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SALZGITTER AG

Salzgitter Group specifies its profit guidance for the financial year 2012

The economic outlook for Germany and the eurozone as a whole has deteriorated further due to the severe problems caused by Europe's debt crisis. This development falls markedly short of the expectations underlying the profit guidance released by the Salzgitter Group on May 15, 2012.

Against this backdrop, many steel processors and stockholding steel traders are expecting business to stagnate. Having replenished their stocks in the first quarter, they have now adopted a wait-and-see stance. This has had a notably negative impact on the demand for rolled steel. The pressing necessity of raising prices to counteract the in part exchange-rate induced persistently high level of raw material costs now only seems possible in the third quarter of 2012. Under these circumstances, breakeven can no longer be anticipated for the Salzgitter Group's Steel Division this year. If, however, international demand for German industrial goods remains healthy – and particularly given the currently moderate inventories of rolled steel – it is feasible that the steel market might stage a recovery in late summer.

In contrast, the other Tubes, Trading, Services and Technology divisions are developing in line with the results forecasts in May.

We continue to anticipate stable sales at minimum and a positive pre-tax result for the Salzgitter Group in the lower- to mid-double-digit million euro range.

As in recent years, we make reference to the fact that opportunities and risks from currently unforeseeable trends in selling prices, input material prices and capacity level developments, as well as changes in the currency parity, may considerably affect performance in the course of the financial year 2012. The resulting fluctuation in the consolidated pre-tax result may be within a considerable range, either to the positive or to the negative.

Disclaimer:

Some of the statements made in this report possess the character of forecasts or may be interpreted as such. They are made upon the best of information and belief and by their nature are subject to the proviso that no unforeseeable deterioration occurs in the economy or in the specific market situation pertaining to the division companies, but rather that the underlying bases of plans and outlooks prove to be accurate as expected in terms of their scope and timing. The company undertakes no obligation to update any forward-looking statements.