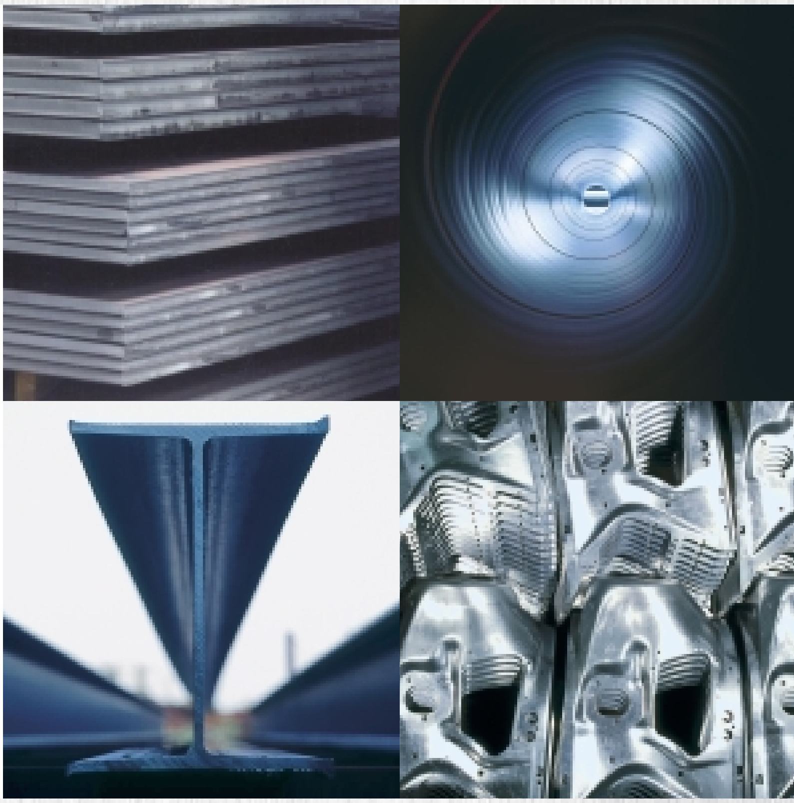
INTERIM REPORT

SALZGITTER AG
Stahl und Technologie



- Corporate earnings develop encouragingly against the trend
- Tube division resistant to economic downturn
- Salzgitter AG included in MDAX since September 24, 2001

9 months 2001

Key Data – Overview
9 months 2001 – January 1, 2001 to September 30, 2001

Salzgitter Group

		9 months 2001	9 months 2000[1)]	Δ
Sales (consolidated)	€ mln	3,391	2,609	30 %
Steel Division	€ mln	1,134	987	15 %
Tube Division	€ mln	723	0	
Trading Division	€ mln	1,275	1,406	-9 %
Service Division	€ mln	170	178	-5 %
Processing Division	€ mln	89	38	136 %
Flat rolled products	€ mln	1,542	1,507	2 %
Sections	€ mln	483	501	-4 %
Tubes	€ mln	913	39	
Share of export	%	54	49	10 %
Employees				
Personnel expenses	€ mln	611	427	43 %
Workforce (annual average)		16,930	12,812	32 %
Result from ordinary activities	€ mln	125	75	65 %
Net income	€ mln	111	54	105 %
Total assets	€ mln	3,580	2,427	47 %
Fixed assets	€ mln	1,690	1,226	38 %
Current assets	€ mln	1,890	1,201	56 %
Inventories	€ mln	748	545	37 %
Shareholders´ equity	€ mln	1,050	912	15 %
Borrowings	€ mln	2,530	1,515	67 %
Provisions	€ mln	1,954	977	100 %
Liabilities	€ mln	576	538	7 %
thereof due to banks	€ mln	85	207	-59 %
Capital expenditures[2)]	€ mln	181	150	21 %
Depreciation and amortization	€ mln	155	131	18 %
Key figures				
Earnings before interest and taxes (EBIT)	€ mln	134	91	47 %
EBIT before depreciation (EBITDA)	€ mln	289	222	30 %
Return on capital employed (ROCE)[3)]	%	15.2	11.7	30 %
Cash flow	€ mln	108	97	11 %

Financial statements according to IAS
1) adjusted figures and without Mannesmannröhren-Werke AG; 2) without financial assets; 3) annualized

