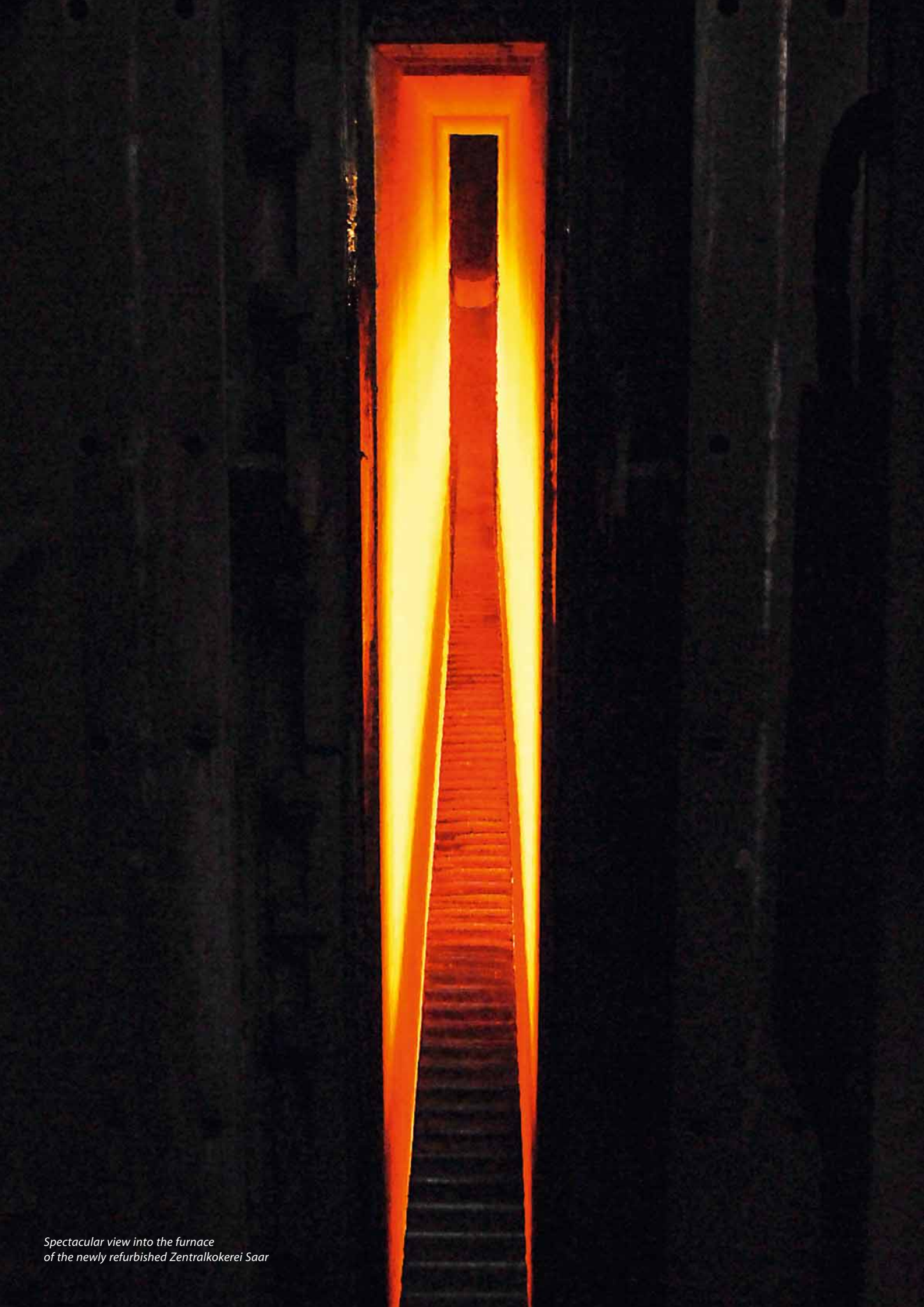
DILLINGER HÜTTE

EXECUTIVE SUMMARY OF THE 2012 FINANCIAL STATEMENT

KEY FIGURES

	2011	**2012**	Change
Hot metal purchase in kt*	2 135	**1 965**	- 8.0 %
Crude steel production in kt	2 497	**2 298**	- 8.0 %
Total production of heavy plate in kt	2 110	**1 882**	- 10.8 %
of which produced in Dillingen in kt	1 425	**1 309**	- 8.1 %
of which produced in Dunkerque in kt	685	**573**	- 16.4 %
Total shipments in kt	2 715	**2 499**	- 8.0 %
of which heavy plate in kt	2 104	**1 856**	- 11.8 %
of which semi-finished product in kt	611	**643**	+ 5.2 %
Net sales by country in millions of €			
Germany	938	**739**	
France	578	**569**	
Other EU countries	421	**522**	
Other exports	562	**521**	
Total sales	2 499	**2 351**	- 5.9 %
Total workforce (excluding trainees) as of 31 Dec.	5 464	**5 377**	
Personnel expenses in millions of €	334	**353**	
Total assets in millions of €	2 723	**2 949**	
Fixed assets in millions of €	1 582	**1 734**	
Investments	109	**220**	
Equity in millions of €	1 742	**1 837**	
EBITDA in millions of €	220	**266**	
EBIT in millions of €	163	**209**	
Earnings from ordinary activities in millions of €	169	**194**	
Net income for the year before profit transfer in millions of €	167	**192**	
Cash flow from operations in millions of €	93	**363**	

** Total production ROGESA Roheisengesellschaft Saar mbH: 3 990 kt (2011: 4 176 kt)*



Spectacular view into the furnace of the newly refurbished Zentralkokerei Saar

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** This abridged English-language financial statement is an excerpt from the Annual Report of Dillinger Hütte for the 2012 financial year. This publication does not constitute the complete form required by law (for this, please see the 2012 Annual Report of Dillinger Hütte in German).*

