SALZGITTER AG
Stahl und Technologie



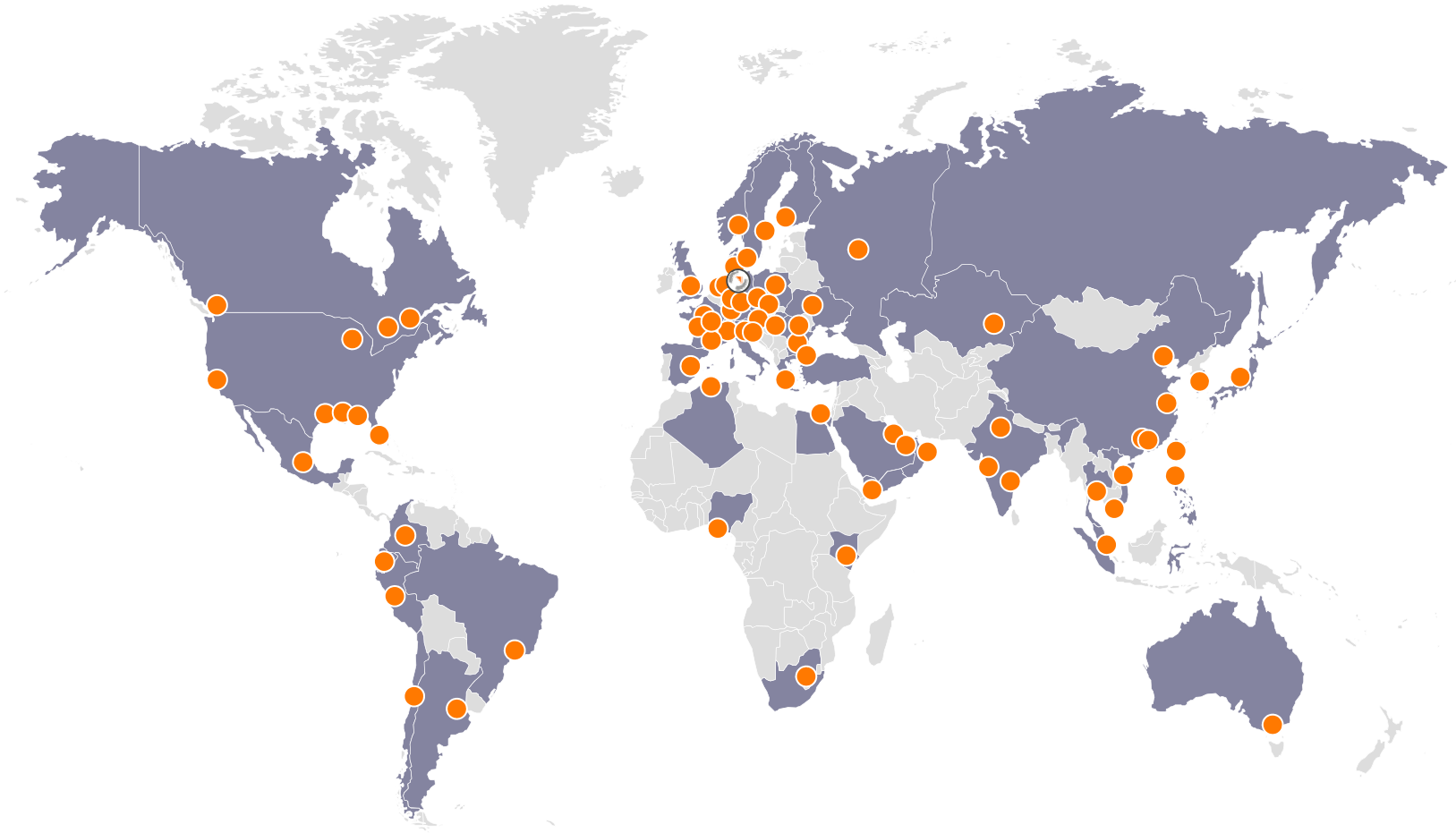


Divisions 2013






Global Presence



- **Crude steel production 2013: 7.1 million tons; trading volume: 5.9 million tons;**
- **Among the top 3 producers of beverage filling und packaging machinery**

Diversified product portfolio

Steel and Technology

- Strip products
- Heavy plates
- Sections
- Engineering services
- Logistics
- Injection molding machinery
- Line pipes
- Precision tubes
- Stainless tubes
- Stockholding trading
- International trading
- Beverage filling plants

Group structure and key data FY 2013

Salzgitter AG Group

External Sales cons.: € 9.2 billion
Internal Sales: € 2.7 billion
Employees: 23,164

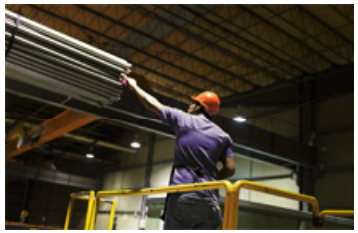
Steel

- **Total Sales:** € 3.6 billion
- **External Sales:** € 2.4 billion
- **Employees:** 7,091



Tubes

- **Total Sales:** € 1.7 billion
- **External Sales:** € 1.4 billion
- **Employees:** 5,431



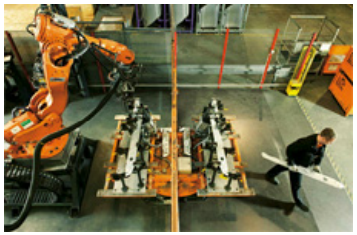
Trading

- **Total Sales:** € 3.9 billion
- **External Sales:** € 3.9 billion
- **Employees:** 2,142



Services

- **Total Sales:** € 1.2 billion
- **External Sales:** € 0.4 billion
- **Employees:** 3,600



Technology

- **Total Sales:** € 1.1 billion
- **External Sales:** € 1.1 billion
- **Employees:** 4,738



Previous structure, new group structure as of January 1, 2014

All data about employees as per 31/12

New Group structure

Salzgitter AG

Salzgitter Mannesmann / Salzgitter Klöckner-Werke

BU Strip Steel	BU Plate / Section Steel	BU Energy	BU Trading	BU Technology	Other / Consolidation
Salzgitter Flachstahl	Ilsenburger Grobblech	Mannesmannröhren-Werke	Salzgitter Mannesmann Handel	KHS	Verkehrsbetriebe Peine-Salzgitter
Salzgitter Europlatinen	Salzgitter Mannesmann Grobblech	Europipe 50%	Salzgitter Mannesmann Stahlhandel	KHS Corpoplast	Hansaport 51%
Salzgitter Bauelemente	Peiner Träger	Salzgitter Mannesmann Line Pipe	Salzgitter Mannesmann International	KHS Plasmax	Gesis Gesellschaft für Informationssysteme
Salzgitter Mannesmann Stahlservice	HSP Hoesch Spundwand und Profil	Salzgitter Mannesmann Großrohr	Universal Eisen und Stahl	Klöckner DESMA Elastomertechnik	Telcat
	DEUMU Deutsche Erz- und Metall-Union	Salzgitter Mannesmann Precision		Klöckner DESMA Schuhmaschinen	Salzgitter Mannesmann Forschung
		Salzgitter Mannesmann Stainless Tubes			Salzgitter Automotive Engineering
		Hüttenwerke Krupp Mannesmann 30%			Salzgitter Hydroforming
		Borusan Mannesmann Boru 23%			Aurubis 25%

