tax	15	(241,005)	(276,695)
<b>Result for the year</b>		891,717	1,101,510

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for 2010  
to the shareholders of  
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## Cash flow statement for the year ended 30 September 2010

	2008/2009	2009/2010
(in Euro)		
<b>Cash flow from operating activities</b>		
Interest received	36,484,552	153,887,280
Interest paid	(35,000,045)	(152,501,791)
Other income received	14,750	6,853
Operating expenses paid	(83,175)	(29,712)
Tax expenses paid	(191,303)	(282,533)
<b>Net cash provided by/(used in) operating activities</b>	<b>1,224,779</b>	<b>1,080,097</b>
<b>Cash flow from investing activities</b>		
Payments on loans granted	(2,002,645,342)	-
Proceeds from loans matured	504,645,000	-
<b>Net cash provided by/(used in) investing activities</b>	<b>(1,498,000,342)</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of bonds	2,002,645,342	-
Payments on redemption of bonds	(500,000,000)	-
Dividends paid	(837,824)	(891,717)
<b>Net cash provided by/(used in) financing activities</b>	<b>1,501,807,518</b>	<b>(891,717)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,031,955</b>	<b>188,380</b>
Cash and cash equivalents at beginning of the year	1,702,797	6,734,752
<b>Cash and cash equivalents at the end of the year</b>	<b>6,734,752</b>	<b>6,923,132</b>

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KPMG Audit  
Accounting and audit report dated

- 2 DEC 2010

Reported by:  
ThyssenKrupp Finance Nederland B.V.  
KPMG Accountants N.V.

## Notes

### General

The company, which is a subsidiary of ThyssenKrupp AG, Duisburg and Essen, Germany was incorporated as Thyssen Finance Nederland B.V. on 14 October 1988.

As per 5 March 2001 the company merged with another Group company, being Fried. Krupp Finance B.V.

The company acts within the ThyssenKrupp Group as a finance company in the Netherlands.

In close cooperation with the parent, the company allocates the proceeds of the bonds and loans taken to the parent and its subsidiaries/affiliates.

The financial statements are prepared on the basis of the legal requirements as set out in part 9 of Book 2 of the Netherlands Civil Code.

The address and statutory seat of the Company are:

Van Utrechtweg 99, Krimpen aan den IJssel.

### Accounting principles

The principles adopted for the valuation of assets and liabilities and determination of the results are based on the historical cost convention.

All assets and liabilities are stated at the nominal value unless indicated otherwise.

Income and expenses are accounted for in the period to which they relate, unless otherwise mentioned.

### Financial fixed assets

The loans to the companies of the ThyssenKrupp Group are included at nominal value less any provision deemed necessary. The premiums/discounts, if any, are capitalised and amortised to the profit and loss account during the term of the underlying loan.

### Long-term bonds

The issue costs arising on borrowings and premiums/discounts, if any, are capitalised and amortised to the profit and loss account during the term of the underlying bond.

### Balance sheet

#### 1 Loan facilities to Group companies

	maturity date	30 Sep. 2009	30 Sep. 2010
(in Euro)			
EUR 1,000,000,000 interest 6.813% (fixed)	25 February 2013	1,000,000,000	1,000,000,000
EUR 1,000,000,000 interest 8.563% (fixed)	25 February 2016	1,000,000,000	1,000,000,000
		<u>2,000,000,000</u>	<u>2,000,000,000</u>

The facilities are granted to companies of the ThyssenKrupp Group. Due to the new APA the interest of these loans was reduced by 0.15 BP with effect from October 1, 2009.

#### 2 Deferred premium on loans to Group companies

This item relates to the loans granted to companies of the ThyssenKrupp Group, and is amortised during the term of these loans. From the total amount EUR 3,535,948 will be booked to the profit and loss account during the fiscal year 2010/2011.

#### 3 Deferred discount on bonds

This item relates to the outstanding bonds and is amortised during the term of these bonds. From the total amount EUR 1,944,821 will be booked to the profit and loss account during the fiscal year 2010/2011.



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#### 4 Capitalised issue costs

This item relates to the outstanding bonds and is amortised during the term of these bonds.

From the total amount EUR 1,267,157 will be booked to the profit and loss account during the fiscal year 2010/2011.

#### 5 Receivables

	30 Sep. 2009	30 Sep. 2010
(in Euro)		
Interest receivables	91,375,651	91,413,479
Prepaid Taxes	28,287	28,287
Other receivables	6,158	-
	<u>91,410,096</u>	<u>91,441,766</u>

The interest receivables relate to accrued interest on facility agreements to companies of the ThyssenKrupp Group. None of the receivables has a maturity over 1 year.

#### 6 Cash and cash equivalents

	30 Sep. 2009	30 Sep. 2010
(in Euro)		
Intercompany account with ThyssenKrupp AG	6,725,055	6,915,989
Deutsche Bank AG, Amsterdam branch	9,697	7,143
	<u>6,734,752</u>	<u>6,923,132</u>

For the fiscal year 2008/2009 and 2009/2010 cash and cash equivalents were at free disposal to the company.

#### 7 Capital and reserves

##### Issued and paid-up capital

The authorised share capital amounts to EUR 2,300,000, divided into 230 shares of EUR 10,000 each. The capital has been fully issued and paid-up. All shares are held by ThyssenKrupp AG.