MEMBERS OF THE SUPERVISORY BOARD

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Dr. BERND BERGMANN Wallerfangen	*Member of the Executive Board of the Curatorship for the Montan-Stiftung-Saar trust*
Prof. Dr. HEINZ BIERBAUM Saarbrücken	*Director of the INFO-Institute, Saarbrücken*
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CARL DE MARÉ Belsele	*Vice President of ArcelorMittal, Chief Technical Officer Flat Carbon Europe*
MICHAEL FISCHER Dillingen *(as of 11 January 2013)*	*Chairman of the Dillinger Hütte Works Council*
ALBERT HETTRICH Saarbrücken	*Chief Representative of SHS - Stahl-Holding-Saar*
ROBERT HIRY Rehlingen-Siersburg	*Primary Authorized Representative for IG Metall Völklingen Administrative Office*
GÜNTER LUDWIG Losheim am See *(until 31 December 2012)*	*Deputy Chairman of the Dillinger Hütte Works Council*
EUGEN ROTH Merchweiler	*Chairman of Deutscher Gewerkschaftsbund Saar (German Federation of Trade Unions, Saar District)*
FRIEDEL SCHMIDT Merten *(as of 11 January 2013)*	*Member of the Dillinger Hütte Works Council*
ROMAN SELGRATH Dillingen *(until 31 December 2012)*	*Chairman of the Dillinger Hütte Works Council*
CLAUDE SEYWERT Luxembourg	*Head of Strategy and Development, Creos Luxembourg*
ERICH WILKE Königstein / Taunus	*Bank Executive (ret.)*
HENNER WITTLING Ottweiler	*Member of the Management Board of the Curatorship for the Montan-Stiftung-Saar trust*

MEMBERS OF THE BOARD OF MANAGEMENT

Dr. KARLHEINZ BLESSING	*Chief Executive Officer* *Chief Commercial Officer (until 31 March 2012)*
Dr. NORBERT BANNENBERG	*Chief Technical Officer*
Dr. GÜNTER LUXENBURGER	*Chief Sales Officer (as of 1 April 2012)*
FRED METZKEN	*Chief Financial Officer*
PETER SCHWEDA	*Chief Human Resources Officer/Labor Director*

Fred Metzken, Peter Schweda, Dr. Norbert Bannenberg, Dr. Karlheinz Blessing, Dr. Günter Luxenburger (from left to right)

REPORT OF THE BOARD OF MANAGEMENT (abridged)

General economic situation

Weak growth of the world economy

Growth of the global economy weakened further in 2012, with worldwide gross domestic product (GDP) increasing only moderately by about 3.2 %* compared to 2011 (+ 3.9 %).

The pace of growth in the various world regions was extremely uneven: while emerging markets continued to experience relatively high rates of increase (China: + 7.8 %, India: + 4.5 %), the recession in the eurozone further intensified (- 0.4 %). In contrast, the US economy displayed overall positive but consistently sluggish growth (+ 2.3 %). There was therefore no significant momentum coming from the United States, the world's biggest economy, to the rest of the world economy. In Japan, stagnation ultimately continued. The upturn expected due to reconstruction following the tsunami's destruction was limited. At the same time, Japan's export economy was noticeably weakened by the strong currency.

Declining growth in Europe

The biggest decline in growth was experienced in Europe (EU 27) (- 0.4 %). The strains on the public and private sector resulting from consolidation efforts further weakened the economic situation in the eurozone. Whereas stabilization of the common currency achieved the conditions necessary to improve the situation in southern European countries pressured by high government debt, a further significant decline in economic activity and a rise in unemployment could not be prevented.

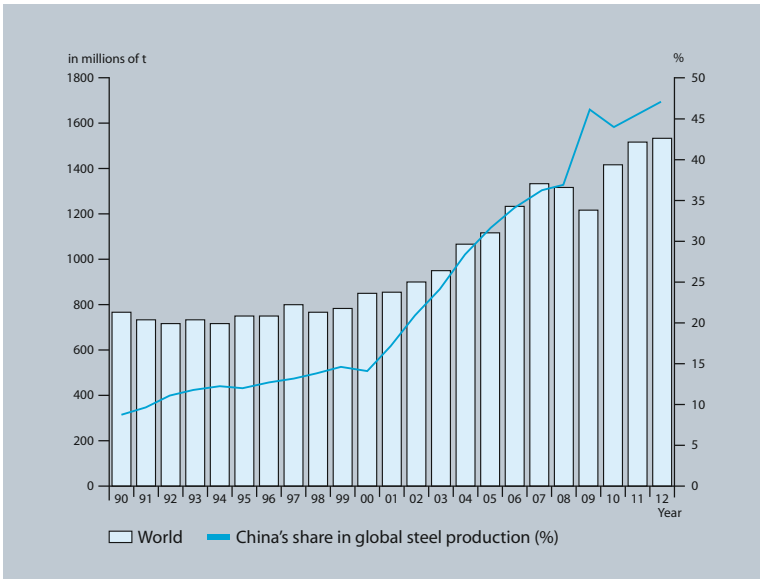
The German economy was also impacted by the negative economic trend in important European markets. As a result, the economic momentum continued to dwindle and came to a complete standstill at the end of the year. In sum, the GDP increased only slightly (+ 0.7 %) compared to 2011 (+ 2.7 %).