BU = Business Unit

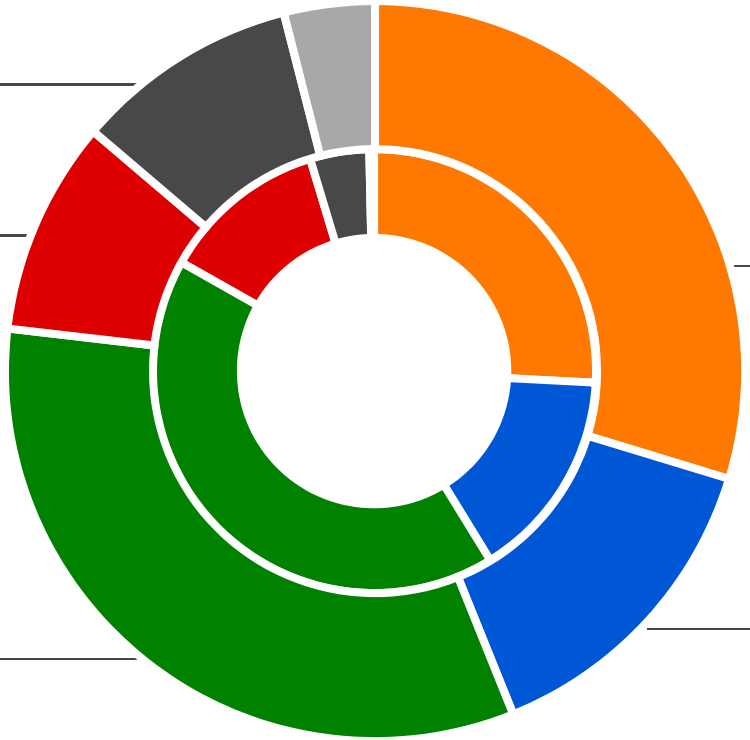
As of: January 2014

Sales 2013 by Divisions

4% (<1%)
Other

10% (4%)
Services

9% (12%)
Technology



(26%) **30%**
Steel

(15%) **14%**
Tubes

33% (42%)
Trading

Outer ring: Segment sales
(Inner ring: Consolidated sales)

Steel and Trading are largest Divisions by sales

Overview

SALZGITTER AG
Stahl und Technologie

Steel Division

SALZGITTER STAHL
Ein Unternehmen der Salzgitter Gruppe

Crude steel production 2013: 5.6 mt
Shipments 2013: 5.4 mt

Segment Sales: € 3.6 billion
External Sales: € 2.4 billion

Strip steel

SALZGITTER FLACHSTAHL
Ein Unternehmen der Salzgitter Gruppe

Heavy plate

ILSENBURGER GROBBLECH
Ein Unternehmen der Salzgitter Gruppe

Sections

PEINER TRÄGER
Ein Unternehmen der Salzgitter Gruppe

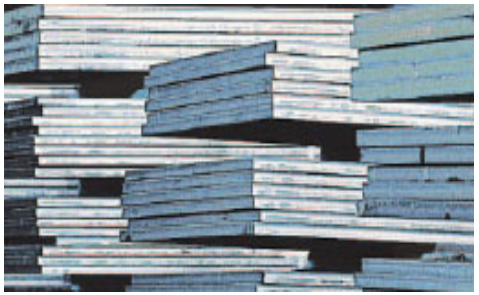
HOESCH SPUNDWAND UND PROFIL
Ein Unternehmen der Salzgitter Gruppe

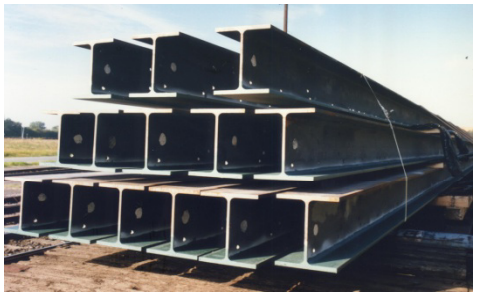
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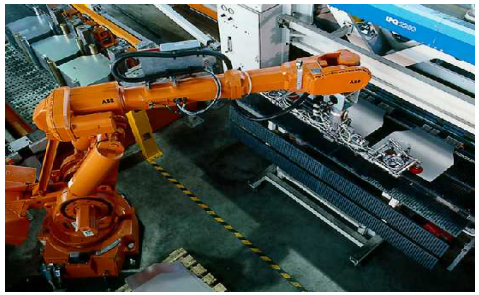
SALZGITTER EUROPLATINEN
Ein Unternehmen der Salzgitter Gruppe

SALZGITTER BAUELEMENTE
Ein Unternehmen der Salzgitter Gruppe









Previous structure, new group structure as of January 1, 2014

Strip Products

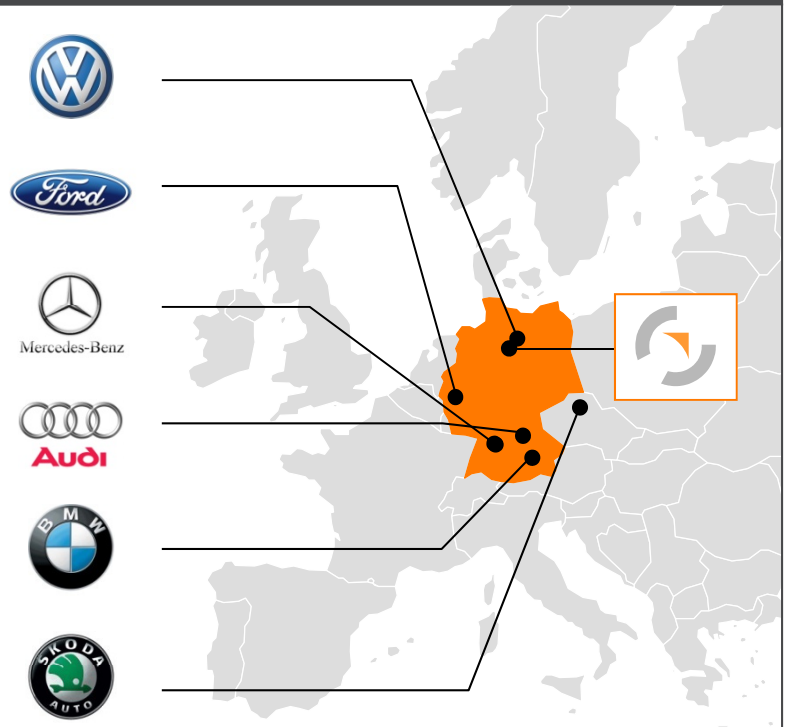
Salzgitter Flachstahl GmbH

Germany; shareholder: SZAG 100%

- Hot-rolled coil, cold-rolled coil, electrogalvanized, hot dip galvanized and organic coated sheet
- Integrated steel works with 3 blast furnaces
- Around 4.7 mt yearly crude steel capacity
- Top modern production plants
- High-tech downstream facilities
- 5% market share in the EU27

SALZGITTER FLACHSTAHL
Ein Unternehmen der Salzgitter Gruppe

Supplier of premium OEMs



		2012	2013
Shipments	kt	3,180	3,249
Sales	€m	2,832	2,662
Employees	31/12/	4,643	4,622

Heavy Plate

Ilsenburger Grobblech GmbH

Germany; shareholder: SZAG 100%

- Broad diversified heavy plate steel grades
- Construction plate, fine grained construction plate, alloyed and unalloyed boiler plate, offshore and tube grades
- High-strength and wear resistant grades
- 7% market share in the EU27
- State of the art facilities, one of the most modern water quenching plants