Management Report

Summary
Even in the first half of the financial year, fear of recession and a slowdown in world economic growth had already made their mark on the global economic situation. Any hopes of a swift recovery raised by the first signs of a more positive development towards the end of the third quarter were dashed, for the time being at least, by the terrorist attacks in the USA. The pressure on the markets for steel and steel products was raised still further by the events of the third quarter. Nevertheless, even in this extremely adverse environment Salzgitter AG succeeded in further increasing its operating results. While business activities and results in the Steel and Trading Divisions declined as previously forecast, the Tube Division which has been consolidated since October 1, 2000 continued to record a gratifying increase in sales and profits. On July 1, 2001 a new Group organizational structure was put into place. Salzgitter AG now stands at the highest tier of the Group as the management holding company. Immediately below are the five largely independent operating divisions: Steel, Trading, Processing, Services and Tubes. The need for a division of functions and the decentralization of responsibilities arose as a logical and essential progression following the vigorous growth in the past financial year 1999/2000, during which the Group took over Mannesmann-röhren-Werke AG, among others. The Group is now on the right footing both to pursue the growth strategy on which it embarked in 1999 and to continue optimizing its existing activities.

At present it is impossible to foresee just when the cloud over the global economic situation will lift. Likewise the turning point for Europe's steel economy seems to be retreating further into the year 2002. Nevertheless, Salzgitter AG stands by its forecast of pretax profits of € 135 million for the current financial year. Indeed on present data it is possible that this forecast may even be slightly exceeded.

Key Data of First Nine Months of Fiscal Year 2001:

- **Group external sales € 3.4 billion (+30 % vs. 2000)**
- **Earnings before taxes € 125 million (+65 % vs. 2000)**
- **Net income for the period € 111 million (+105 % vs. 2000)**
- **Steel Division income from ordinary operations € 41 million (-1 % vs. 2000)**
- **Tube Division income from ordinary operations € 69 million (not consolidated during previous fiscal year)**
- **ROCE first nine months 2001: 15.2 % (2000: 11.7 % – both annualized)**

Market Development

The economic situation in the world's leading industrial countries had already cooled significantly even before the attacks on the USA on September 11. As a result, the business climate was dominated by fears of recession in virtually all regions and markets. Investment and consumption declined markedly in many sectors and regions. The zero-growth situation in the US economy at the beginning of the second half affected other industrial nations in turn. Even during the summer, provisional economic indicators were pointing towards a recovery following the switch to expansionary economic and monetary policies. Now, however, in the wake of the terrorist attacks, the outlook for economic development through to the end of the year is far less optimistic. The consequences, both direct and indirect, in the USA will lead to a noticeable decline in real gross domestic product up to the end of the current year. Given an improvement in consumer confidence, the government spending program which has already generated short-term results will serve to revitalize demand next year. Economic researchers expect with some certainty that the substantial stimulus injected through economic policies will fuel an accelerating upturn during the course of 2002.
Even in the first half of 2001, Western Europe was experiencing a significant economic slowdown. Europe's national economies were suffering not only from the general downturn in world trade, but also due to unexpectedly high energy price rises in particular which sapped purchasing power in turn. Nonetheless, in Western Europe too there were detectable signs of a forthcoming revival, especially as the upward trend in prices finally tailed off sharply. It is likely that this return to a more positive development will be put back until the year 2002. Then, however, the Euro zone economy, stimulated by worldwide economic recovery and by a more expansionary monetary policy of the European Central Bank in 2002, should once again grow perceptibly stronger.
The economic picture in Germany, too, will be overshadowed in the coming months by the consequences of the terrorist attacks in the

USA. Businesses and private households alike are holding back on investments and purchases. Against this background, the stagnation in aggregate output is set to continue until the end of the year. All in all, real gross domestic product in 2001 is likely to rise by no more than 0.7 %. As the prospects for sales at home and abroad improve, however, 2002 should once again see a rising willingness on the part of companies to invest. Some economic researchers are of the opinion that aggregate production is likely to increase as early as in the first half of 2002. The overall expectation is for GDP in Germany to rise by 1.3 % during the year 2002.

