

ThyssenKrupp Finance Nederland B.V.

**Interim Financial statements
for the six-month period ending
31 March 2015**

(Chamber of Commerce Rotterdam file no.: 33206400)

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Interim management report 1 October 2014 to 31 March 2015

Profile

ThyssenKrupp Finance Nederland B.V. (the "Company") 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 object of the Company is to issue bonds on the international financial markets and to pass on the borrowed amount with interest to companies of the Group.

Business performance / Loans and bonds

The loans and bonds of the Company are fixed long-term in nature. Thus there is no material impact on the Company's business and profitability on a year to year basis.

The details of the outstanding bonds at 30 September 2014 are:

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

The Company agreed to lend the proceeds of the bonds to the ThyssenKrupp Group for the same period.

The details of the loans to companies of the ThyssenKrupp Group outstanding at 31 March 2015 are:

Loan facilities to Parent company in million EUR	Interest (fixed) in %	Maturity Date
1,000	8.563	25 February 2016

Employees

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

The distribution of seats in the board of the company does currently not comply with the provision regarding the balanced distribution of seats between men and women (as described in article 2:276 DCC) due to the unavailability of suitable candidates. However the company will continue to strive to a more balanced distribution of seats in the board.

Financial situation

In financial year 2013/2014 no new bonds were issued and no new loans were passed on to companies of the Group. There were no significant developments in liquidity and solvability.

The balance sheet total amounts to EUR 1,013 million (30 September 2014: EUR 1,055 million).

In the fiscal half year ended 31 March 2015 a profit after taxation of EUR 0.2 million (31 March 2014: EUR 0.2 million) was reported.

The Company reported in the cash flow statement cash flow from operating activities of EUR 0.6 million (31 March 2014: EUR 0.4 million).

Risk management

The Board of Management is responsible for the internal control and the management of risks within the Company.

ThyssenKrupp Finance Nederland B.V. is integrated in the ThyssenKrupp AG risk management system and follows standard Groupwide processes to identify, report and assess risks early and consistently. This procedure permits the control and monitoring of risks. The long-term bond issues of the Company are irrevocably guaranteed by ThyssenKrupp AG and have long-term ratings which rely on the performance of ThyssenKrupp AG. As in previous years, the liquid funds of the Company have been made available to ThyssenKrupp AG by way of intercompany loans. Financial instruments include cash items, loans and other financing commitments. The Company does not use derivative financial instruments such as swaps and forward agreements.

ThyssenKrupp Finance Nederland B.V.

Bonds and intercompany loans have the same lifetime. Therefore no liquidity shortage is possible at the repayment date of the bonds.

As bonds and intercompany loans have a fixed interest rate, no mismatch is possible, as the interest risk is minimal.

Current issues ratings

ThyssenKrupp AG has been rated by Moody's and Standard & Poor's since 2001 and by Fitch since 2003.

At Standard & Poor's ThyssenKrupp AG's rating continues to be below investment grade.

Moody's has downgraded the rating of ThyssenKrupp AG in January 2013 to sub investment grade.

Fitch has announced on 5 December 2013 the downgrade of the ThyssenKrupp AG rating to sub investment grade.

The present ratings are:

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BB	B	Stable
Moody's	Ba1	Not Prime	Negative
Fitch	BB+	B	Stable

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 international financial markets are carefully monitored. There is no threat to the existence of the Company currently foreseeable for the management, however the credit risk is concentrated at one party. As the loans as well as the bonds have a fixed long term interest rate as well as the same maturity date, the interest rate risk as well as the liquidity risk are considered limited. As the assets, liabilities and transactions are denominated in Euro the currency risk is not applicable.

Subsequent events and outlook

Between the balance sheet date (31 March 2015) and the date of issue of this report (1 May 2015)

no significant events took place which need to be disclosed.

Meanwhile the Company will be looking for new opportunities in the market.

For the maturity dates of the bonds and the loans we refer to the disclosures under "Business performance / Loans and bonds".

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 31 March 2015 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, 1 May 2015.