		2012	2013
Shipments	kt	754	783
Sales	€m	668	615
Employees	31/12/	790	807

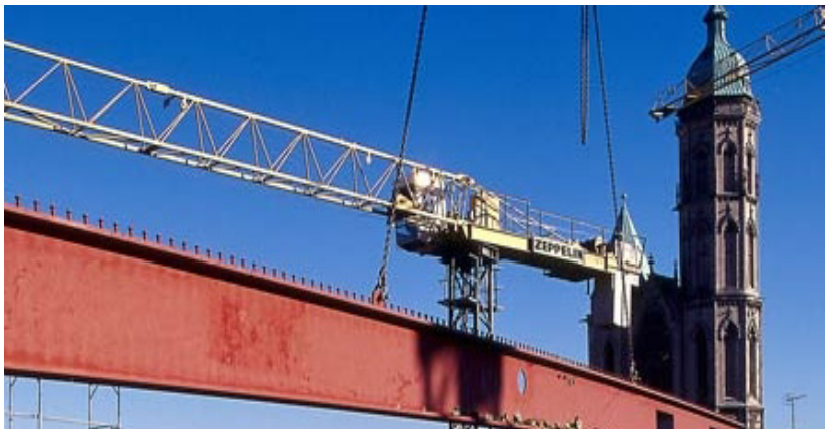
Sections

Peiner Träger GmbH

Germany; shareholder: SZAG 100%

- Medium and heavy steel beams, Peine sections and sheet
- Progressive and flexible mini mill
- Two top-modern electric arc furnaces
- Crude steel capacity around 1.9 mt / year
- As from August 2013 “1-Million-Ton-Model” (fix cost adjustment to capacity of 1.0 mt p.a.)
- 10% market share in the EU27
- Two of the most efficient section mills worldwide with comprehensive range of products

		2012	2013
Shipments	kt	1,197	1,085
Sales	€m	841	695
Employees	31/12/	1,058	1,046





Special sections

HSP Hoesch Spundwand und Profil GmbH

Germany; shareholder: SZAG 100%

- Sheet piling, plain bulb plate, colliery arches
- Modern plants and processes





		2012	2013
Shipments	kt	164	192
Sales	€m	135	158
Employees	31/12/	424	444

Processing

Salzgitter Europlatinen GmbH

Germany; shareholder: SZAG 100%

Custom-made solutions: Laser welded Tailored Blanks for lighter car bodies.

		2012	2013
Sales	€m	91	72
Employees	31/12	108	107

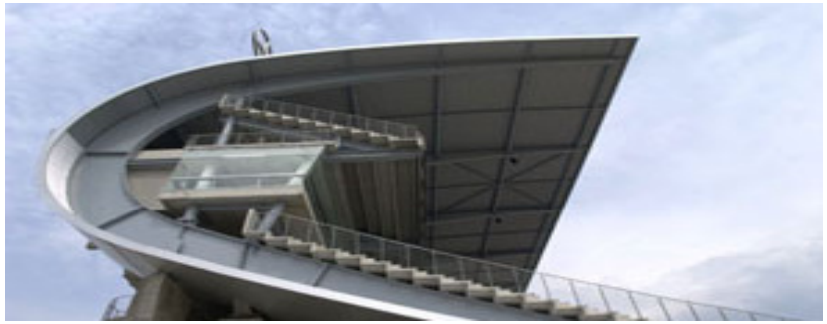


Salzgitter Bauelemente GmbH

Germany; shareholder: SZAG 100%

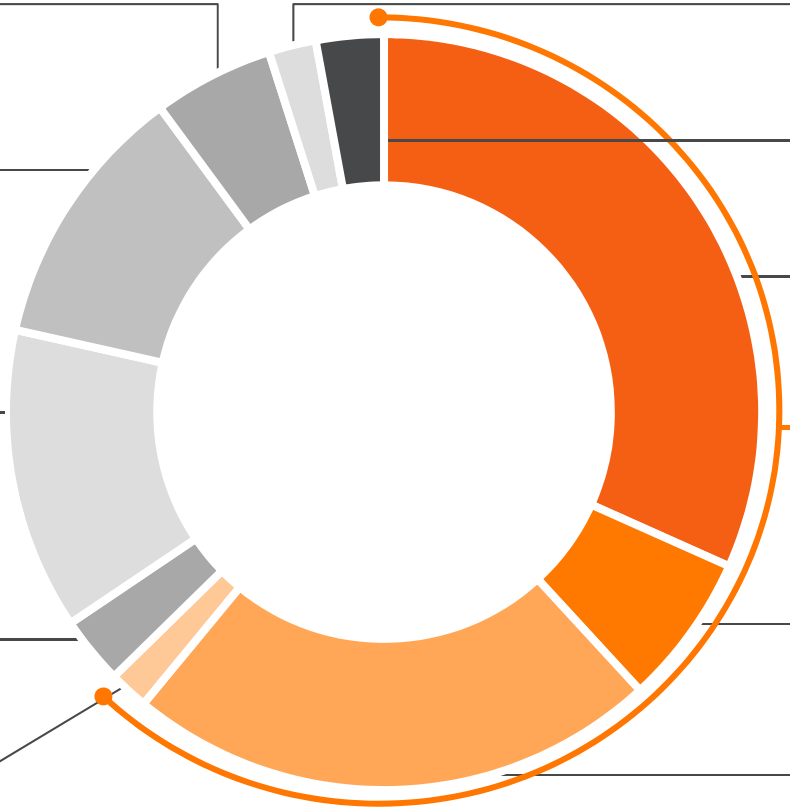
Corrugated sheets, coffers, sandwich a. acoustic elements for wall and roof constructions of commercial buildings.

		2012	2013
Sales	€m	50	49
Employees	31/12	68	65



Steel Division

Sales 2013 by products / companies



5% Sheet piling (HSP)

11% Sections (PTG)

13% Plate (ILG)

3% Tailored blanks (SZEP)

2% CRC, organic coated

2% Corrugated sheet (SZBE)

3% Other

32% Hot-rolled coil

SZFG 62%

6% Cold-rolled coil

23% CRC, galvanized

Consolidated sales

Balanced product portfolio

Overview

SALZGITTER AG
Stahl und Technologie

Tubes Division

SALZGITTER MANNESMANN RÖHRENWERKE
Ein Unternehmen der Salzgitter Gruppe

Shipments 2013: 0.9 mt

Segment Sales: € 1.7 billion
External Sales: € 1.4 billion

Large-diameter Pipes

EUROPIPE

SALZGITTER MANNESMANN GROBBLECH
Ein Unternehmen der Salzgitter Gruppe

SALZGITTER MANNESMANN GROSSROHR
Ein Unternehmen der Salzgitter Gruppe



HFI-welded Pipes

SALZGITTER MANNESMANN LINE PIPE
Ein Unternehmen der Salzgitter Gruppe



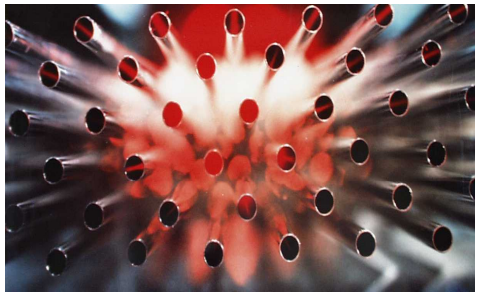
Precision Tubes

SALZGITTER MANNESMANN PRECISION
Ein Unternehmen der Salzgitter Gruppe



Stainless Tubes

SALZGITTER MANNESMANN STAINLESS TUBES
Ein Unternehmen der Salzgitter Gruppe



Previous structure, new group structure as of January 1, 2014

Large-diameter Pipes

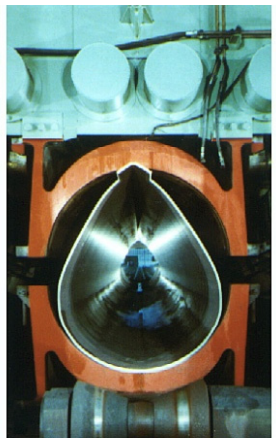
EUROPIPE GmbH

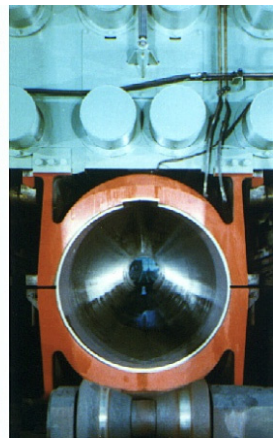
Germany; shareholder: SZAG 50%, Dillinger Hüttenwerke 50%

