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Ad-hoc-release according to § 15 WpHG

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Salzgitter AG launches convertible bond offering of up to EUR 170 million

The Management Board of Salzgitter AG, with the approval of the Supervisory Board, resolved today to issue senior, unsecured convertible bonds (the "Bonds"). The Bonds will be issued by Salzgitter Finance B.V. (the "Issuer"), a wholly-owned Dutch subsidiary of Salzgitter AG, will be guaranteed by Salzgitter AG, and will be convertible into Salzgitter AG ordinary shares (the "Shares"). The Bonds will be offered in an accelerated bookbuilding only to institutional investors outside the United States of America, Canada, Italy, Australia, South Africa and Japan or any other jurisdiction in which offers or sales of the securities would be prohibited by applicable law. The pre-emptive rights of shareholders of Salzgitter AG to subscribe to the Bonds are excluded.

The total offering size will be up to EUR 170 million, convertible into up to 3.550.457 underlying Shares, representing approximately 5.9% of the current share capital of Salzgitter AG.

With this transaction Salzgitter AG diversifies its funding sources and intends to use the proceeds from the sale of the convertible bonds for general corporate purposes.

The Bonds will have a maturity of seven years. Holders of the Bonds will be entitled to require an early redemption of their Bonds on the fifth anniversary of their issue, at the principal amount. The Issuer will be entitled to redeem the Bonds from 5 June 2018 in accordance with the terms and conditions if the stock exchange price of the Shares exceeds 130% of the then applicable conversion price over a certain time period. The Bonds will bear no interest. The Bonds are expected to settle on or around 5 June 2015

(the “Settlement Date”) and will be issued and redeemed at 100% of their principal amount. The conversion price will be set at a premium of 35% – 45% above the VWAP (Volume Weighted Average Price) of the Shares on XETRA calculated from the time of launch of the placement until pricing, which is expected to occur today. The initial conversion price will be finally determined following an accelerated bookbuilding process over the course of today. Salzgitter AG intends to list the Bonds on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange.

HSBC is acting as Global Coordinator and Joint Bookrunner, DZ BANK, Landesbank Baden-Württemberg (LBBW) and Société Générale Corporate & Investment Banking are acting as Joint Bookrunners.

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The date of admission of the convertible bonds and the shares issued upon conversion to trading may be influenced by things such as market conditions. There is no guarantee that admission will occur and you should not base your financial decisions on Salzgitter AG's intentions in relation to admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the convertible bond offering. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the convertible bonds offering for the person concerned.