Group business situation

Consolidated Group sales in the first nine months of the financial year 2001 amounted to € 3.39 billion. This was some 30 % above the figure of € 2.61 billion for the same period last year, prior to the consolidation of Mannesmann-röhren-Werke AG (MRW). External sales declined marginally in comparison with the second quarter. Profits on ordinary activities for the reporting period amounted to € 124.7 million, representing a significant improvement of 65 % over the same period last year. On the basis of pretax results, EBIT was € 134 million (+47 % vs. 2000) and EBITDA came in at € 289 million (+30 % vs. 2000). Profits after taxes at € 111 million were more than double the figure for the same period in 2000 (+105 %).

The most important indicator of the financial success of Salzgitter AG, the return on capital employed (ROCE), reached 15.2 % - well ahead of the target of 12 %. In the same period in the year 2000, ROCE was 11.7 %.

At the end of the first nine months of the financial year 2001, Salzgitter AG had a positive net financial position of € 234 million; at the end of the same period last year, the company still had debts of - € 154 million. The reason for this gratifying reversal lies in the liquidity contributed to the Group by Mannesmannröhren-Werke AG. Investments during the reporting period at € 181 million were 21 % higher than in the comparable period. This reflects not merely the expanded group of consolidated companies, but also the vigorous investment in the area of steel production.

While the balance sheet total has remained almost unchanged, there has been a further increase in fixed assets - thanks to the high level of investments - in connection with a reduction of receivables. There was a slight increase in financial resources, bringing the total to € 275 million. The equity ratio viewed from an economic perspective - taking account of bad will and minority interests - remains almost unchanged at 35.3 %. As of 30.09.2001 the Group employed a workforce of 16,826 including 11,473 wage earners and 5,353 salaried staff. This represents a reduction of 158 employees compared with the previous quarter. The number of employees in training amounted to 877.

Consolidated Sales

	3rd quarter		9 months	
K €	**01.07. – 30.09.01**	**01.07. – 30.09.00**	**01.01. – 30.09.01**	**01.01. – 30.09.00**
Steel Division	359,808	356,222	1,134,087	987,020
Tube Division	232,807	0	722,929	0
Trading Division	433,091	503,064	1,275,082	1,405,880
Service Division	50,697	59,562	169,554	178,043
Processing Division	31,935	37,891	89,535	37,891
Others/Consolidations	0	0	0	0
	1,108,338	**956,739**	**3,391,187**	**2,608,834**

Income from ordinary activities

	3rd quarter		9 months	
K €	**01.07. – 30.09.01**	**01.07. – 30.09.00**	**01.01. – 30.09.01**	**01.01. – 30.09.00**
Steel Division	358	6,839	40,912	41,283
Tube Division	32,988	0	69,330	0
Trading Division	2,918	5,718	6,431	15,766
Service Division	5,080	14,110	13,425	20,278
Processing Division	-1,371	-2,390	-3,159	-2,390
Others/Consolidations	433	5,106	-2,269	463
	40,406	**29,383**	**124,670**	**75,400**

Segment Reporting by Divisions

Group Divisions
Segment data by Divisions
Steel

World production of crude steel declined only slightly (-0.1 %) during the first nine months of the year. By contrast, there was a drastic drop in production of crude steel approaching 12 % in the USA, highlighting the weakness of the US economy. In the same period crude steel production in the EU fell by 1.7 %; Germany's figure of around 34 million tonnes represented a drop of around 3 %. Total steel consumption in the EU has remained high until recently, although the growth rate has been declining. In comparison with the same period in previous years, little other than stagnation is to be expected in the last quarter of the year. The possibility cannot be excluded that the European steel market will be further burdened by the recent decision by the US authorities in the course of their protection of interest investigations (under Section 201 of the US Trade Act) to accept that imports are harming the US steel industry. In response, Europe's steel manufacturers have for their part initiated measures in the meantime geared to protecting the European market.
In the first nine months of the financial year 2001 crude steel production at Salzgitter AG amounted to some 3.829 million tonnes, representing a 1 % fall on last year. Shipments of rolled steel and processed products during the reporting period amounted to 3.457 million tonnes, 2 % up on the same period last year. The figure of 1.13 million tonnes for the third quarter represented only a marginal improvement over the second quarter. Sales were helped by deliveries to the flourishing tubes sector, an update to the quality program, long-term supply contracts with key accounts, and a comparatively buoyant market for sections and plate. The average net return on rolled steel and processed products declined up to the end of the third quarter but remained marginally above last year's figure for the same period.
The development in sales at this Division is reflected in the volume and earnings figures. Overall sales amounted to € 1,443 million (excluding internal sales at the three steel companies). External sales rose to € 1,134 million, some 15 % more than in 2000 (€ 987 million). A decelerating trend was evident over the course of the three quarters as a whole, nevertheless the third quarter proved marginally better than the second.