- Longitudinal and spiral welded large-diameter pipes for transcontinental and underwater pipelines
- In-house coating activities
- World market leader (7% market share)
- 4 locations in D, F, USA

		2012	2013
Shipments	kt	750	626
Sales	€m	879	709
Employees	31/12/	1,288	1,224







Large-diameter Pipes

Salzgitter Mannesmann Grobblech GmbH

Germany; shareholder: SZAG 100%

- Heavy plate mill specialized in plate for longitudinally welded line pipe and similar applications, especially for Europipe GmbH
- Pipe bending plant for seamless and welded steel tubes in carbon, alloyed, and high-alloy steels
- Test Center with a wide range of mechanical and technological tests





		2012	2013
Shipments	kt	448	316
Sales	€m	429	272
Employees	31/12/	696	697

Large-diameter Pipes

Salzgitter Mannesmann Großrohr GmbH

Germany; shareholder: SZAG 100%

- Spiral-welded large-diameter pipes made of hot-rolled coil
- Top-modern plants and processes
- Technology leader
- Logistical advantage due to the supply of hot-rolled coil by the Salzgitter HRC mill

		2012	2013
Shipments	kt	139	90
Sales	€m	150	103
Employees	31/12/	157	155



HFI-welded Pipes

Salzgitter Mannesmann Line Pipe GmbH

Germany; shareholder: SZAG 100%

- HFI-welded medium line pipes incl. plastic- and cement coatings
- Oil field pipes
- Structural pipes, hollow sections
- 7% market share in the EU27
- 2 locations in D

		2012	2013
Shipments	kt	293	207
Sales	€m	325	221
Employees	31/12/	504	510



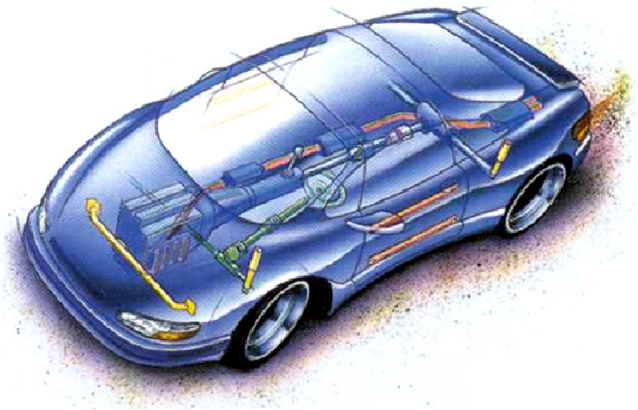
Precision Tubes

Salzgitter Mannesmann Precision Group

Germany; shareholder: SZAG 100%

- Seamless and welded cold drawn precision tubes for the automotive and engineering industries as well as the energy sector
- State of the art push bench plant for the production of hollows
- Market leader in the EU27 (20% market share)
- 11 locations in D, F, NL and Mexico

		2012	2013
Shipments	kt	286	268
Sales	€m	535	463
Employees	31/12/	2,548	2,651



Stainless Tubes

Salzgitter Mannesmann Stainless Tubes Group

Germany; shareholder: SZAG 100%

- Seamless hot- and cold finished stainless tubes for the chemical- and engineering industries, as well as for the energy sector
- 8% market share in the world
- 4 locations in D, F, I, USA

		2012	2013
Shipments	kt	30	32
Sales	€m	361	356
Employees	31/12/	986	995



Significant shareholdings

Hüttenwerke Krupp Mannesmann GmbH

Germany; shareholder: ThyssenKrupp 50%,
SZAG 30% + Vallourec 20% (Pool)

- Steel works with two blast furnaces
- Production of slabs and round steel bars
- Up to 1,000 different steel grades
- Yearly crude steel production of >5 million tonnes
- Consolidated at equity

		2012	2013
Sales	€m	2,756	2,506
Employees	31/12/	2,838	2,980



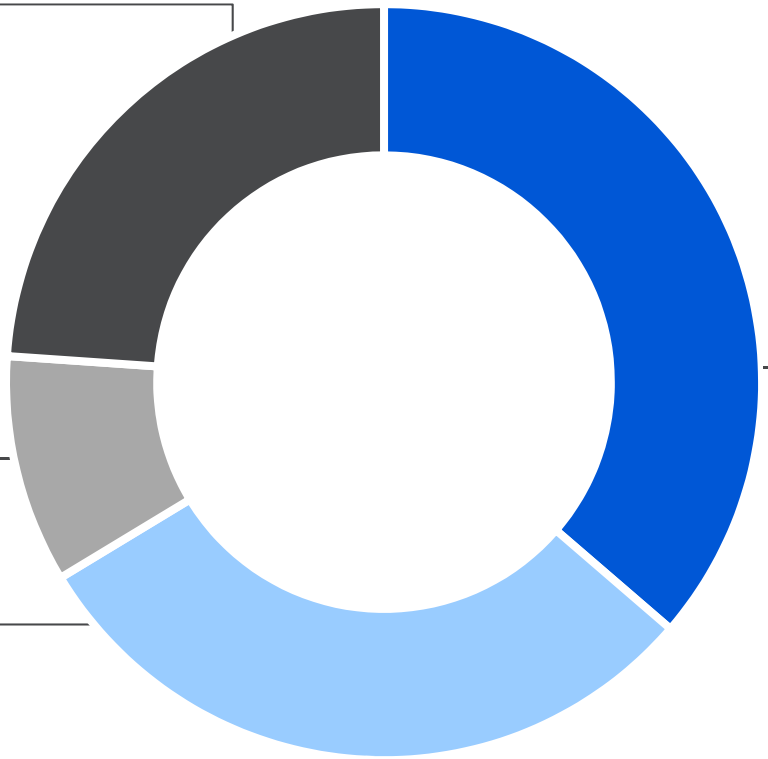
Tubes Division

Sales 2013 by products/companies

24%
Stainless tubes (MST)

10%
HFI-welded pipes (MLP)

30%
Precision tubes (SMP)



36%
Large diameter pipes
(EP + MGR + MGB)

Consolidated sales

Pipeline pipes are largest business segment

Overview

Trading Division

Shipments 2013: 5.9 mt

Segment sales: € 3.9 billion
External sales: € 3.9 billion

Sales 2013: € 3,408 million

SALZGITTER MANNESMANN HANDEL
Ein Unternehmen der Salzgitter Gruppe

- Stockholding
- Trading
- Comprehensive product range



Sales 2013: € 222 million

universal EISEN UND STAHL GMBH

- Specialist for heavy plate
- Processing

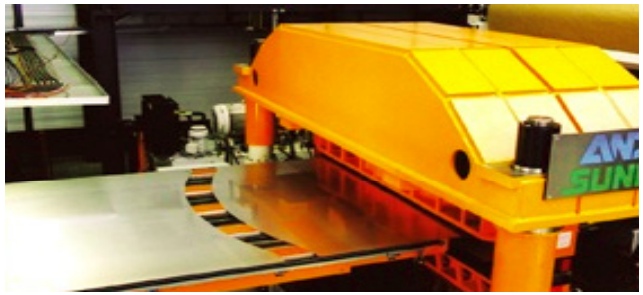


Sales 2013: € 181 million

HÖVELMANN & LUEG
Ein Unternehmen der Salzgitter Gruppe

Stahl Metall Service

- SSC
- Hot-rolled strip
- Cold-rolled sheet



Previous structure, new group structure as of January 1, 2014

Salzgitter Mannesmann Handel Group

Salzgitter Mannesmann Handel

Shipments 2013: 5.4 mt

Segment sales 2013: € 3.5 billion

Trading

International
10 Companies
4 Rep. offices

- **Salzgitter Mannesmann International GmbH Düsseldorf (SMID)**
- **Salzgitter Mannesmann International (USA) Inc. Houston (SMIH)**
- **Salzgitter Mannesmann International (Canada) Inc. (SMIV)**

