

Salzgitter, May 12, 2006

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**Ad-hoc-release according to § 15 WpHG**

## **SALZGITTER AG**

### **Steel, Tubes and Trading post record sales and excellent results in the first quarter of 2006**

Boosted by a market for rolled steel, which developed much more favorably than envisaged a few months ago, and the persistently robust demand for tubes, the Salzgitter Group raised the operating results of its divisions in the first three months of 2006 as against the last quarter of 2005.

Consolidated external sales rose to € 1.98 billion (Q1 2005: € 1.77 billion). With operating results at € 198.9 million, pre-tax profit after expenditure of € 148.7 million in relation to hedging transactions stood at € 50.2 million (Q1 2005: 253,5 Mio. €). After-tax profit came in at € 35.7 million. Return on capital employed amounted to 8.8 % (before the aforementioned special effect: 31.9 %; Q1 2005: 52.0 %).

External sales and earnings before taxes by Division:

(EUR million)	Consolidated sales		EBT	
	Q1 2006	(Q1 2005)	Q1 2006	(Q1 2005)
Steel	606	(574)	104.4	(166.4)
Tubes	398	(313)	62.2	(77.2)
Trading	866	(797)	30.1	(26.3)
Services	93	(81)	5.7	(3.4)
Others/Consolidation	20	(0)	-152.2	(-19.8)
Group	1,983	(1,765)	50.2	(253.5)

On the basis of the information currently available and estimates concerning trends in the procurements and sales markets as well as the general framework conditions, and taking account of the effects of the profit improvement program, the Salzgitter Group's operating pre-tax result is expected to reach at least € 600 million in the current year. This forecast is, of course, net of the special effects arising from hedging transactions which are, by nature, not foreseeable as they depend on the development of the share price of Vallourec S.A. Express reference is made to the fact that opportunities and risks arising from currently unforeseeable trends in sales prices, input materials and capacity level developments, as well as changes in the currency parity, may considerably affect performance in the course of the remaining financial year 2006. The resulting fluctuation in the consolidated pre-tax result may, as experience has shown, be within a considerable range.

For further details, please see the press release and the Interim Report for the 1st Quarter of 2006 ([www.salzgitter-ag.de](http://www.salzgitter-ag.de)) published today.