The steel market

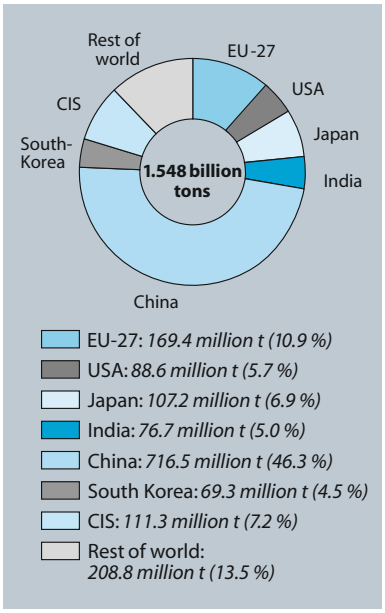
Weak growth in worldwide crude steel production

Worldwide demand for steel progressively diminished during the course of 2012. This was caused by weak worldwide growth in production within customer sectors and the negative inventory cycle triggered by sustained price pressure, particularly in Europe and North America. Worldwide crude steel production therefore scarcely recovered, and this was reflected in a significantly weaker rate of growth. Overall 2012 production increased worldwide by 1.2 % (2011: + 6.8 %) and with 1.55 billion tons only slightly exceeded the previous year's level (1.53 billion tons). At the same time, the global expansion of capacity continued. The level of utilization of worldwide crude steel capacities therefore declined notably in 2012 and at less than 80 % was considerably lower than the longtime average (85 %).

** All figures regarding economic conditions and the steel market are based on currently available and sometimes preliminary official estimates and unofficial statistics.*



Changes in worldwide steel production / China's share



Share in percentage of world steel production in 2012: 1.548 billion tons (as of: February 2013)

The Chinese steel industry increased its production only moderately compared to the previous years by 3.1 % to 717 million tons and thus achieved a share of almost 50 % of world crude steel production. Production fell by 4.7 % in the European Union to around 170 million tons, in South America by 3.0 % and in the CIS by 1.2 %. In contrast, crude steel production increased in NAFTA countries (+ 2.6 %), in Turkey (+ 5.2 %) and in the emerging markets of Southeast Asia. In the United States, the revitalized automotive industry and the normalizing construction industry contributed to the increase there.

Steel market in Europe:
negative trend intensified during the year

No steel-processing sector in Europe was able to evade the overall recession. In addition to the euro debt crisis, the declining world economy began to particularly influence steel consumption in Europe starting in the second quarter. The downward trend was especially felt in the construction industry and in steel construction (- 4.6 %), which together make up about 35 % of steel consumption in the EU. The automotive industry also suffered from the crisis in sales in Europe and could only partially compensate for the decline in activity (- 3.4 %) through exports in third countries. Machine construction remained relatively robust, nearly achieving the previous year's level with a decline in production of just 0.9 %.

The German steel market declined considerably in 2012. With a total of 42.7 million tons, 3.7 % less crude steel was smelted than during the previous year. After a short phase of building up inventories in the first quarter, processors and distributors carefully planned material requirements during the rest of the year and maintained their inventories at a low level when measured against the level of activity.

Heavy plate market suffers from economic slowdown

The general economic downturn led to an overall decline in demand in the heavy plate market beginning in the second quarter, coupled with sinking prices. The decline in volumes can be traced in part to more problematic financing conditions for projects using heavy plate.

In addition, the poor level of activity in ship building had a negative impact on the worldwide heavy plate market. Many shipyards produced at a low level and the demand for heavy plate was correspondingly low, particularly in Asia. Heavy plate manufacturers that were geared to this market segment therefore intensified their efforts to compete in other market segments in the interest of utilizing their production capacities. As a result, the production output of Eurofer heavy plate plants also declined in 2012 by around 5 % in comparison to the previous year. Utilization of capacities at European

heavy plate plants averaged 65 % in 2012. At the same time – not least due to the low level of prices – the European market became less attractive for third country imports, which fell by about 20 % since the beginning of the year.

Excluding the large-diameter line pipe market, apparent market consumption in Europe declined by more than 6 % in 2012, although there was a slight upturn at the end of the year. As in the two years previous, the first half of the year was marked by a slight buildup of inventories and the second half of the year by a decline in inventories. The level of stock inventories therefore remained relatively balanced on the whole and fluctuated around the average level of the last 8 years.

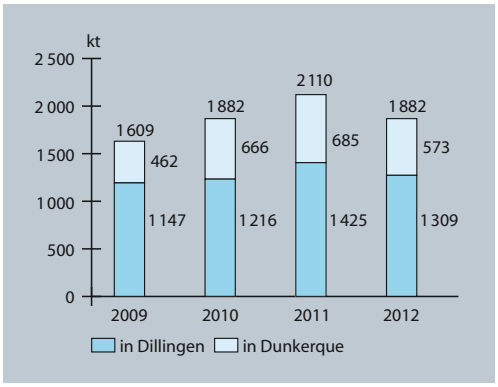
Dillinger Hütte: volumes and revenues under pressure

For Dillinger Hütte (DH), 2012 was characterized by erratic but overall satisfactory utilization of capacities. Despite the difficult market situation with declining production volumes and sales revenue, positive earnings were achieved in 2012 as well. Dillinger Hütte continued its strategy of investing in optimizing and modernizing its equipment and processes even in economically challenging times; investments were increased considerably once again in 2012.