Stockholding

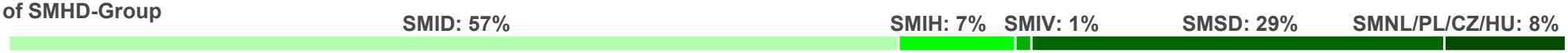
- **Salzgitter Mannesmann Stahlhandel GmbH Düsseldorf (SMSD)**
  13 Branches with warehouses and further processing (incl. 3 flame cutting plants), 5 Sales offices
- **Stahlcenter Baunatal GmbH (SCB)**
- Hildesheimer Stahlhandel GmbH & Co. KG Hildesheim (HSH)

Europe
7 Companies

Agencies

Europe
4 Agencies

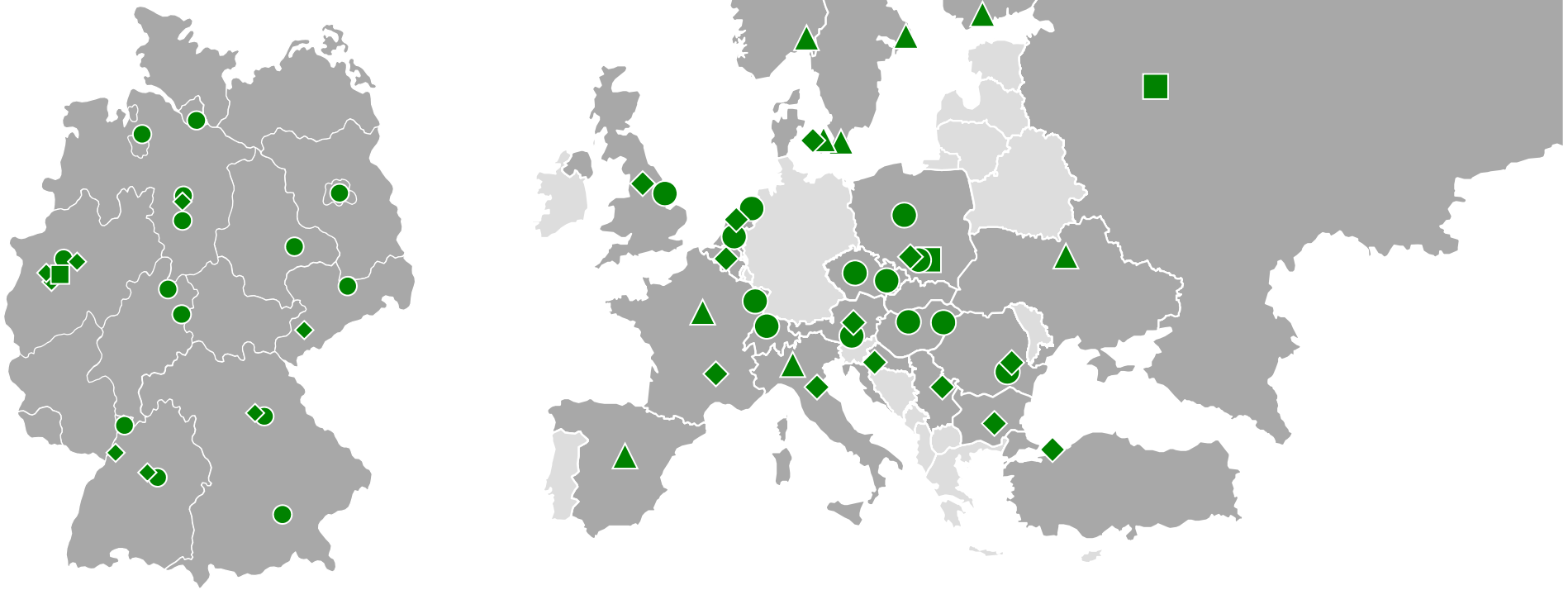
Sales distribution of SMHD-Group



78 locations in 41 countries with1,933 employees

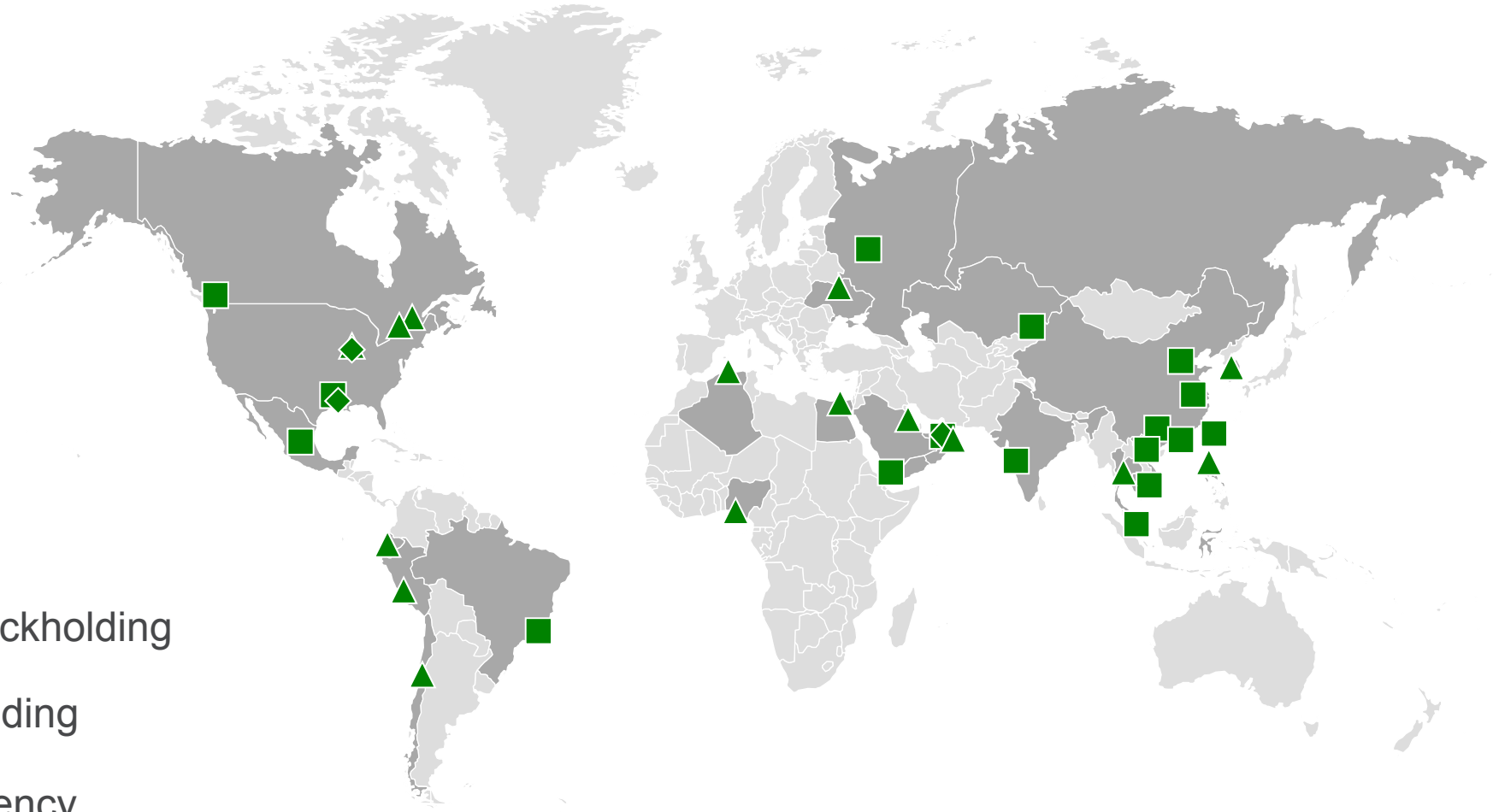
Presence in Europe

- Stockholding
- Trading
- Agency
- Steel service center



Trading Division

Global presence ex. Europe



- Stockholding
- Trading
- Agency
- Steel service center

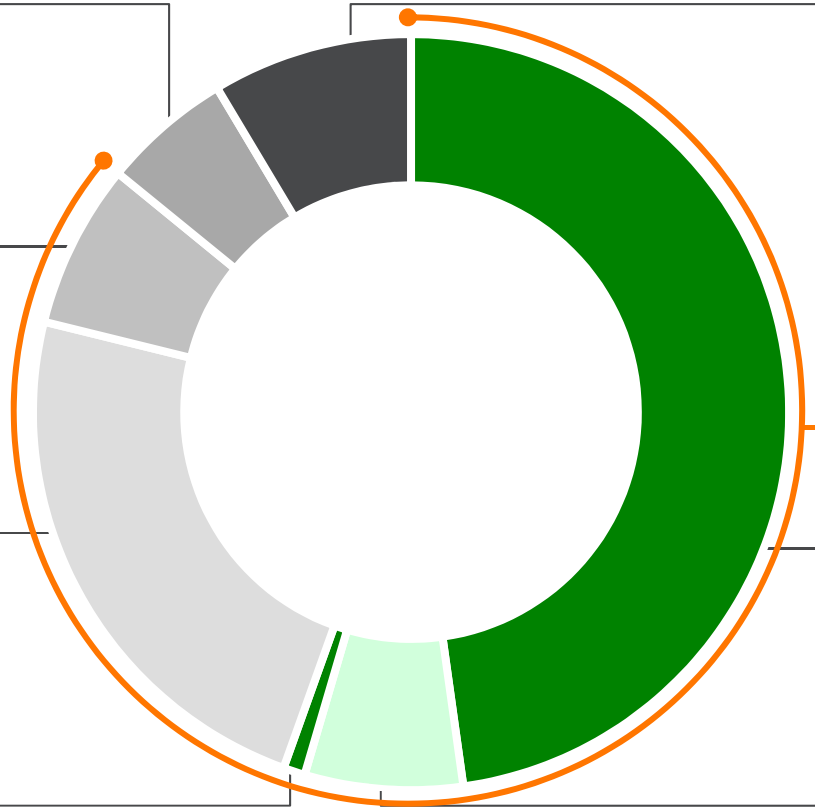
Trading Division

Sales 2013 by companies

5%
Universal

9%
Hövelmann & Lueg, SMS

7%
Salzgitter
Mannesmann Handel
other stockholding



Salzgitter Mannesmann Handel 86%

23%
Salzgitter
Mannesmann
Stahlhandel

48%
Salzgitter Mannesmann
International

1%
SMI Vancouver

7%
SMI Houston

Consolidated sales

International trading + stockholding traders

Overview

Services Division

Segment sales 2013: € 1.2 billion
External sales 2013: € 0.4 billion

Technical Services

- SZST Salzgitter Service und Technik – Ein Unternehmen der Salzgitter Gruppe
- Glückauf Immobilien – Ein Unternehmen der Salzgitter Gruppe

Raw Materials and Logistics

- DEUMU Deutsche Erz- und Metall-Union – Ein Unternehmen der Salzgitter Gruppe
- VPS Verkehrsbetriebe Peine-Salzgitter – Ein Unternehmen der Salzgitter Gruppe
- Hansaport

Data Processing and Communications

- TELCAT Multicom – Ein Unternehmen der Salzgitter Gruppe
- TELCAT Kommunikationstechnik – Ein Unternehmen der Salzgitter Gruppe
- GESIS Gesellschaft für Informationssysteme – Ein Unternehmen der Salzgitter Gruppe

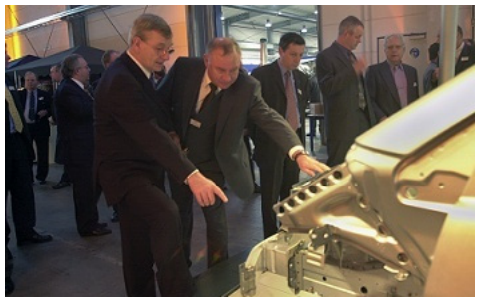
Engineering

- Salzgitter Mannesmann Forschung – Ein Unternehmen der Salzgitter Gruppe
- Salzgitter Automotive Engineering – Ein Unternehmen der Salzgitter Gruppe
- Salzgitter Hydroforming – Ein Unternehmen der Salzgitter Gruppe









