

Salzgitter, August 7, 2006

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**Ad-hoc-Meldung nach § 15 WpHG**

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**Salzgitter AG to sell shareholding in Vallourec S.A.**

Salzgitter, 7 August 2006 – In order to increase its financial flexibility for forthcoming opportunities in its core business Salzgitter AG has decided to dispose of a stake of c. 17% in the share capital of Vallourec S.A.

Existing derivative contracts hedging c.1/3 of Salzgitter's current holding will be unwound at the same time as the disposal which is anticipated to result in the counterparty to the derivatives purchasing c.30% of the shares being sold by Salzgitter group in the monetisation.

Deutsche Bank and Lehman Brothers have been jointly mandated to carry out the monetisation of the remaining c.70% which will comprise of a stock placement exclusively to institutional investors through an accelerated bookbuilding of shares and the issue of a mandatory exchangeable, each subject to market standard conditions precedent.

The mandatory exchangeable will be issued through an SPV unaffiliated with Salzgitter group.

In addition, Salzgitter AG will be entering into a contract on the same number of Vallourec shares as underlying the mandatory exchangeable which shall give it the opportunity to partially participate in further share price appreciation over the next 3 years.

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