Good utilization of plant capacities – revenues under increasing pressure

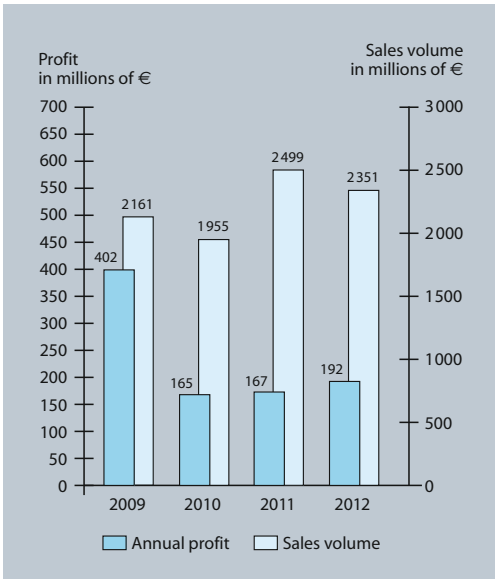
Starting in the second quarter, after a subdued beginning of the year, the capacities of the production facilities were well utilized for the remainder of the year. Optimized logistical tools and the use of highly sophisticated process models made it possible to ensure stable order processing in all production stages during 2012, despite the planned annual shutdown in the rolling mill in autumn. Incoming orders experienced sharper fluctuations, however, as a consequence of the increasing proportion of project business.

Production figures in the primary stages (hot metal and steel production), as well as at both rolling mills, i.e., at Dillinger Hütte itself and at the wholly owned subsidiary, GTS Industries S.A. in Dunkerque (France), fell in comparison with the previous year and were nearly at the level of 2010. Purchases of hot metal meanwhile decreased by 8.0 % to 1 965 kt (2011: 2 135 kt), and the production of crude steel decreased by 8.0 % compared to the previous year to 2 298 kt (2011: 2 497 kt).

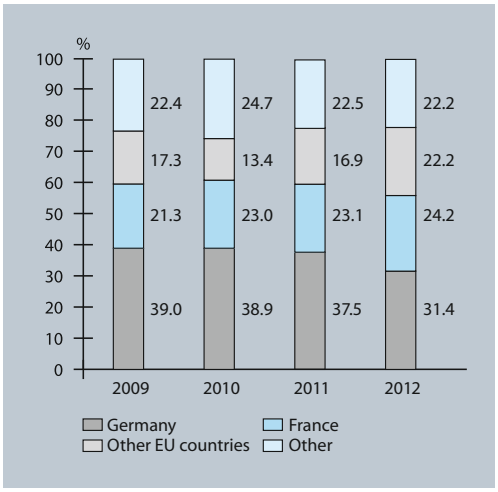


Change in heavy plate production

As in previous years, steel production levels satisfied the slab supply requirements for the rolling mill in Dillingen and largely those of GTS Industries as well. The production of the rolling mills (1 882 kt) declined by a total of 10.8 % from the previous year (2011: 2 110 kt), with 1 309 kt of heavy plate produced in Dillingen (2011: 1 425 kt) and 573 kt of heavy plate produced in Dunkerque (2011: 685 kt).



Sales and profit performance



Geographic distribution of sales

Sales-related decline in revenue

Sales revenue in 2012 was lower than that for the previous year, primarily due to a significant fall in sales. Total sales of heavy plate declined from 2 104 kt in the previous year to 1 856 kt (- 11.8 %) in 2012, whereas the decline in sales of normal plate exceeded the decline in pipe plate.

Starting from a backlog of orders at the end of 2011 and incoming orders in the first half of 2012 at a similar revenue level as in the last months of the previous year, the revenue situation increasingly deteriorated in the second half of 2012. Due to this and, most notably, to the falling volumes, Dillinger Hütte posted a decline in sales revenue from € 2 499 million in the previous year to € 2 351 million (- 5.9 %).

Distribution of the sales revenue showed only negligible displacement between the individual regions.

Profitability, net asset position and financial status

Earnings improved slightly

Dillinger Hütte achieved EBIT of € 209 million in 2012 (2011: € 163 million) and EBITDA of € 266 million (2011: € 220 million). With a yearly average at about the same revenue level per ton of heavy plate as in the previous year, the continued improvement in results can essentially be traced to the distinct drop in material intensity prompted by considerable dissolution of value adjustments in the area of inventory stocks at Dillinger Hütte itself as well as at the production units ROGESA Roheisengesellschaft Saar mbH (ROGESA) and Zentralkokerei Saar GmbH (ZKS), as well as to additional dissolutions of provisions for expenses as part of the conversion of the accounting criteria (BilMoG). These effects amounted to a total of more than € 100 million. Given the difficult market situation, the ongoing programs for reducing costs also made a significant contribution to positive earnings at Dillinger Hütte.

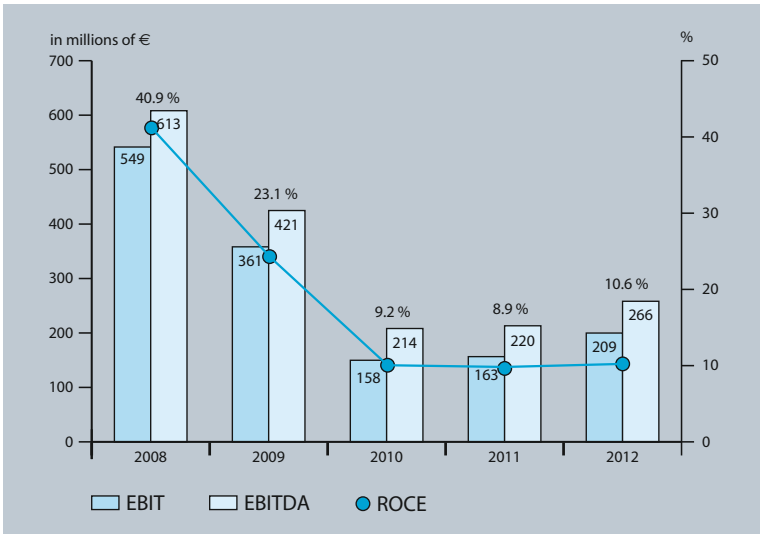
Personnel expenditures rose in the financial year by 5.7 % to € 353 million (2011: € 334 million). This increase was due in particular to the rise in pay rates in early 2012 for both hourly wages and salaries as well as in social security contributions and pension costs. The depreciation and amortization of intangible and tangible fixed assets amounting to € 56.4 million were nearly equal to the previous year's level. Significantly higher sales-related expenses led to an increase during the year under review in other operating expenses by € 50 million to € 142 million, whereas administrative and general operating expenses rose only moderately.

