



Salzgitter, September 29, 2009

**Salzgitter AG
Investor Relations
D-38223 Salzgitter**

Phone: +49-(0)5341-21-3783
Fax: +49-(0)5341-21-2570
ir@salzgitter-ag.de

Ad-hoc-release according to § 15 WpHG

Not for publication or distribution in the United States, Australia, Canada or Japan.

Salzgitter AG launches a convertible bond offering

The Management Board of Salzgitter AG ("Salzgitter"), 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, guaranteed by Salzgitter AG, and will be convertible into Salzgitter AG shares. The Bonds (each with a denomination of €50,000) will be offered in an accelerated bookbuilding only to institutional investors outside of the US. The pre-emptive rights of shareholders of Salzgitter AG to subscribe to the Bonds are excluded.

The total offering size will be approximately EUR 300 million with up to 3,550,792 underlying shares, representing approximately 5.9% of the current outstanding shares.

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, after the issue date, at the principal amount together with accrued interest. The Bonds will be issued around 6 October 2009 (the "Settlement Date") at 100% of the principal amount. The coupon will be between 0.625% - 1.625% p.a. and will be determined during a bookbuilding taking place today. The conversion price will be set at a conversion premium of 25% above the VWAP (Volume Weighted Average Price) on XETRA from the time of launch of the placement until pricing, which is expected to occur today.

Salzgitter AG intends to list the Bonds on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange. Commerzbank, Deutsche Bank and UniCredit Group (Bayerische Hypo- und Vereinsbank AG) are acting as joint bookrunners in relation to the transaction.

IMPORTANT NOTE – NOT FOR DISTRIBUTION OR RELEASE IN OR INTO THE UNITED STATES OF AMERICA (OR TO US PERSONS), AUSTRALIA, CANADA OR JAPAN, OR IN ANY OTHER JURISDICTION IN WHICH OFFERS OR SALES WOULD BE PROHIBITED BY APPLICABLE LAW

This ad-hoc announcement is for information purposes only and does not constitute or form part of, and should not be construed as an offer or an invitation to sell, or issue or the solicitation of any offer to buy or subscribe for, any securities. In connection with this transaction there has not been, nor will there be, any public offering. No prospectus will be prepared in connection with the offering of the Bonds. The Bonds may not be offered to the public in any jurisdiction in circumstances which would require the Issuer of the Bonds to prepare or register any prospectus or offering document relating to the Bonds in such jurisdiction.

The distribution of this ad-hoc announcement and the offer and sale of the Bonds in certain jurisdictions may be restricted by law. Any persons reading this ad-hoc announcement should inform themselves of and observe any such restrictions.

This ad-hoc announcement does not constitute an offer to sell or a solicitation of an offer to purchase any securities in the United States. The securities referred to herein (including the Bonds and the shares of Salzgitter AG) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or the laws of any state within the U.S., and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons, except in a transaction not subject to, or pursuant to an applicable exemption from, the registration requirements of the Securities Act or any state securities laws. This ad-hoc announcement and the information contained herein may not be distributed or sent into the United States, or in any other jurisdiction in which offers or sales of the securities described herein would be prohibited by applicable laws and should not be distributed to United States persons or publications with a general circulation in the United States. No offering of the Bonds is being made in the United States.

In the United Kingdom, this ad-hoc announcement is only being distributed to and is only directed at (i) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) and (ii) high net worth entities falling within Article 49(2) of the Order and (iii) persons to whom it would otherwise be lawful to distribute it (all such persons together being referred to as “relevant persons”). The Bonds are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Bonds will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this ad-hoc announcement or any of its contents.

Further information can be obtained on the webpage of Salzgitter AG: www.salzgitter-ag.de