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## ThyssenKrupp announces Q4 and FY 2008-09 results

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Germany's largest steelmaker ThyssenKrupp AG has announced financial results for fourth quarter of 2009 as well as fiscal year ended September 30th 2009.

The key data for the 2008/2009 fiscal year:

1. Order intake: EUR 36 billion
2. Sales: EUR 40.6 billion
3. EBITDA: EUR 192 million
4. Earnings before taxes: EUR 2,364 million
5. Earnings before taxes and nonrecurring items: EUR 734 million
6. Earnings per share: EUR 4.01
7. Operating cash flow: EUR 3,699 million
8. Net financial debt: EUR 2,059 million

The key data for the fourth quarter:

1. Order intake: EUR 7.5 billion
2. Sales: EUR 9.9 billion
3. EBITDA: EUR 534 million
4. Earnings before taxes: EUR 1,377 million
5. Earnings before taxes and nonrecurring items: EUR 332 million
6. Earnings per share: EUR 2.28
7. Operating cash flow: EUR 1,745 million

Segment review

Steel

Order intake was down by 41% YoY at EUR 8.4 billion. Sales decreased by 31% YoY to EUR 9.9 billion. In both cases the declines were mainly volume related. The segment's loss of EUR 486 million, following a profit of EUR 1,540 million a year earlier, was also mainly the result of the slump in shipments. Only towards the end of the fiscal year were there signs of a stabilization of volumes in the stock cycle. However, inventory write downs and asset losses of around EUR 290 million were necessary. Earnings were further impacted by the costs for the construction of the steel production and processing facilities in Brazil and the USA (EUR 214 million) as well as restructuring expenses and impairment charges (EUR 266 million). On September 30th 2009, Steel employed 39,156 people.

Stainless

Against the background of the global fall in demand, the segment's business situation deteriorated severely in 2008-09. Lower volumes, base prices and alloy surcharges caused orders to slip by 44% to EUR 4.1 billion, while sales decreased by 40% to EUR 4.5 billion. The segment's earnings fell drastically by EUR 1,072 million to EUR (946) million. The main reasons were extreme underutilization of production capacities and the sharp fall in base prices. Only towards the end of the fiscal year did an improvement in workloads and base prices help contain the losses. Earnings were also impacted by restructuring expenses, impairment charges and project costs for the stainless steel mill in Alabama in the amount of EUR 197 million and inventory write downs and asset losses of around EUR 430 million. On September 30th 2009, Stainless employed 11,755 people.

Technologies:

Order intake in the Technologies segment declined as a result of order cancellations at the shipyards, dramatic falls in orders in the automotive and construction machinery sectors, and uncertainty and delays in plant construction. At EUR 8.6 billion, orders were significantly lower than a year earlier (EUR 13.5 billion). Sales also fell by 14% to EUR 10.6 billion. Nonetheless, orders in hand at September 30, 2009 continue to secure more than a year's sales. Following record profits of EUR 741 million a year earlier, the segment reported a loss of EUR 868 million. This mainly reflected restructuring expense of EUR 431 million and impairment charges of EUR 370 million, above all at the shipyards and the automotive operations. On September 30th 2009, Technologies employed 49,056 people.

Elevator

The segment continued its positive performance in 2008-09. As a result of the global economic crisis, order intake fell short of the high prior year level, slipping 9% to EUR 5 billion. But sales and earnings improved significantly and reached new

record levels. Thanks to the high level of orders received for new installations in the prior year and the strong performance of the service and modernization business, sales were up 8% to EUR 5.3 billion. Despite restructuring expense and impairment charges of EUR 34 million, profits climbed by 29% to a record EUR 558 million. This success is the result of volume increases and efficiency enhancements, especially at the US operations. On September 30th, 2009 Elevator employed 42,698 people.

#### Services

Order intake at Services amounted to EUR 11.2 billion in 2008-09. Sales decreased by 31% YoY from EUR 17.3 billion to EUR 11.9 billion. The reporting year was characterized by sharp declines in volumes and prices. It was not until the end of fiscal 2008-09 that the situation showed signs of stabilizing at a low level. The segment made a loss of EUR 271 million, its worst ever result, caused mainly by the high earnings fall in the materials business. Write downs on inventory and asset losses totaling around EUR 333 million had to be recorded at September 30th 2009. Restructuring expense of EUR 95 million additionally weighed on earnings. On September 30th, 2009 Services employed 43,235 people.

Dr Ekkehard Schulz executive board chairman of ThyssenKrupp AG said that "With all personnel cutbacks one thing has always been important to me. We decided all the key measures in agreement with the employee representatives after in some cases heated discussion. Competitive strength, future viability and social responsibility must not be mutually exclusive. At ThyssenKrupp we have shown that they can be reconciled even in difficult times."

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