

Salzgitter, October 28, 2010

Ad-hoc-release according to § 15 WpHG

Not for publication or distribution in the United States, Australia, Canada, Japan or South Africa

Salzgitter AG launches an offering of bonds exchangeable into shares of Aurubis AG

The Management Board of Salzgitter AG, with the approval of the Supervisory Board, resolved today to issue senior unsecured bonds exchangeable into existing ordinary bearer shares of Aurubis AG (the "Bonds"). The Bonds will be issued by Salzgitter Finance B.V. (the "Issuer"), a wholly-owned Dutch subsidiary of Salzgitter AG, and are guaranteed by Salzgitter AG. The Bonds (each with a denomination of €50,000) will be offered in an accelerated bookbuilding to institutional investors outside of the U.S. only.

The base offering size will be approximately EUR 250 million (over approximately 6 million shares of Aurubis AG initially). The base offering size may be increased by up to EUR 25 million by Salzgitter AG. In addition, Salzgitter AG has granted the Joint Bookrunners a greenshoe option of up to EUR 25 million to cover over-allotments (if any). The maximum number of underlying shares of Aurubis AG assuming exercise of increase and greenshoe options will initially be up to 7 million, representing approximately 17% of the current share capital of Aurubis AG. The issue size can amount to up to approximately EUR 300 million, depending on the development of the Aurubis AG share price during placement.

With this transaction Salzgitter AG diversifies its funding sources and intends to use the proceeds from the sale of the exchangeable bonds for general corporate purposes.

The Bonds will have a maturity of seven years and are callable by the Issuer on or after 28 November 2013 if the Aurubis AG share price (over a certain period) exceeds 130% of the then applicable exchange price. Holders of the Bonds will be entitled to require an early redemption of their Bonds on the fifth anniversary of the issue date, at the principal amount plus accrued interest. The Bonds will be issued around 8 November 2010 (the "Settlement Date") at 100% of the principal amount. The coupon will be between 1.75%- 2.50 % p.a. and will be determined during an accelerated bookbuilding taking place today. The exchange price

will be set at an exchange premium of 25% above the VWAP (Volume Weighted Average Price) of the Aurubis AG share 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. BofA Merrill Lynch, Commerzbank and Deutsche Bank are acting as Joint Bookrunners and Lead Managers in relation to the transaction.

The commitment of Salzgitter AG to its stake of Aurubis AG is underpinned by certain structural features of the Bonds, such as the Issuer's ability to cash settle the Bonds if Bondholders decide to exercise their exchange right. This reflects Salzgitter AG's strong interest in further supporting Aurubis AG in its successful development which is also of advantage for Salzgitter AG.

From the date of the announcement of the final terms of the Bonds, BofA Merrill Lynch, as stabilisation manager, may over-allot or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. Such stabilising, if commenced, must be brought to an end no later than 5 November 2010. If commenced, such stabilising may lead to a market price of the Bonds which may be higher than the level that would exist if no such stabilising measures were taken and may indicate to the market a price stability which without such stabilising might not prevail. However, there is no obligation to engage in such stabilisation activities and such stabilisation, if commenced (which may not occur before the final terms of the Bonds have been announced), may be discontinued at any time.

Stabilisation/FSA.

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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.

The Joint Bookrunners are acting on behalf of the Issuer and Salzgitter and no one else in connection with the securities and will not be responsible to any other person for providing the protections afforded to clients of the Joint Bookrunners, or for providing advice in relation to the securities.

In connection with the offering of the Bonds, each of the Joint Bookrunners and any of their respective affiliates acting as an investor for their own account may take up Bonds and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Issuer, of Salzgitter AG or of Aurubis AG or any related investments and may offer or sell such securities or other investments otherwise than in connection with the offering of the Bonds. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Any offer if made may only be addressed to and directed, in member states of the European Economic Area which have implemented the Prospectus Directive (each, a “relevant member state”), at persons who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) and pursuant to the relevant implementing rules and regulations adopted by each relevant member state (“Qualified Investors”).

Each person who initially acquires any Bonds in connection with the issuance or to whom any offer of securities may be made will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor as defined above.

In the case of any securities being offered to any investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such investor will also be deemed to have represented and agreed that the securities acquired by it in the offering have not been acquired on behalf of persons in the EEA other than Qualified Investors or persons in the UK and other member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis, nor have the securities been acquired with a view to their offer or resale in the EEA where this would result in a requirement for publication by the Issuer, Salzgitter AG or the Joint Bookrunners of a prospectus pursuant to Article 3 of the Prospectus Directive, unless the prior consent of the aforementioned parties has been obtained to such offer or resale.