The Managing Directors:

Thomas S. Empelmann

Stephen P. de Haseth

Rens W. van Hoof

Interim financial statements for the fiscal year ending 31 March 2015

Balance sheet

(before appropriation of profit)

	Notes	30 Sep. 2014	31 Mar. 2015
(in Euro)			
Assets			
Fixed assets			
Financial fixed assets			
Loan facilities to Parent company	1	997,462,976	998,367,262
		997,462,976	998,367,262
Current assets			
Receivables	2	57,582,265	14,698,621
Cash and cash equivalents	3	3,006	13,233
		57,585,271	14,711,854
		1,055,048,247	1,013,079,116
Liabilities			
Capital and reserves			
Issued and paid-up capital	4	2,300,000	2,300,000
Retained earnings		4,228,403	4,228,403
Result for the year		503,846	245,928
		7,032,249	6,774,331
Non-current liabilities			
Long-term bonds payable	5	997,462,976	998,367,262
		997,462,976	998,367,262
Current liabilities			
Other current liabilities	6	50,553,022	7,937,523
		50,553,022	7,937,523
		1,055,048,247	1,013,079,116

Income statement

	Notes	2012/2013	2013/2014
(in Euro)			
Financial income			
Interest income		42,741,915	42,742,167
Interest charges		(42,383,562)	(42,383,577)
Amortisation discount on loans			
Amortisation premium on long-term bonds		904,286	904,286
Amortisation premium on loans to Parent company		-	-
Amortisation issue costs and discount on bonds		(654,286)	(654,286)
		<u>(250,000)</u>	<u>(250,000)</u>
Net financial income		358,353	358,589
Expenses			
General expenses	7	-	-
Result before taxation			
		<u>(28,077)</u>	<u>(30,161)</u>
Corporation tax	8	<u>(28,077)</u>	<u>(30,161)</u>
		330,276	328,428
Result after taxation			
		<u>(82,500)</u>	<u>(82,500)</u>
		<u>247,776</u>	<u>245,928</u>

Cash flow statement for the period ending 31 March 2015 - unaudited

(in Euro)	period ending 31 March 2014	period ending 31 March 2015
Cash flow from operating activities		
Interest received	85,674,217	85,674,468
Interest paid	(85,000,000)	(85,000,015)
Operating expenses paid	(78,374)	(41,747)
Tax expenses paid	(165,000)	(50,564)
Net cash provided by/(used in) operating activities	430,843	582,142
Cash flow from investing activities		
Payments on loans granted	-	-
Proceeds from loans matured	-	-
Net cash provided by/(used in) investing activities	-	-
Cash flow from financing activities		
Payments on redemption of bonds	-	-
Dividends paid	(696,712)	(503,846)
Movement intercompany account with parent company	230,020	(68,069)
Net cash provided by/(used in) financing activities	(466,692)	(571,915)
Net increase/(decrease) in cash and cash equivalents	(35,849)	10,227
Cash and cash equivalents at beginning of the period	42,522	3,006
Cash and cash equivalents at the end of the period	6,673	13,233

Notes

General

Relationship with parent company and principal activities

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, The Netherlands.

Financial reporting period

These financial statements have been prepared for a reporting period of one year. The book year runs from 1 October until 30 September each year.

Going concern

These financial statements have been prepared on the basis of the going concern assumption.

Accounting policies

General

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

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

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet.

The interest and expenses are allocated to the period to which they relate.

The financial statements are presented in euros, the company's functional and presentation currency.

Comparative figures

The accounting policies have been consistently applied to all the years presented.

Accounting policies for the cash flow statement

The cash flow statement has been prepared using the direct method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid and repayments of bonds are recognised as cash used in financing activities. Proceeds from loans matured are recognised as cashflow from investing activities.

Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors of the Company or the ultimate parent company and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

Estimates

The preparation of the financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. If necessary for the purposes of providing the view required under section 362, subsection 1, book2 of the Dutch Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

Financial fixed assets and current assets

The financial fixed assets and current assets are initially measured at fair value and subsequently carried at amortised cost. If loans are issued at a discount or premium, the discount or premium is recognised through profit or loss over the maturities of the loans using the effective interest method. Also transaction costs are included in the initial valuation and recognised through profit or loss as part of the effective interest method. Impairment losses are deducted from amortised cost and expensed in the income statement.