Dividend disbursements that were down by € 12.1 million led to a drop in income from investments to € 19.0 million. Reduced market interest rates compared to the previous year as well as higher interest expenditures due to long-term borrowing to finance investments led to a decline in net interest income of € 10.5 million compared to the previous year, to - € 4.3 million. The write-down of financial investments amounting to € 11.2 million concerned a devaluation of investment securities due to ongoing loss of value. At € 194 million, earnings from ordinary activities increased in 2012 compared to the previous year by € 25 million.

After deduction of taxes and compensatory payment to outside shareholders, net income for the year before profit transfer amounted to € 191.8 million (2011: € 167.4 million). After allocations to earnings reserves amounting to € 95 million, the profit transfer to the controlling company, DHS - Dillinger Hütte Saarstahl AG, amounted to € 96.8 million. Despite significantly lower income from investments and interest earnings, positive performance was achieved in the key figures most important to the structure of assets, liabilities and capital, as well as to the yield performance. The return on capital employed (ROCE) during the year under review amounted to 10.6 % (previous year: 8.9 %); return on sales (EBIT margin) amounted to 11.1 % (previous year: 8.5 %).

Equity ratio remains high

The balance sheet total increased from the previous year by € 227 million to € 2 949 million. The net asset position, meanwhile, was influenced by the growth of fixed assets by € 153 million to € 1 734 million. The primary grounds for this were the investments in fixed and financial assets undertaken during the year under review. Current assets increased from the previous year by € 72 million to € 1 207 million. Inventories meanwhile fell by € 28 million and receivables and other assets fell by € 37 million, while liquid assets rose by € 137 million.



Development of EBIT, EBITDA and ROCE

The € 95 million increase in shareholders' equity resulted from the reserve allocation not affecting profit or loss. Borrowed capital increased by a sum of € 132 million. Whereas provisions increased by € 20 million, liabilities increased by € 112 million over the previous year's level. Due to the intensive investment activities in fixed assets, financial liabilities increased by € 79 million. Liabilities from delivery and services increased by € 33 million. The equity ratio decreased accordingly from 64.0 % to 62.3 % in the year under review.

Investments increased considerably

Cash flow from operational activities amounted to € 363 million (previous year: € 93 million). Along with cash flow from the result for the year and write-offs in the amount of € 260 million (previous year: € 225 million), significant proceeds were generated from the reduction of working capital. Resources required for investments amounted to € 218 million (previous year: € 107 million). Including cash flow from financing activities in the amount of - € 8 million (2011: - € 137 million), the cash at bank and in hand increased by € 137 million to € 421 million.

Risk and opportunity report

Risk and opportunity management

The corporate activities of a heavy plate manufacturer with global operations are exposed to both risk and opportunity. With this in mind, Dillinger Hütte introduced an independent and groupwide risk management system several years ago. The goal of the risk management system is to recognize risk associated with business activities as early as possible, to minimize it and, as much as possible, to eliminate it. To this end, risk is systematically and consistently identified, analyzed and evaluated, and are set against the measures for risk management already taken and planned. In addition to avoiding and minimizing risk by implementing suitable measures, risk is also transferred to insurers. This is achieved through the central service provider SHS Versicherungskontor GmbH, which is responsible for arranging a suitable amount of insurance protection. The Board of Management is informed each month on the current risk situation. The opportunities associated with risks are also taken into account. Relevant risk management issues are discussed with the Supervisory Board. The content, structure and results of the risk management system are documented in auditable form in accordance with Germany's Corporate Sector Supervision and Transparency Act (KonTraG).

The corporate internal auditing function, which establishes an internal management and supervision system as part of a comprehensive approach to corporate governance, is an integral part of risk management in

Key figures		2008	2009	2010	2011	**2012**
Capital intensity						
Shareholders' equity	millions of €	1 369	1 519	1 662	1 742	**1 837**
Total assets	millions of €	2 748	2 768	2 754	2 723	**2 949**
	in %	49.8	54.9	60.3	64.0	**62.3**
Liquidation ratio for fixed assets						
Shareholders' equity	millions of €	1 369	1 519	1 662	1 742	**1 837**
Fixed assets	millions of €	1 488	1 516	1 531	1 582	**1 734**
	in %	92.0	100.2	108.6	110.1	**105.9**
Debts						
Long-term bank liabilities	millions of €	93	145	123	152	**231**
Shareholders' equity	millions of €	1 369	1 519	1 662	1 742	**1 837**
	in %	6.8	9.5	7.4	8.7	**12.6**
EBIT margin						
EBIT	millions of €	549	361	158	163	**209**
Sales DH-products	millions of €	2 343	1 726	1 484	1 926	**1 881**
	in %	23.4	20.9	10.6	8.5	**11.1**
EBITDA margin						
EBITDA	millions of €	613	421	214	220	**266**
Sales DH-products	millions of €	2 343	1 726	1 484	1 926	**1 881**
	in %	26.2	24.4	14.4	11.4	**14.1**
Return on capital employed (ROCE)						
EBIT	millions of €	549	361	158	163	**209**
Shareholders' equity, tax provisions, liabilities subject to interest (average)	millions of €	1 342	1 564	1 726	1 840	**1 981**
	in %	40.9	23.1	9.2	8.9	**10.6**
Internal financing capability						
Cash flow from operations	millions of €	532	523	209	93	**363**
Net investment in tangible assets	millions of €	121	56	74	95	**171**
	in %	439.7	933.9	282.4	97.9	**212.3**
Expense structure in % of total operating revenue						
Material intensity	in %	67.7	67.4	75.8	76.9	**69.4**
Personnel intensity	in %	11.3	14.6	15.9	13.1	**15.0**
Gross yield from business property (location-based)						
Gross operating result	millions of €	506	280	81	137	**95**
Gross business property	millions of €	845	915	1 016	1 163	**1 399**
	in %	59.9	30.6	8.0	11.8	**6.8**

