

ADHOC-RELEASE

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SALZGITTER AG – Key figures of the 2002 business year

Profits in excess of €70 million in spite of difficult markets

Salzgitter AG has concluded the 2002 business year with a result that can be regarded as generally satisfactory considering the persisting difficult situation of domestic and foreign markets.

The Group based in Lower Saxony, Germany, generated pre-tax profits of €72.5 million (EBT) on consolidated external sales of €4.7 billion. After-tax profits (EAT) came in at €65.9 million (previous year: €144.3 million). The 3% sales increase over the 2001 business year (€4.6 billion Group sales) is due to the extension of the scope of consolidation. Return on capital employed (ROCE) was recorded at 7,3 %.

Progressing from a highly unsatisfactory situation in the first half of 2002 with the lowest market prices for flat steel since 20 years, the performance of the Steel Division ameliorated over the following months. As the profits generated in the second half of the year could not offset the losses incurred in the first six months of the business year, the overall pre-tax result for 2002 came in at €- 23.5 million (previous year: €+ 30.1 million). Total sales of €1.9 billion, as well as the Steel Division's contribution of €1.4 billion to the Group's external sales were on par with last year's level.

Contributing pre-tax profits of €76.8 million, the Tubes Division delivered an excellent result once again (previous year: €101.9 million). Changes in the scope of consolidation pushed consolidated external sales to €1.1 billion (previous year: €1.0 billion).

In the year 2002 the Trading Division experienced relatively weak demand and external sales dipped from €1.9 billion last year to €1.7 billion. The Division generated pre-tax profits of €8.2 million (previous year: €18.5 million).

The Services Division advanced external sales by 7% over the previous year to a total of €232 million. Pre-tax profits amounted to €8.3 million (previous year: €12.8 million).

The Processing Division reported an increase of external sales to €229 million (previous year: €118 million). This sales growth is attributable to the first-time addition of three further companies to the consolidated group. The pre-tax result of €8.0 million in 2002 is not comparable with the previous year's losses of €2.3 million. This is due to the fact the 2002 annual financial statements include expenditures for structural measures as well as the launch costs of two start-up companies in excess of €20 million, that are offset, however, by profits in a similar range resulting from reduced interest in the US steel company Steel Dynamics Inc.

The year-end financial statements will be submitted to the Supervisory Board for approval at the next meeting and the complete statements will be issued on April 15, 2003.

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