Profits on ordinary activities amounted to € 40.9 million and were thus some 1 % below the previous year's figure of € 41.3 million. The third quarter figure of € 0.4 million only just exceeded the break-even point. The results at this Division were above all affected by increased purchase costs, in particular for ore, coking coal and other process materials. Once again in recent times the declining steel economy has led to a downturn in prices in some areas. After an initial decline, prices for scrap have once again firmed up since the second quarter.

By the end of the third quarter, orders received had reached 3,302k tonnes, or around 1 % more than last year. Orders on hand had risen to 1,153k tonnes, representing an increase of better than 3 % over last year.

The major investment program covering the hot strip mill, the second hot-dip galvanizing line in Salzgitter and the beam-blank casting plant at the Peine works was carried forward and completed as scheduled.

Tubes

The Tube Division, comprising the Mannesmannröhren-Werke group of companies, reported a most satisfactory development over the first three quarters. The demand for tubes for the energy sector in particular, which has profited from the continuation of relatively high oil prices, remained buoyant during the period under review. At present the oil price lies somewhat below OPEC's target band which foresees a minimum price of $ 22 per barrel, however, this is unlikely to continue in the long term. In the automotive sector, too, demand has been relatively stable, although the economic slowdown has had a perceptible effect on mechanical engineering.

The decision by the International Trade Commission studying the protection of interests under Section 201 of the US Trade Act to the effect that the US steel industry neither has been nor is being threatened by rising imports of seamless tubes or welded tubular oil field goods sets a positive signal for the tubes market. Consequently, there is no immediate risk of import restrictions being imposed by the US President in February 2002 on these products at least.

The orders received by the Tube Division during the period, calculated according to the rules for consolidation, reached 1,019k tonnes. Shipments totaled 1,103k tonnes. Taking into account 100 % of the businesses comprised by MRW AG, shipments reached a total of around 2.8 million tonnes. Sales at the Tube Division during the period under review amounted to € 723 million. For project-related reasons, the 3rd quarter proved slightly weaker (-18 %) than the 2nd quarter of 2001.

Profits for the third quarter at € 33 million were almost equal to the result for the entire first half. This was essentially due to the excellent progress which has been made in the large-diameter tubes and seamless tubes business. For the first nine months of the financial year 2001, the Tube Division has returned profits of € 69 million. The major contributors were seamless tubes (V&M Tubes) and large-diameter tubes (Europipe).

The market for seamless tubes is divided into two areas. Demand from the energy sector during the year has flourished. On the other hand, the market for tubes in the mechanical engineering and automotive sectors has been somewhat weaker.

In the third quarter in particular

the market for precision steel tubes has been overshadowed by the weakening demand from the automobile and automotive components industries, as well as from the mechanical and plant engineering sector.

Consequently, orders received in the third quarter were down on the figures for the first half. By contrast, the market for medium line pipes remained at a stable level.

Since the energy sector which is of primary importance for the large-diameter tubes market remained more or less stable despite the downturn in the world economy, the situation during the period under review has been entirely positive. The order intake was greater than last year, and further orders are expected to be booked during the fourth quarter. Besides orders for Russia, the Congo and Kuwait, some substantial orders for China and North Africa are also worthy of mention.

Orders on hand at Mannesmannröhren-Werke AG, calculated according to the consolidation rules, amounted to 520k tonnes at the end of the third quarter.

As of September 30, 2001 the Tube Division employed a workforce of 3,865, whereby 85 % of staff are based in Germany and 15 % abroad.