Previous structure, new group structure as of January 1, 2014

Technical Services

Salzgitter Service und Technik

Comprehensive services for group companies and external clients in the fields of occupational training, occupational medical services, security, fire control and prevention, maintenance, engineering, and printing.

SZST SALZGITTER SERVICE UND TECHNIK
Ein Unternehmen der Salzgitter Gruppe



Glückauf Immobilien

Company specialized in real estate- and facility management.

GLÜCKAUF IMMOBILIEN
Ein Unternehmen der Salzgitter Gruppe



Raw Materials and Logistics

Deutsche Erz- und Metall-Union

Specialist trader for ferrous scrap, non-ferrous scrap, new metals and ferro alloys, as well as rolled steel products. Also active in the fields of steel processing.



Hansaport[1)]

Germany's largest seaport terminal for handling dry bulk goods (coal and ores). Annual capacity of approximately 15 million tons.

[1)] SZAG share: 51%



Verkehrsbetriebe Peine-Salzgitter

Commercial transportation provider with an annual freight volume of approximately 43 million tons.



Data Processing and Communications

Telcat Multicom / Telcat Kommunikationstechnik

Systems for decentralized communication. Broad array of information solutions ranging from office communication and video technology to network services.



GESIS Gesellschaft für Informationssysteme

Integration of business processes into one uniform IT-solution that reflects the entire workflow. Electronic data processing center capacities and the internet-based eService platform as a unified hub for order processing are offered for group companies and external clients.



Engineering

Salzgitter Automotive Engineering

Engineering services for the prototyping of parts and components: Early stage bring-in of know-how into the development process.

SALZGITTER AUTOMOTIVE ENGINEERING
Ein Unternehmen der Salzgitter Gruppe



Salzgitter Hydroforming

Hydro-formed components – innovative method of steel processing. Hydro-formed parts mainly for the automotive industry. Market with high growth rates.