Key financial figures

accordance with KonTraG. It is also responsible in this function for systematic and efficient auditing and monitoring of the risk management system.

As part of their audit, the auditors of German stock corporations (Aktiengesellschaften) with shares admitted to official trading analyze whether the system is capable of fulfilling its task. Dillinger Hütte voluntarily submitted to this audit in order to ensure additional independent and external verification of its risk management system.

Risk and opportunity in future development

Industry, environmental and market risk

The overall economy continues to be marked by uncertainty caused by the unresolved euro crisis and worldwide recession. This is also reflected in the already highly cyclical steel industry, and is currently demonstrated by the existence of overcapacities and an intensification of the competition. Sales risk is further increased by the resulting fiercely competitive market. This is also reflected in the project business that is important to Dillinger Hütte.

In addition, regulatory efforts at the national and international level complicate the underlying conditions for the steel industry. As a result, while Dillinger Hütte as a heavy plate manufacturer currently profits with its products due to the energy turnaround being advanced in Germany, the current legislative changes being discussed with respect to the renewable energies law could also impact Dillinger Hütte negatively. Together with the European requirements for CO_2 emissions trading, this could result in significantly higher costs for Dillinger Hütte.
Dillinger Hütte is confronting these challenges from the market and business environment by concentrating on manufacturing heavy plate made from premium steels. By doing so, Dillinger Hütte reduces its dependence on the mass market. In addition, the intensification of heavy fabrication significantly broadens the product portfolio. In terms of risk diversification, the strategic decisions made in this regard have the effect of reducing risk.

Procurement risk

Raw materials and energy are of critical importance to Dillinger Hütte. Securing the supply of the production sites with all required raw materials and input and charge materials is therefore a top priority. Specific procurement areas have therefore been consolidated under the umbrella of SHS - Stahl-Holding-Saar GmbH & Co. KGaA (SHS). Long-term framework agreements are used within the scope of procurement. Options are also employed in order to ensure an underlying flexibility in raw material supply, particularly for the affiliated companies ROGESA and ZKS. Moreover, a supply cushion is ensured at all times through a suitable inventory policy. Furthermore, new sources of supplies – and relatedly, new alternative options for employing raw materials – are systematically and continuously sought, tested and evaluated.

Aside from safeguarding the supply, the implemented measures also help reduce price risk. Given the increasingly volatile purchase price for raw materials, this is of particularly critical importance. With respect to energy supply and cost security, the 90 MW blast furnace gas power plant, which began operating in 2010 at the Dillingen site, contributes significantly to minimizing risk. The medium-term security of supplies of raw materials and energy in the required amounts and qualities can therefore be considered to be guaranteed.

Risk in operating activities

Due to the complexity of the manufacturing process and the interdependencies within an integrated steel plant (Dillinger Hütte together with ZKS and ROGESA), the risk of production downtimes due to technical issues cannot be completely excluded. In addition to the use of innovative diagnostics systems for preventative and condition-monitoring maintenance and consistent enhancement of the quality assurance system, which is certified according to international standards, these risks are countered in particular by continuous investment in the latest systems to help safeguard plant availability. The refurbishment of ZKS, for instance, was completed in 2012.

Independent of this, there are risks related to force majeure, such as explosions or serious fires, that could considerably damage the assets of Dillinger Hütte as well as disrupt production. While these risks imply a great potential for damage, the likelihood of their occurring must be assessed as minimal. Dillinger Hütte has nonetheless developed preventative measures to this effect with fire-protection equipment, emergency plans and plant fire departments, and has concluded insurance policies providing suitable coverage.

Financial risk

Financial and interest risk that could threaten the existence of the company is excluded long term. This is achieved through financing with matching maturities and fixed interest rates for investment in fixed assets as well as through ongoing liquidity and financial planning in operating business. All major subsidiaries are incorporated into the short- and medium-term financial planning in accordance with uniform standards. Dillinger Hütte counteracts the influence of currency fluctuations from procurement and sales activities through active currency management, particularly by means of forward exchange transactions, with the goal of cost-effectively reducing risk. It is generally the case that hedging instruments may not be used separately from underlying output-related business transactions. Finally, a credit management system is used throughout the corporate group to address the current challenges.

Legal risk and compliance-related risk

Legal risk can currently be assessed as minimal. There is nonetheless a general risk that the increasing internationalization and expansion of Dillinger Hütte's activities may lead to legal uncertainties due to the many fields of law and legal systems involved.

Quality steel for extraordinary loads: A total of 12 500 t of heavy plate was provided by Dillinger Hütte for 3 heavy lift cranes of the latest generation (photo with kind permission of Mammoet Holding BV)

Aside from this, deliberate, improper conduct by individual persons cannot be completely excluded. The potential for improper conduct is counteracted, however, by Dillinger Hütte's commitment to preventative compliance. As a result, the existing Code of Ethics, which aims to ensure that legal representatives, employees and third parties act in compliance with the rules, was updated and introduced for the entire SHS Group in 2012.