Trading
In the field of steel trading the first nine months of the financial year 2001 were characterized by weak overall demand in Germany.
Consequently there was a perceptible decline in demand for the Trading Division’s steel products. Price pressures, however, remained within bounds as the strength of the US dollar effectively prevented imports from non-EU countries. Likewise, with few exceptions, the markets outside of the EU suffered from weakness of demand. In North America, and especially in the USA, the market was characterized by excessive warehouse stocks and considerable insecurity brought on by the announcement of anti-dumping measures. Demand from the markets of Asia was scarcely more vigorous, with only China standing out as a positive exception. While the markets in the Near and Middle East stagnated, demand in East and West Africa remained relatively high.
In the face of such economic developments, this year’s volume of 3.2 million tonnes naturally lagged behind last year’s figure of 3.7 million tonnes (-12 %). External sales at € 1,275 million were some 9 % behind the € 1,406 million recorded in the same period in the year 2000. The Division’s profits on ordinary activities at € 6.4 million fell substantially short of last year’s figure of € 15.8 million for the same period (-59 %). On the other hand, the third quarter profit of € 2.9 million represented a significant improvement on the second quarter figure of € 1 million.

Services
The Service Division maintained its stable development in the third quarter of 2001. Although external sales in the first nine months of the financial year 2001 were down by 5 % to € 169.6 million (previous year: € 178.0 million), the Division has nevertheless continued to improve its profits situation. Indeed profits on ordinary activities were once again up by 18.5 % on the preceding quarter to € 5.1 million (previous quarter: € 4.3 million). As a result of special effects in the third quarter of 2000, however, profits for the first nine months were down by 33.8 % on last year, falling to € 13.4 million compared with € 20.3 million in the year 2000. All companies in this Division made a positive contribution to results.

Processing
The Processing Division succeeded in increasing external sales in the third quarter of 2001 by 18 % over the preceding quarter, taking the total to € 31.9 million. External sales for the first nine months as a whole amounted to € 89.5 million. It was in the same period last year that the only consolidated company in this Division, Hoesch Spundwand und Profil GmbH, was included in the quarterly figures for the first time. Results from this Division were mildly negative at - € 3.2 million. Among the other business included in this Division are Salzgitter Bauelemente GmbH, Salzgitter Europlatinen GmbH, Salzgitter Automotive Engineering GmbH, as well as interests in Oswald Hydroforming GmbH & Co. KG, Salzgitter Antriebstechnik GmbH, the Wescol Group PLC and Steel Dynamics Inc. (USA). Overall, business at these companies - some of which are start-ups engaged in innovative technological fields - proceeded in line with expectations.

Changes in the membership of management and supervisory bodies
Dr. Jürgen Kolb stepped down from the Executive Board on March 31, 2001 and entered retirement. Dr.-Ing. Volker Paul H. Schwich has been appointed as a member of the Executive Board with effect from April 1, 2001. On July 1, 2001, Dr. Schwich took over the management of the Steel Division. Mr. Arnold Jacob has held responsibility for major investments in the Steel Division since July 1, 2001. Also effective July 1, 2001, Mr. Helmut F. Koch was appointed to the Executive Board of Salzgitter AG. Mr. Koch is Chairman of the Executive Board of Mannesmannröhren-Werke AG and joined the Group Executive Board with responsibility for the Tube Division.

Current events since the interim report on the first half-year 2001
As part of the continuing consolidation of its branch network, in June and August 2001 telcat multicom GmbH acquired two smaller telecommunications companies. The resulting € 6 million in extra sales accruing to the Service Division is generated by some 66 employees.

On September 12, 2001 the Supervisory Board approved the acquisition of Kurt Matzner GmbH und Co KG in

Osnabrück. Merging this business with Salzgitter Automotive Engineering GmbH in Wolfsburg has significantly strengthened the position of the Processing Division in the automotive industry. In financial year 2000 the 350 employees at Kurt Matzner GmbH und Co KG achieved sales amounting to € 35 million. Products include components and tools for prototypes and small-batch production.

At the beginning of October, as part of the investigations into restructuring the Polish steel industry a consortium comprising ARBED S.A., SALZGITTER AG, THYSSEN KRUPP STAHL AG and USINOR S.A. put forward an offer to purchase selected assets of the four Polish steelworks Huta Katowice S.A., Huta im. T: Sendzimira S.A., Huta Cedler S.A. and Huta Florian S.A.