SALZGITTER HYDROFORMING
Ein Unternehmen der Salzgitter Gruppe



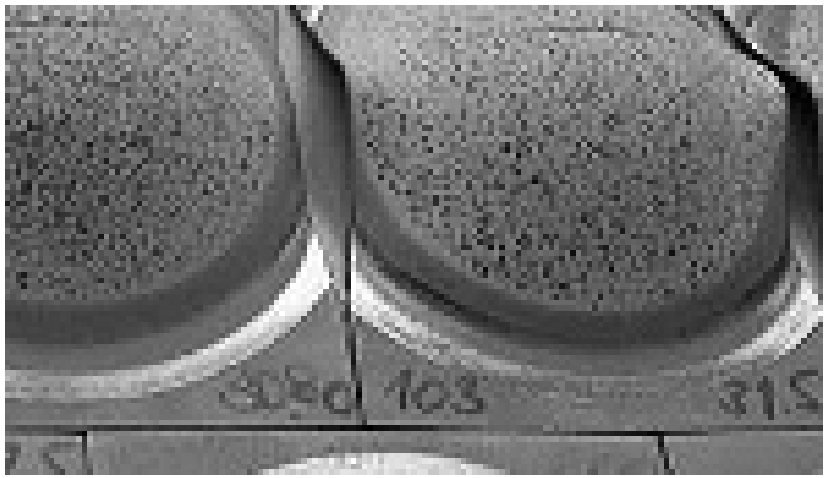
Salzgitter Mannesmann Forschung GmbH

Germany; shareholder: SZAG 100%

Research and development for the Group and external customers with a focus on:

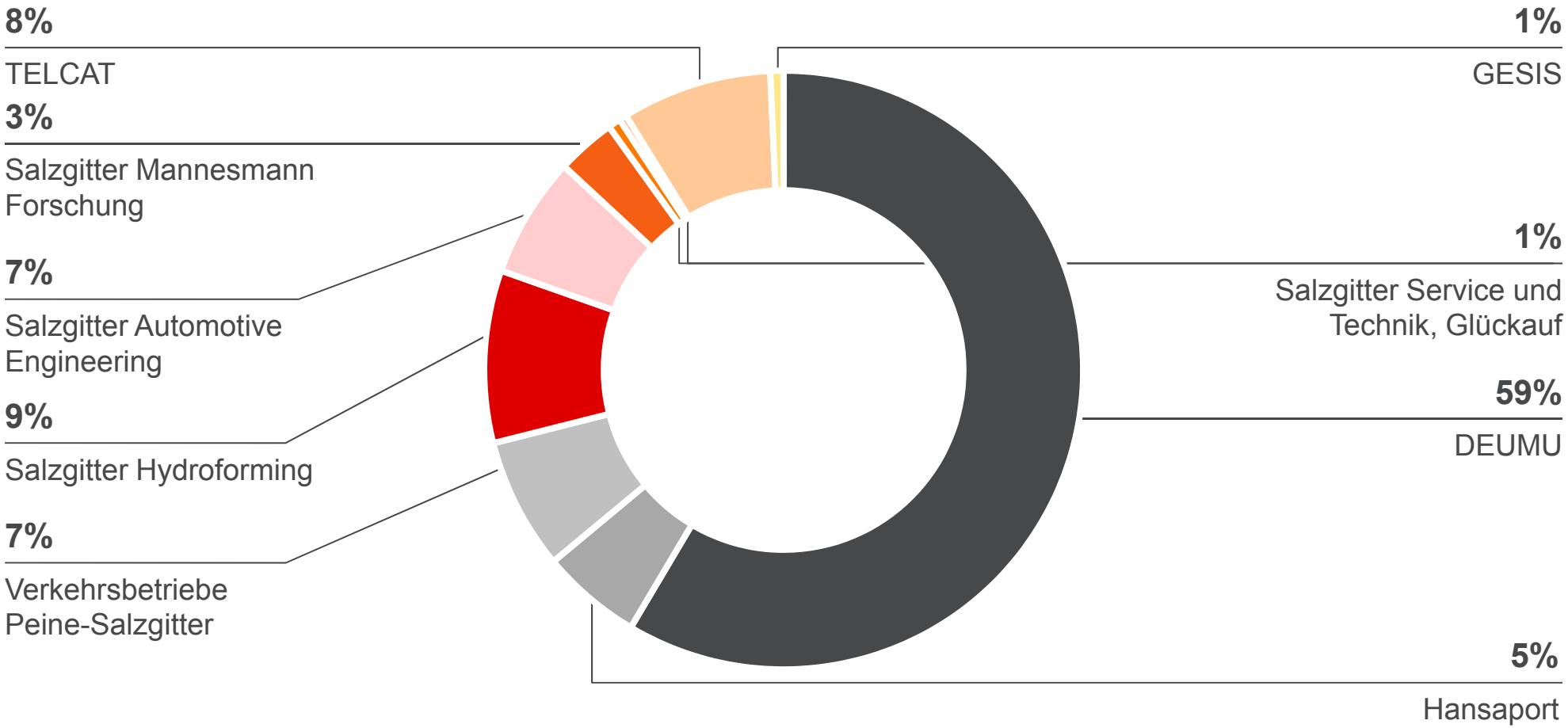
- The development of new materials and application areas
- Processes for the manufacture, processing and application of metallic materials
- Material and component characterization including testing techniques
- Application technology
- Surface technology with refining systems
- Automation and testing techniques, as well as the construction of non-destructive testing facilities





Services Division

Sales 2013 by companies



Consolidated sales

DEUMU dominates consolidated sales of the division

Overview

Technology Division

SALZGITTER KLÖCKNER-WERKE
Ein Unternehmen der Salzgitter Gruppe

Segment sales 2013: € 1.1 billion
External sales 2013: € 1.1 billion

Filling and Packaging

KHS
Filling and Packaging — Worldwide

Filling lines for bottles, cans, kegs incl.:

- Processing and (aseptic) filling technology
- PET: stretch blow molding and coating technology
- Pasteurization and bottle cleaning, labeling
- Packaging machines, packers and palletizers