Dillinger Hütte is not currently involved in any judicial or arbitration proceedings that could have a negative impact on the company's economic situation.

IT risk

Both the complex technical production processes and the administrative processes at Dillinger Hütte are supported by modern IT systems. Because of this, as well as due to the expansion of the worldwide presence of Dillinger Hütte, the availability of data and information flows are of increasing importance. Dillinger Hütte is therefore exposed to information and IT risks. Along with malfunctions in important production and administrative systems within the value chain, this can also include the risk of unauthorized system access by third parties. To counteract these risks, an integrated, centralized functionality has been created with SHS Services GmbH, which consolidates IT services within the SHS Group and helps to leverage synergies as well as minimize risks to IT security at Dillinger Hütte.

Personnel risk

For Dillinger Hütte, as a manufacturer of premium products in terms of both technology and quality, skilled workers and managers as well as their commitment and flexibility are of fundamental importance to the company's success. With this in mind, Dillinger Hütte places a premium on continuing to be an attractive employer in the future. The first employee survey was conducted in late 2012 in order to assess the attractiveness of the company and determine the potential for ongoing development. Dillinger Hütte provides training in a wide range of career fields and thereby ensures a pool of skilled employees for the future. This helps to actively avoid a shortage of skilled staff. Dillinger Hütte also offers a wide array of options for continued education for skilled and management employees (see also the Personnel section). A cross-generational partnership ensures systematic knowledge transfer from retiring experts and managers to their successors. In addition, the clearing house established in 2012 provides for more flexible use of personnel by allowing access to the entire internal job market within the companies of the SHS Group. Any excess employees in these areas are placed where personnel are needed.

Environmental risk

The production processes for hot metal and steel as well as heavy fabrication carry with them process-related environmental risks such as the contamination of air and water. Dillinger Hütte therefore makes every effort to prevent damage that might be caused by the product or its manufacture with intensive quality and environmental management. For instance, Dillinger Hütte employs an integrated management system that combines

quality management, workplace safety, environmental protection and incident management. Dillinger Hütte also invests continuously in measures that enhance the effectiveness of environmental protection. The refurbishment of ZKS, for instance, which was completed in 2012, included extensive environmental protection measures. There are nonetheless additional risks due to the tightening of environmental regulations with requirements that may not be economically feasible with the current state of the technology.

Strategic opportunities for the company

Opportunities and potentials for Dillinger Hütte are discussed by the company's Board of Management as part of ongoing strategic efforts. As a result, Dillinger Hütte sees both challenges and opportunities in internationalization. By expanding the distribution network, Dillinger Hütte strengthens its worldwide presence and leverages potential, especially in new and emerging markets. Dillinger Hütte also sees the basis for future and continuous growth in the expansion of the heavy fabrication division. This is reflected in particular by the investment in Steelwind Nordenham GmbH, a plant for the manufacture of premium monopiles for offshore wind farms, which is seen as an opportunity resulting from the energy turnaround that is advancing in Germany. Moreover, further synergies can be expected to be leveraged through the continued merging and consolidation of the functions and activities of Dillinger Hütte and Saarstahl (SAG) under the umbrella of SHS Holding.

Overall assessment of the risk situation

There are currently no identifiable risks that could endanger the continued existence of the company, nor are there indications of any developments that could have a sustained, fundamental influence on the asset, financial and revenue situation.

Focus on sustainability

At Dillinger Hütte, sustainable management and responsible treatment of employees, the environment, the public and the region are firmly embedded in the corporate strategy – and is practiced. This is demonstrated in the preceding report on risks and opportunities and in the following management report on the basis of numerous focal issues and areas of activity. The sustainable corporate policy of Dillinger Hütte is thus distinguished by:

- human resource efforts that aim for continuity, workplace safety and health as well as high social standards,
- internal company improvement processes that bring the principles of sustainability and safe conduct to each workplace and each employee,
- bundling competence and service for the sustained success of the customer during efficient implementation of unique and innovative projects,
- safeguarding and enhancing Dillinger Hütte's technological leadership through investing in new, and modernizing existing, facilities as well as through developing innovative products and processes,

In Germany alone around 20 million tons per year are melted down into new steel. This corresponds to 8 Eiffel Towers per day

- continuous investment in research and development in order to realize innovative products profitably while conserving resources,
- procurement oriented on security of supplies and environmentally advantageous modes of transport,
- efficient conduct that protects resources through numerous environmental protection measures for efficient use of energy, for the recycling of co-products from steel production and for the reduction of emissions.

Moreover, the very material that Dillinger Hütte produces satisfies the sustainability principle more explicitly than virtually any other: steel is by far the most frequently used basic material in industry and it contributes significantly, through a wide range of applications, to protecting the environment and climate. No other material is produced in a process as environmentally compatible as steel. At the end of their useful lifetimes, products made from steel can be completely recycled as often as desired and reintroduced into the economic cycle without waste or loss of quality.

Sustainable production of renewable energies from wind, water and sun is inconceivable without steel. Steel makes up more than 80 % of a modern wind power plant. Innovative products made from steel such as wind power plants or modern power stations save six times as much CO_2 as is produced during their manufacture, according to a study by the Boston Consulting Group. The use of steel in building construction – likewise an important customer segment for Dillinger Hütte – is marked by especially short installation times, which reduces to a minimum any negative impacts on the environment during bridge construction, such as from noise, dirt or traffic disruptions. In structures subjected to high stresses, it is not uncommon for material usage to be reduced by up to 50 % through the use of high-tensile steels, which helps preserve valuable resources and protect the environment.

