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

## **SALZGITTER AG**

### **Excellent performance in the first half of 2007, with new records set for sales and profit**

Stable economic growth ensured extremely positive conditions for rolled steel and tubes products also in the second quarter of 2007. Against this background, the Salzgitter Group exceeded the record levels it has set to date for sales and operating profit in a half-year.

Consolidated Group sales increased by 17 % to EUR 4.72 billion (H1/06: EUR 4.03 billion). Earnings before tax (EBT) of EUR 663.6 million, generated solely through operations, significantly exceeded last year's already exceptionally high figure of EUR 437.9 million (EBT H1/06 including special effects: EUR 198,8 million). Profit after tax in the first half of 2007 came to EUR 398.7 million (H1/06: EUR 130.0 million); earnings per share stood at EUR 6.94 (H1/06: EUR 2.27). Return on capital employed (ROCE) posted 31.4 % (H1/06: 16.6 %).

External sales and earnings before tax by Division:

(EUR million)	Consolidated sales		EBT	
	H1 2007	(H1 2006)	H1 2007	(H1 2006)
Steel	1,464	(1,199)	377.3	(203.6)
Tubes	884	(828)	138.9	(138.0)
Trading	2,046	(1,758)	121.4	(78.5)
Services	263	(206)	14.3	(12.1)
Others/Consolidation	66	(43)	11.8	(-233.3)
Group	4,723	(4,034)	663.6	(198.8)

All in all, on the basis of current information and in view of expectations of the development of the procurement and sales markets, as well as of the general conditions, and taking account of the effects of the Profit Improvement Program, we expect the Salzgitter Group to generate an operating EBT which clearly exceeds the one billion euro threshold in the current year. 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 2007.

In view of the persisting outstanding performance in the past years, also in a sector-specific comparison, the Management Board of Salzgitter AG has decided to raise the return target over the average of the steel cycle to a ROCE (return on capital employed) of 15 %. At the same time, the medium-term target for consolidated Group sales has been set to a range from EUR 13 to 15 billion.

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