Special Machinery

DESMA

DESMA

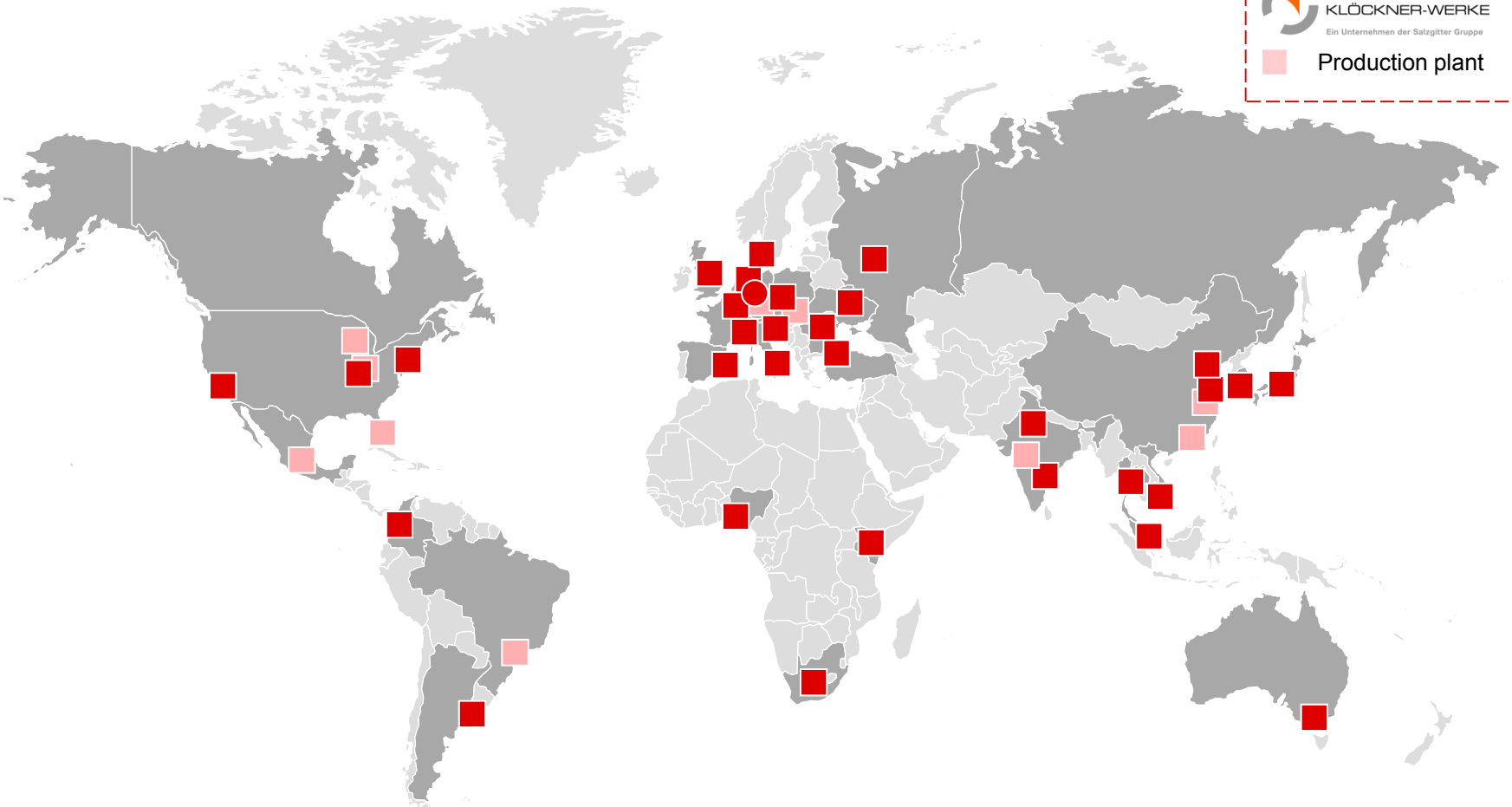




Global Presence

SALZGITTER KLÖCKNER-WERKE
Ein Unternehmen der Salzgitter Gruppe

Production plant



Active in all relevant markets

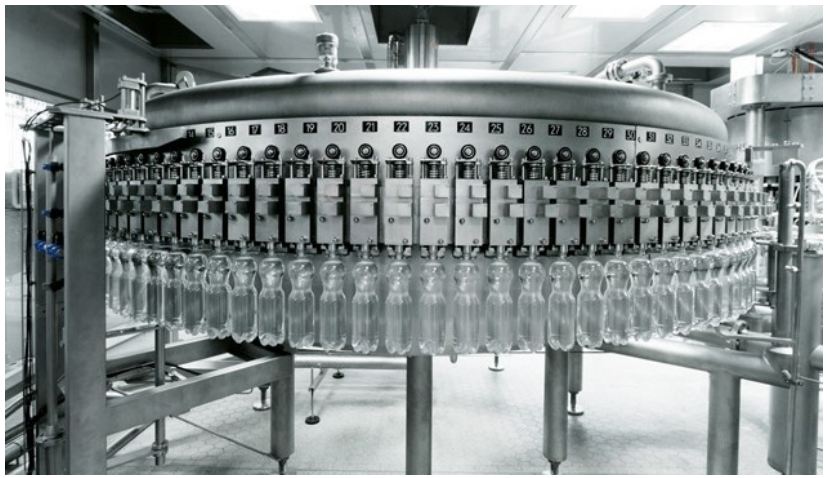
Filling and packaging

KHS-Group

Germany; shareholder: SZAG 100%

- A global leader and solution provider of first choice in the packaging industry
- Focus on beverage applications
- Supplier of single machines and turnkey solutions (one-stop-shop supplier)
- Leadership in technology and innovation
- 11 production sites: 5 in Germany, 2 in the US, and 1 each in Mexico, Brazil, China and India

		2012	2013
Sales	€m	980	1,018
Employees	31/12/	3,679	3,769

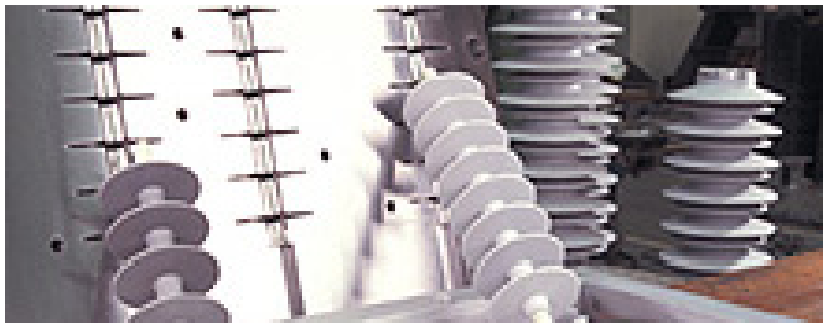


Special machinery

Klöckner DESMA Elastomertechnik Group

Specialized in manufacturing of rubber and silicone injection molding machinery

		2012	2013
Sales	€m	72	61
Employees	31/12/	456	455



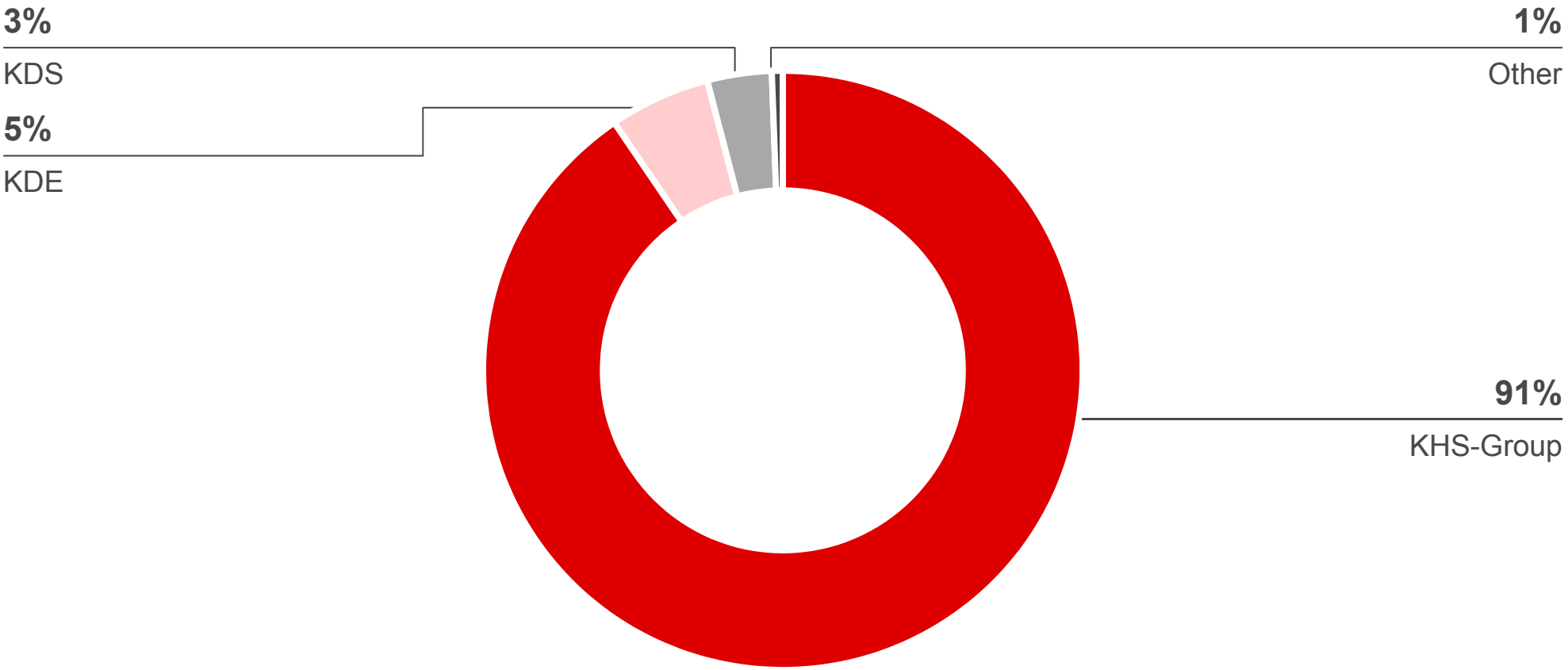
Klöckner DESMA Schuhmaschinen

Production of machines for the fabrication of shoes and shoe soles

		2012	2013
Sales	€m	36	39
Employees	31/12/	186	195



Sales 2013 by companies



Consolidated sales

KHS dominates consolidated sales of the division

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