Subject to approval by the European Commission, MRW AG is to acquire the 1/3 share in stainless tube manufacturer DMV STAINLESS B.V. which is currently held by the Italian company Dalmine SpA. An agreement was signed on October 1, 2001 with the consent of the third partner, Vallourec S.A. of France. Upon completion of the transaction, MRW will hold 2/3 of the shares in DMV STAINLESS. DMV STAINLESS is one of the world's leading manufacturers of seamless tubes in high-alloy steels and special materials. In the past year the company generated sales amounting to € 189 million with a workforce of around 1000 employees. Talks on cooperation with Dillinger Hütte are continuing. Negotiations and investigations into the acquisition of steel service centers and trading companies, as well as into increasing shareholdings in various Tube Division companies have also been carried forward.

Outlook

Whereas some initial signs heralding a turnaround in the economy were discernible at the time the half-year report was published, present economic trends under the worldwide reverberations of the events of September 11, 2001 mean that economic consolidation in the European steel industry cannot be expected now until some time in the year 2002. Consequently, the order intake in the steel industry can be expected to deteriorate further up to the end of the year, while the employment situation overall remains satisfactory. While volumes remain relatively stable, results at the Steel Division are likely to be further burdened by falling average revenues, particularly in the area of flat rolled steel. The prospects for steel trading, too, in terms of both volumes and prices are marred by the slowdown among consumers in the processing industries and the construction sector. The situation is not aided by the traditional weakness of economic activity in December.

The positive development at the Tube Division has thus far been relatively unaffected by recessionary trends. It is anticipated that the gratifying performance in the year 2001 will continue in 2002. As a result of the expected high levels of investment in exploration and production in the energy sector, the strong demand for oil- and gas-field tubes and pipeline products is set to continue. From a present perspective, therefore, we look forward to further highly positive results from this Division in subsequent quarters.

Thanks to its balance portfolio of activities Salzgitter AG is therefore - against the current trend - well positioned to be able to not only achieve its forecast for Group pre-tax profits of € 135 million, but in all probability to exceed it.

Salzgitter AG stock

In the first two months of the third quarter, the Salzgitter share price stood at an average of € 9.65. Compared with the second quarter, this represented a decline of a little over € 1, prompted by the visibly gathering clouds over the economy and the prospect of anti-dumping measures by the American government. Nevertheless, since the beginning of the year, Salzgitter stock has markedly outpaced the European steel index. On September 11, 2001 the share price fell by around € 1 and in turbulent trading dropped to a low of € 7.60 soon after. However, by the end of the period under review the stock had recovered to € 8.10, with this hardening trend continuing into October. Daily transaction volumes on Germany's stock markets again reached respectable levels, averaging around the 57,000 mark.
Since September 24, Salzgitter AG has been included in the MDAX, the stock market index for companies with mid-sized market capitalization. Thus our company now ranks among the 100 largest German stock corporations. This promotion may be regarded as one of the fruits of our successful corporate strategy and our active and consistent attention to investor relations. In the medium term it is to be anticipated that our stock will benefit in terms of both price and stock market transaction volumes. It is regrettable that current world political events prevent this development from taking immediate effect.

At the end of August Salzgitter AG presented its half-year results at well attended conferences with analysts in Frankfurt and in London. Several further presentations were also made at investor conferences and road shows in Germany and Europe. In the course of the financial year 2001, some 23 research publications and recommendations regarding Salzgitter stock have appeared. The ratings are as follows:
19 Buy/Outperform,
3 Hold/Neutral;
1 Sell/Underperform.