Movements in shareholders' equity are as follows:

	30 Sep. 2009	Distribution	Result for the year	30 Sep. 2010
(in Euro)				
Issued and paid-up capital	2,300,000	-	-	2,300,000
Retained Earnings	4,228,403	-	-	4,228,403
Result for the year	891,717	(891,717)	1,101,510	1,101,510
	<u>7,420,120</u>	<u>(891,717)</u>	<u>1,101,510</u>	<u>7,629,913</u>

During the fiscal year 2009/2010 a dividend in amount of EUR 891,717 has been paid to the parent company.

#### 8 Long-term bonds payable

	30 Sep. 2009	30 Sep. 2010
(in Euro)		
EUR 1,000,000,000 interest rate 6.75% (fixed) due 25 February 2013	1,000,000,000	1,000,000,000
EUR 1,000,000,000 interest rate 8.50% (fixed) due 25 February 2015	1,000,000,000	1,000,000,000
	<u>2,000,000,000</u>	<u>2,000,000,000</u>

Bonds and interest payable thereon are guaranteed by ThyssenKrupp AG, Duisburg and Essen, Germany.

- 2 DEC 2010

ThyssenKrupp Finance Nederland B.V.

**9 Deferred premium on long-term bonds payable**

This item relates to the tap of the long-term bond due 25 February 2013, which has been issued on 29 April 2009 above par, and is amortised through the term of the bond. From the total amount EUR 3,928,105 will be booked to the profit and loss account during the fiscal year 2010/2011.

**10 Deferred discount on loans to Group companies**

This item relates to the outstanding loans to companies of the ThyssenKrupp Group and is amortised during the term of these loans. From the total amount EUR 2,819,821 will be booked to the profit and loss account during the fiscal year 2010/2011.

**11 Current liabilities**

This represents:

	30 Sep. 2009	30 Sep. 2010
(in Euro)		
Interest payable	90,664,383	90,664,383
Taxes payable	48,730	42,892
Other	11,615	27,710
	<u>90,724,728</u>	<u>90,734,985</u>

Interest payable is guaranteed by ThyssenKrupp AG, Duisburg and Essen, Germany.

**Income statement**

**12 Financial income**

Interest income mainly results from the loans granted by the company to Group companies.  
Interest expenses mainly result from the bonds issued.

**13 Sundry income**

During the year the company received a refund from BAFIN in amount of EUR 6,853.

**14 General expenses**

This comprises:

	2008/2009	2009/2010
(in Euro)		
Management and administration fees	24,633	24,633
Advisory fees	30,408	3,931
Audit fee	22,550	11,305
Rent office space	5,000	5,000
Chamber of Commerce	231	165
Other	17,493	6,931
	<u>90,345</u>	<u>51,965</u>

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ThyssenKrupp Finance Nederland B.V. - Annual Report 2010

- 2 DEC 2010

ThyssenKrupp Finance Nederland B.V.

#### **15 Corporation tax**

The tax expense is calculated in accordance with existing tax legislation and is based on a ruling (APA).  
The APA is based on a transfer pricing study and therefore the agreed remuneration is in accordance with the "at arm's length principle".

#### **16 Related parties**

The shareholder of the company, ThyssenKrupp AG, qualifies as a related party. All transactions with ThyssenKrupp AG or its affiliates have been disclosed in the notes to the financial statements.

#### **17 Number of employees**

The company has no employees apart from the managing directors.

#### **18 Remuneration of the managing directors**

All managing directors do not receive a remuneration for their duties.

Krimpen aan den IJssel, 2 December 2010.

The Managing Directors:

Maarten R.H.B. Hoogeweegen

Ronald Ton

Thomas S. Empelmann

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Document to which our report dated

- 2 DEC 2010

also refers  
notes for "direct capital" purposes  
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## Other information

### Provisions in the Articles of Association regarding profit appropriation

The appropriation of profit is governed by article 18 of the Articles of Association. The profit is at free disposal of the general meeting. The general meeting may decide to pay one or more interim dividends if profit so permits. The general meeting can at all times decide to distribute to shareholders to the debit of the reserves.

### Profit appropriation

The Board of Managing Directors proposes to distribute the profit in amount of EUR 1,101,510 (2008/2009 EUR 891,717) to the shareholder.

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## Responsibility statement

"To the best of our knowledge, and in accordance with the applicable reporting principles for the financial reporting, the financial statements for the fiscal year ending 30 September 2010 give a true and fair view of the assets, liabilities, financial position and profit and loss of the company; the management report specifies the most important events of the reporting period and their effects on the financial statements; necessary estimates have been made with due care."

Krimpen aan den IJssel, 2 December 2010.

The Managing Directors:

Maarten R.H.B. Hoogeweegen

Ronald Ton

Thomas S. Empelmann

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- 2 DEC 2010

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To: General Meeting of Shareholders of ThyssenKrupp Finance Nederland B.V.

## **Auditor's report**

### **Report on the financial statements**

We have audited the accompanying financial statements for the year ended 30 September 2010 of ThyssenKrupp Finance Nederland B.V., Krimpen aan den IJssel, which comprise the balance sheet as at 30 September 2010, the profit and loss account and the cash flow statement for the year then ended and the notes.

### ***Management's responsibility***

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### ***Opinion***

In our opinion, the financial statements give a true and fair view of the financial position of ThyssenKrupp Finance Nederland B.V. as at 30 September 2010, and of its result and cash flows for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

### **Report on other legal and regulatory requirements**

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 2 December 2010

KPMG ACCOUNTANTS N.V.

M. Frikkee RA