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Disclosure of insider information pursuant to Article 17 MAR

SALZGITTER AG

Salzgitter Group closes the financial year 2017 with the highest pre-tax result since the financial crisis; outlook for 2018 also promising

According to the still preliminary figures now available, the Salzgitter Group generated a pre-tax profit of € 238.0 million in 2017 (FY 2016: € 53.2 million), its highest since 2008. The excellent performance of the Strip Steel and Trading business units, along with the continued successful implementation of the Group's internal programs, made major contributions to this performance.

The result includes a contribution of € 79.3 million anticipated from the Aurubis investment (FY 2016: € 19.1 million) as well as the sum total of € -82.8 million in burdens on earnings from measures initiated for structural improvements under the groupwide "FitStructure SZAG" optimization program as well as accounting adjustments of non-current assets of Salzgitter Mannesmann Grobblech GmbH (special items FY 2016: € -2.3 million). The result is therefore above the earnings forecast for a pre-tax profit of between € 175 million and € 225 million most recently affirmed on November 11, 2017. The Salzgitter Group's external sales (€ 9.0 billion; FY 2016: € 7.9 billion) rose substantially, above all on the back of the higher average selling prices of steel products.

Given the good start to the new financial year, with market conditions brightening in some areas of business, but remaining challenging overall, and additional positive effects of the measures and growth programs, we assume the following for the Salzgitter Group in 2018:

- a marginal increase in sales to above € 9 billion,
- a pre-tax profit of between € 200 million and € 250 million, as well as
- a return on capital employed that is stable compared with the previous year's figure.

The forward-looking statements assume the absence of renewed recessionary developments in Europe. Instead, we anticipate an at minimum stable trend for our fiercely contested main markets in the current financial year. As in recent years, please note that opportunities and risks from currently unforeseeable trends in selling prices, input material prices and capacity level developments, as well as exchange rate fluctuations, may considerably affect performance in the course of the financial year 2018. The resulting fluctuation in the consolidated pre-tax result may be within a considerable range, either to the positive or to the negative. The dimensions of this range become clear if one considers that, with around 12 million tons p.a. of steel products sold by the Strip Steel, Plate / Section Steel, Mannesmann and Trading business units, an average € 25 change in the margin per ton is sufficient to cause a variation in the annual result of more than € 300 million. Moreover, the accuracy of the company's planning is restricted by the volatile cost of raw materials and shorter contractual durations, on the procurement as well as on the sales side.

The 2017 annual financial statements are currently being audited by the external auditor and must subsequently be adopted by the Supervisory Board. The key figures for the financial year 2017 and further details will be published, as planned, on February 28, 2018.

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