Consolidated Income Statement – January 1, 2001 to September 30, 2001

	3rd quarter[1]		9 months[1]	
K €	**01.07. – 30.09.01**	**01.07. – 30.09.00**	**01.01. – 30.09.01**	**01.01. – 30.09.00**
Sales	1,108,338	956,739	3,391,187	2,608,834
Increase or decrease in finished goods and work in progress and other own work capitalized	-7,696	62,891	1,899	58,469
Other operating income	32,815	88,736	95,336	100,234
Cost of materials	713,703	717,046	2,213,870	1,772,917
Personnel expenses	212,075	149,523	610,515	426,709
Amortization and depreciation on intangible and tangible assets	53,854	50,062	154,655	130,582
Other operating expenses	128,444	146,120	390,226	325,399
Income from shareholdings	259	588	285	1,317
Income from associated companies	35,554	123	67,092	-229
Net interest income	-20,788	-16,949	-61,863	-37,624
Net operating income	**40,406**	**29,377**	**124,670**	**75,394**
Taxes	-895	6,789	12,403	20,367
Consolidated net income for the year	**41,301**	**22,588**	**112,267**	**55,027**
Net income due to minority shareholders	462	282	1,465	846
Net income due to shareholders of Salzgitter AG	**40,839**	**22,306**	**110,802**	**54,181**
Appropriation of income				
Net income due to shareholders of Salzgitter AG			110,802	54,181
Non-distributed income brought forward from previous year			46,011	63,419
Transfer to/Withdrawal from other retained earnings			-32,816	-22,738
Dividends			-81,994	-69,537
Non-distributed income to Salzgitter AG			**42,003**	**25,325**
Earnings per share (in €)	**0.68**	**0.38**	**1.83**	**0.92**

1) according to IAS (Previous year without MRW); MRW was included in the consolidation for the first time in Oktober 2000

Consolidated Balance Sheet at September 30, 2001

Assets (K €)	30.09.2001	30.09.2000[1]
Fixed assets		
Intangible assets	-303,776	-13,557
Goodwill/negative goodwill from capital consolidation	-318,963	-29,932
Other intangible assets	15,187	16,375
Tangible assets	1,348,682	1,149,908
Financial assets	154,382	71,831
Shareholdings in associated companies	491,030	17,920
	1,690,318	1,226,102
Current assets		
Inventories	748,480	544,954
Receiveables and other assets	845,233	631,978
Trade receiveables	702,087	548,226
Other receiveables and other assets	143,146	83,752
Trade securities	5,141	0
Cash and cash equivalents	274,814	22,309
	1,873,668	1,199,241
Prepaid expenses for deferred taxes	924	0
Prepaid expenses	14,850	1,750
	3,579,760	**2,427,093**

1) according to IAS (Previous year without MRW); MRW was included in the consolidation for the first time in Oktober 2000

Shareholders´ equity and liabilities (K €)	30.09.2001	30.09.2000[1)]
Shareholders´ equity		
Subscribed capital	159,523	159,523
Capital reserves	287,530	287,530
Retained earnings	567,201	476,205
Non-distributed income	42,003	25,325
	1,056,257	948,583
Treasury shares	-6,237	-36,225
	1,050,020	**912,358**
Minority interests	**9,132**	**3,846**
Provisions		
Provisions for pensions and similar obligations	1,536,312	685,980
Tax provisions and other provisions	417,872	290,799
	1,954,184	**976,779**
Liabilities		
Bonds	3,742	3,793
Liabilities to banks	84,707	206,961
Trade payables	312,402	211,785
Other liabilities	149,308	109,222
	550,159	**531,761**
Deferred income	**16,265**	**2,349**
	3,579,760	**2,427,093**

1) according to IAS (Previous year without MRW); MRW was included in the consolidation for the first time in Oktober 2000

Cash Flow Statement according to IAS 7 – January 1, 2001 to September 30, 2001

K €	01.01. – 30.09.2001	01.01. – 30.09.2000[1]
Net income for the year	110,802	54,181
Depreciation (+)/appreciation (-) on fixed assets	154,654	130,582
Other expenses (+)/income (-) not affecting payments	-32,174	111,240
Interest expenses	77,805	37,104
Profit (-)/loss (+) from disposal of fixed assets	-630	1,884
Increase (-)/decrease (+) in inventories	7,573	-2,193
Increase (-)/decrease (+) in trade receivables and in other assets that cannot be allocated to investment or financing activities	-113,043	-142,568
Increase (-)/decrease (+) in provisions	-138,220	-68,225
Increase (-)/decrease (+) in trade payables and in other liabilities that cannot be allocated to investment or financing activities	41,380	-25,308
Cash flow from operating activities	**108,147**	**96,697**
Payments received from disposals of fixed assets	3,491	2,774
Payments made for investments in intangible and tangible assets	-180,698	-149,726
Payments received from disposals of financial assets	608	7,025
Payments made for investments in financial assets	-28,910	-40,368
Cash flow from investment activities	**-205,509**	**-180,295**
Payments made for buy-back of own shares	33,374	-36,121
Dividend payments	-32,816	-22,738
Payments received from bond issues and amounts borrowed	0	152,391
Repayments of bond issues and amounts borrowed	-76	-5,828
Interest paid	-9,260	-8,555
Cash flow from financing activities	**-8,778**	**79,149**
Cash and cash equivalents at beginning of period	380,954	26,758
Changes in cash and equivalents affecting payments	-106,140	-4,449
Cash and cash equivalents at end of period	**274,814**	**22,309**

