

Highlights of the Financial Year 2005

January 1, 2005

As part of the Trading Division of the Salzgitter Group, Salzgitter Handel GmbH integrates the "Mannesmann" brand name into the company and takes over the international sale and distribution of products of the Tubes Division. As from January 1, 2005, the company operates under the name of Salzgitter Mannesmann Handel GmbH. Headed by this company, around 20 international trading companies and agencies, along with stockholding companies in Poland, Hungary, the Czech Republic and Romania, will be renamed to include the "Mannesmann" brand name. They will also market and sell large-diameter and medium-line pipes.

March 9, 2005

Salzgitter AG publishes its figures for the financial year 2004: Against the backdrop of booming global demand for rolled steel and tubes, the Group achieved outstanding, above-average results in the financial year 2004. Sales climbed to € 5.9 billion (2004: € 4.8 billion) and, along with profit before tax of € 322.8 million (2004: € 42.5 million), reached a new high, also in a long-term comparison.

March 31, 2005

The Annual Report 2004 of the Group is published and presented to the financial press at its annual results press conference. In the days following this event, we continue our dialogue with the financial community at well attended analysts' conferences in Frankfurt and London.

April 1, 2005

As part of the process of realigning the Group structure, the Processing Division is closed down on April 1 and the companies formerly operating in this division reassigned to the Steel and Services Divisions.

April 11 – 15, 2005

15 subsidiaries belonging to the Salzgitter Group present projects at the Hanover Trade Exhibition Industry involving groupwide and group-overarching cooperation with customers. Highlighting five topic areas, processes for system solutions are demonstrated.

May 13, 2005

Due to brisk demand and prices which rose gradually to a generally comfortable level, the Salzgitter Group recorded an exceptional increase in sales before tax to € 1.8 billion (2004: € 1.3 billion), as well as profit before tax to € 253.5 million (2004: € 26.2 million) in the first quarter of 2005.

May 26, 2005

The General Meeting of the Shareholders of Salzgitter AG ratifies the proposal of the Executive and Supervisory Boards and approves a dividend of € 0.40 per share which, based on the year-end 2004 share price, equates to a dividend yield of 2.8%. As in previous years, this yield exceeds the DAX and MDAX averages.

June 23, 2005

Salzgitter AG and Vallourec S.A. combine and concentrate their seamless tube activities under Vallourec. As part of this transaction, the 45% stake in Vallourec & Mannesmann Tubes S.A. is transferred to Vallourec as the French joint venture partner. The stake of Salzgitter AG in Vallourec remains unchanged at around 23%.

August 12, 2005

In the first six months of the financial year 2005, Salzgitter AG achieves outstanding growth in both sales and profit. With external sales posting € 3.6 billion (2004: € 2.8 billion), the Salzgitter Group considerably outperformed the previous year's figure. A consolidated profit before tax of € 463.4 million (2004: € 81.7 million) is a new benchmark for a semi-annual interim result.

September 25, 2005

After only 89 days of downtime, Salzgitter Flachstahl GmbH's Blast Furnace A is blown again. In the process of relining, the blast furnace is equipped with a larger hearth, a new refractory lining, as well as a number of technical improvements. The amount invested comes to € 57 million.

October 4, 2005

Salzgitter AG and Corus cooperate in the development and use of HSD® (high strength and ductility) steel grades in selected market segments. These types of steel, which have a high manganese content, are vastly superior to conventional steel thanks to their great strength combined with high ductility.

October 4, 2005

Salzgitter AG and Wilhelm Karmann GmbH develop and create concepts for car bodies of the future under the SCALIGHT joint project. The latest materials currently produced on an industrial scale by Salzgitter AG form the basis for the safe and lightweight components of the vehicle bodies of the future. In addition, Salzgitter AG makes available its know-how in processing production methods under the SCALIGHT project. Karmann's contribution to the basic concept and assembly methods is its experience in building vehicles.

November 14, 2005

With business in rolled steel and tubes developing satisfactorily, Salzgitter AG sets new sales and profit records for the first nine months of the current financial year thanks to the outstanding results of the first half year and a better-than-expected third quarter. The 25% increase in consolidated external sales to € 5.4 billion (2004: € 4.3 billion) and a pre-tax profit of € 595.2 million (2004: € 157.2 million) deliver sound proof of the current performance of the Salzgitter Group.

November 17, 2005

An extraordinary General Meeting of the Shareholders of Salzgitter AG resolves that the Group structure be realigned under corporate law for financial reasons. Combining all the major companies of the Salzgitter Group under Salzgitter Mannesmann GmbH, as an intermediate holding company based in Salzgitter, enables the utilization of tax loss carryovers and the implementation of unrestricted centralized financial management for the Group.

The approval of the requisite spin-off and transfer agreement concerning the companies above is legally challenged by one of the shareholders. The case is still pending.

December 22, 2005

Salzgitter AG and the Arcelor Group sign a non-binding Letter of Intent on the takeover of Schwerte-based Flachform Stahl GmbH by Hövelmann & Lueg GmbH, also located in Schwerte.

One of Germany's most high-performance steel service centers will emerge from this transaction.