Impairment of non-current assets

As at each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generated unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount: the recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

Liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest in the income statement over the period of the borrowings using the effective interest method.

Financial income

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Corporate income tax

Income tax is calculated on the profit/(loss) before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items and non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

Determination of fair value

A number of accounting policies and disclosures in the Group's financial statements require the determination of the fair value for both financial assets and liabilities.

For measurement and disclosure purposes, fair value is determined on the basis of the net present value of future repayments and interest payments, discounted at the market interest rate at the reporting date.

Where applicable, detailed information concerning the principles for determining fair value are included in the section that specifically relates to the relevant asset or liability.

Financial instruments and risk management

Financial instruments include investments in loan facilities to group companies, cash and cash equivalents, other receivables and payables and bond loans

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 international financial markets are carefully monitored. There is no threat to the existence of the Company currently foreseeable for the management, however the credit risk is concentrated at one party. As the loans as well as the bonds have a fixed long term interest rate as well as the same maturity date, the interest rate risk as well as the liquidity risk are considered limited. As the assets, liability and transactions are denominated in Euro the currency is risk is not applicable.

The company does not have any derivative instruments.

Balance sheet**1 Loan facilities to Parent company**

(in Euro)	maturity date	30 Sep. 2014	31 Mar. 2015
EUR 1,000,000,000 interest 8.563% (fixed)	25 February 2016	1,000,000,000	1,000,000,000
		<u>1,000,000,000</u>	<u>1,000,000,000</u>

The facilities are granted to ThyssenKrupp AG.

The fair value of the loan can be derived from the fair value of the long term bond payable of EUR 1,101 million.

As it is the intention of the Company to hold the related bonds till maturity, no movements are to be expected during the lifetime of the loans.

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 1,808,571 was recognized to the profit and loss account during the fiscal year 2014/2015.

(in Euro)	30 Sep. 2014	31 Mar. 2015
Balance as at 1 October:		
Cost price	(16,705,000)	(16,705,000)
accumulated amortisation	12,359,405	14,167,976
	<u>(4,345,595)</u>	<u>(2,537,024)</u>
Changes during the financial year:		
amortisation	1,808,571	904,286
Balance as at 30 September:		
Cost price	(16,705,000)	(16,705,000)
accumulated amortisation	14,167,976	15,072,262
	<u>(2,537,024)</u>	<u>(1,632,738)</u>

The cost price relating to the loan maturing in 2016 originally amounted to EUR 12,660,000. From this amount EUR 1,632,738 remains at 31 March 2015 (EUR 2,537,024 as per 30 September 2014).

Total loan facilities to Parent company	997,462,976	998,367,262
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2 Receivables

	30 Sep. 2014	31 Mar. 2015
(in Euro)		
Interest receivables	50,908,795	7,976,493
Intercompany account with ThyssenKrupp AG	6,552,773	6,620,843
Prepayments	120,697	101,285
	57,582,265	14,698,621

The interest receivables relate to accrued interest on facility agreement to ThyssenKrupp AG.
None of the receivables has a maturity over 1 year. The fair value of the receivables approximates the book value, due to their short-term character.

3 Cash and cash equivalents

	30 Sep. 2014	31 Mar. 2015
(in Euro)		
Deutsche Bank AG, Amsterdam branch	3,006	13,233

For the periods ending 30 September 2014 and 31 March 2015 cash and cash equivalents were at free disposal to the company.

4 Capital and reserves*Issued and paid-up capital*

The authorised share capital amounts to EUR 2,300,000, divided into 230 ordinary 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. 2014	Distribution	Result for the year	31 Mar. 2015
(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	503,846	(503,846)	245,928	245,928
	7,032,249	(503,846)	245,928	6,774,331
	30-Sep-13	Distribution	Result for the year	30 Sep. 2014
(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	696,712	(696,712)	503,846	503,846
	7,225,115	(696,712)	503,846	7,032,249

During the period ending 31 March 2015 a dividend in amount of EUR 503,846 has been paid to the parent company.