1) according to IAS (Previous year without MRW); MRW was included in the consolidation for the first time in Oktober 2000

Accounting and consolidation principles, balance sheet reporting and valuation methods

1. The consolidated accounts of Salzgitter AG, Peine, for the period of January 1 to September 30, 2001, have been prepared as an abbreviated statement with selected explanatory notes. The accounts have been prepared in accordance with the International Accounting Standards (IAS) published by the International Accounting Standards Committee (IASC) in consideration of the reduced requirements of IAS 34 for abbreviated interim statements.

2. The accounts have been prepared following the same balance sheet reporting, valuation, computation and consolidation methods as applied to the annual accounts to December 31, 2000.

   In addition, IAS 39 „Financial instruments“ and IAS 40 „Investment property“ which came into effect on January 1, 2001 were applied for the first time.

3. As a result of the implementation during this period of a holding company structure, five steel companies were spun off from the former Salzgitter AG and integrated into the consolidated accounts. The number of consolidated companies is thus increased to 33. One foreign associate company in which an interest was acquired during the period has been included in the consolidated accounts for the first time, following the equity method. The number of associate companies is thus increased to 12.

Selected notes to the profit and loss statement

4. Sales by Divisions are detailed in segment reports. The organization of the Group into five Divisions, Steel, Tubes, Trading, Services and Processing, remains unchanged since the annual accounts were prepared, whereas the names of the Divisions have been altered.

5. Earnings per share have been calculated according to IAS 33. Undiluted earnings per share based on a weighted number of Salzgitter AG shares amounted to € 1.83.

Selected notes to the balance sheet

6. The stockholders’ equity in the Group has developed as follows:

Statement of Changes in Equity

K €	Subscribed capital	Capital reserves	Retained earnings	Thereof from currency translation	Buy-back of own shares	Group net income for the year	Share-holders´ equity[1]
At 01.01.2000[1]	**159,523**	**287,530**	**404,770**	**333**	**-104**	**63,419**	**915,138**
Net income for the year						54,181	54,181
Dividend						-22,738	-22,738
Buy-back of own shares					-36,121		-36,121
Currency translation			386	578			386
Transfer by Salzgitter AG to retained earnings			69,537			-69,537	0
Other			1,512				1,512
At 30.09.2000	**159,523**	**287,530**	**476,205**	**911**	**-36,225**	**25,325**	**912,358**
At 01.01.2001	**159,523**	**287,530**	**455,773**	**-7,143**	**-37,937**	**46,011**	**910,900**
Net income for the year						110,802	110,802
Dividend						-32,816	-32,816
Fair value to IAS 39			30,320				30,320
Buy-back of own shares					31,700		31,700
Currency translation			-711	-711		-175	-886
Transfer by Salzgitter AG to retained earnings			81,819			-81,819	0
Other							0
At 30.09.2001	**159,523**	**287,530**	**567,201**	**-7,854**	**-6,237**	**42,003**	**1,050,020**

1) according to IAS (Previous year without MRW); MRW was included in the consolidation for the first time in Oktober 2000

Notes

Future reporting dates

March 13, 2002
Key data from the consolidated accounts for 2001

April 29, 2002
Publication of the consolidated accounts for 2001 - balance sheet press conference

May 29, 2002
Results for the 1st Quarter, 2002

June 19, 2002
Shareholders' meeting 2002

Legal Disclaimer
Certain statements in this report are or could be construed as forward-looking. Factors that cause actual results to differ materially from these forward-looking statements include the ability to achieve the benefits from the company's ongoing continuous improvement and rationalization process, changes in customer demand and a weak global economy. The company undertakes no obligation to update any forward-looking statements.

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