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Ad hoc release according to § 15 WpHG

SALZGITTER AG

Salzgitter AG and Vallourec SA intend to concentrate their seamless tubes activities at Vallourec

Salzgitter AG and Vallourec SA, Paris, intend to concentrate their seamless tubes activities at Vallourec. In pursuit of this aim, the 45 % stake in V&M Tubes SA (V&M) held by wholly-owned Salzgitter subsidiary Mannesmannröhren-Werke GmbH (MRW) is to be sold to French joint venture partner Vallourec. The result will be to increase Vallourec's interest in V&M, the world market leader in the seamless steel tubes sector, to 100 %.

The companies concerned – Salzgitter AG, MRW, Vallourec and V&M – have signed a non-binding Memorandum of Understanding which covers the essential key points of the transaction. A purchase price of € 545 million has been agreed for the 45 % stake in V&M, to be paid in cash to MRW upon transfer of the shares no later than July 31, 2005.

The contract is expected to be concluded towards the end of the first quarter of 2005.

The deal is subject to requisite approval by among others the Supervisory Boards of Salzgitter AG and MRW as well as by the relevant competition authorities.

For further details please refer to the press releases issued by Salzgitter AG and Vallourec SA.