5 Bonds payable

	30 Sep. 2014	31 Mar. 2015
(in Euro)		
EUR 1,000,000,000 interest rate 8.50% (fixed) due 25 February 2016	1,000,000,000	1,000,000,000
	<u>1,000,000,000</u>	<u>1,000,000,000</u>

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

As per 31 March 2015 the fair value of the bond maturing 2016 is EUR 1,067 million

The fair value of the long-term bonds payable is derived from quotes reported on the Frankfurt Stock Exchange per 31 March 2015.

As it is the intention of the Company to have the bonds outstanding till maturity, no movements are to be expected during the lifetime.

Deferred discount and premium on bonds

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

	30 Sep. 2014	31 Mar. 2015
(in Euro)		
Balance as at 1 October:		
Cost price discount	(11,705,000)	(11,705,000)
Cost price premium	15,025,000	15,025,000
Accumulated amortisation discount	8,560,794	9,869,365
Accumulated amortisation premium	(15,025,000)	(15,025,000)
	<u>(3,144,206)</u>	<u>(1,835,635)</u>
Changes during the financial year:		
Amortisation discount	1,308,571	654,286
Amortisation premium	-	-
	<u>(17,314)</u>	<u>654,286</u>
Balance as at 30 September:		
Cost price discount	(11,705,000)	(11,705,000)
Cost price premium	15,025,000	15,025,000
Accumulated amortisation discount	9,869,365	10,523,651
Accumulated amortisation premium	(15,025,000)	(15,025,000)
	<u>(1,835,635)</u>	<u>(1,181,349)</u>

Capitalised issue costs

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

From the total amount EUR 250,000 was recognized to the profit and loss account during the six-month period ending March 2014.

	30 Sep. 2014	31 Mar. 2015
(in Euro)		
Balance as at 1 October:		
Cost price	(6,500,000)	(6,500,000)
Accumulated amortisation	5,298,611	5,798,611
	<u>(1,201,389)</u>	<u>(701,389)</u>
Changes during the financial year:		
Amortisation	500,000	250,000
Balance as at 30 September:		
Cost price	(6,500,000)	(6,500,000)
Accumulated amortisation	5,798,611	6,048,611
	<u>(701,389)</u>	<u>(451,389)</u>

The cost price relating to the bond maturing in 2016 originally amounted to EUR 3,500,000. From this amount EUR 451,389 remains at 31 March 2015 (EUR 701,389 as per 30 September 2014).

Total bonds payable **997,462,976** **998,367,262**

6 Other current liabilities

This represents:

	30 Sep. 2014	31 Mar. 2015
(in Euro)		
Interest payable	50,534,247	7,917,808
Other	18,775	19,715
	<u>50,553,022</u>	<u>7,937,523</u>

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

All current liabilities are due within one year.

The fair value of the current liabilities approximates the book value due to their short-term character.

Income statement

7 General expenses

This comprises:

	period ending 31 March 2014	period ending 31 March 2015
(in Euro)		
Management and administration fees	12,524	12,524
Advisory fees	-	-
Audit fee	8,925	8,925
Rent office space	2,500	2,500
Chamber of Commerce	-	-
Other	4,129	6,213
	<u>28,077</u>	<u>30,161</u>

The audit fees listed above relates only to the procedures applied to the company by accounting firms and external independent auditors as referred to in section 1(1) of the Dutch Accounting Firms Oversight act.
No other tax fees and fees for (non) audit procedures from PWC than the audit fees for financial statements are incurred.

8 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".

9 Number of employees

The company has no employees during both years.

10 Remuneration of the managing directors

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

Krimpen aan den IJssel, 1 May 2015.

The Managing Directors:

Thomas S. Empelmann

Stephen P. de Haseth

Rens W. van Hoof

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

In accordance with article 18 of the Articles of Association of the company, the result for the period is at free disposal of the general meeting of shareholders.