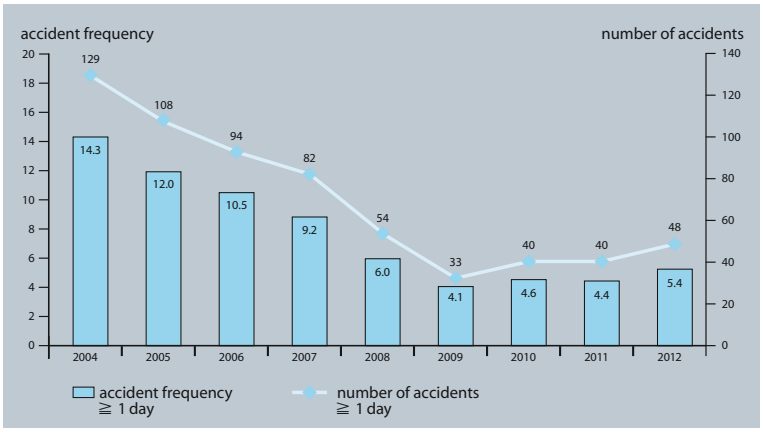
Employees as a factor for success

Highly qualified, dedicated and flexible employees are the foundation of the company's success. Dillinger Hütte puts great effort into ensuring this remains the case: a serious commitment to workplace safety and the health of its employees, professional training, support for university students and operational training, and a wide array of employee benefits. These issues were once again the focus of human resource policy during the past financial year.

Number of employees reduced slightly

A total of 5 377 people were employed at the Dillingen location at the end of the financial year (31 Dec. 2011: 5 464). These employees worked at Dillinger Hütte itself, at ZKS and at ROGESA. In 2012, 179 employees were hired, with 142 of them being hourly wage employees and 37 salaried employees. In addition, 97 trainees and 2 people retraining for a new vocation were hired on. A high number left for age-related reasons, however, so that the total number of employees fell by 87 people from the previous year (- 1.59 %). Another 2 477 people were employed at Dillinger Hütte's subsidiaries and affiliated companies (2011: 2 496).

Energy turnaround needs steel: high-tech plates by Dillinger Hütte for energy generation on the high seas (photo with kind permission of Sif Group BV)



Changes in the number of accidents

Workplace safety a top priority

Safety has priority at Dillinger Hütte over all other business objectives. Following continuous improvement of the accident figures at Dillinger Hütte in recent years, no further improvement could be achieved in the last three years. As a result the number of accidents in 2012 requiring at least one day of leave was 48 (2011: 40) and the accident rate (number of accidents requiring one day of leave per 1 million working hours) was 5.4, which is within the nationwide average.

Qualified skilled personnel and university graduates

A total of 67 young people in 13 career fields began vocational training at Dillinger Hütte during 2012 (2011: 73). As a result, the company employed a total of 232 trainees when all training class years are included. Added to this were 18 young people who started their careers at the company with technical college internships. Once again in 2012, six students began their cooperative degree program with the University of Applied Sciences in Saarbrücken (HTW) and the University of Saarland. The company employed a total of 20 students from cooperative degree programs.

Lifelong learning: continuing education rate increased once again

Modern facilities and process technology require qualified employees. Along with technical expertise, social competencies such as the improvement of management skills and social and language skills are also needed. With an average of 35 continuing education hours per employee (2011: 29), lifelong learning at Dillinger Hütte is already a reality. As a result, the participant instruction hours increased once again from 135 600 in the previous year to 153 875.

In 2012, 48 trainees succeeded in bringing forward their skilled worker examination by half a year, one trainee completed the best test nationwide as a plant mechanic – also evidence for the high quality of on-the-job training at Dillinger Hütte

Broad program of employee benefits

In addition to good retirement benefits, Dillinger Hütte has a tradition of offering its employees a wide range of employee benefits, which again in 2012 included an attractive financial participation in the company's success. An important component of the family-friendly corporate policy: the two AWO "Kleine Hüttenbären" child daycare facilities in Dillingen, which Dillinger Hütte initiated and supports, and which have a capacity to care for a total of 58 children.

Improvement processes: GPS, DILLIGENZ and proDH

Dillinger Hütte employs its GPS executive program for integrated planning and control ("Ganzheitliche Planung und Steuerung") to enhance and continuously improve the company. As part of the process, the Board of Management assesses the state of the company each autumn and provides a forecast for the next year with its challenges. This assessment is the basis for specifying company-wide focal issues and objectives that are formulated with measures in the annual development plan and are monitored with the relevant key figures. In 2012, improvement of workplace safety was once again among the focal issues.

The GPS system is supplemented by the DILLIGENZ continuous improvement process tool. The focus of this continuous improvement process is on customer satisfaction, productivity, on-the-job safety and protecting health and the environment.

In addition, the company's proDH idea management program also helps provide for cost and performance improvements as well as optimization of workplace quality and safety. In 2012, a total of 899 improvement projects were submitted; 565 projects were evaluated and subsequently decided. The number of employees participating in the proDH process increased once again from the previous year by more than 6 %.

Sophisticated steel solutions for complex tasks

High-tech plates from Dillinger Hütte are used to realize extraordinary and technically sophisticated projects all over the globe. The versatility of these steels is demonstrated by their use in a wide range of locations for an equally wide range of applications. Often the requirements seem completely conflicting and contradictory, such as formability with stability, strength with light weight, or toughness with non-deformability. Dillinger Hütte offers its customers custom-tailored steels and comprehensive service for the toughest requirements – whether they will be used to realize an architectural masterpiece or to generate energy.

Steels for special roof structures: Grand Stade Lille Métropole
Since the 2009 bid for the 2016 UEFA European Cup in France, numerous stadiums have been renovated or newly built. One of the largest and most modern is the Grand Stade Lille Métropole, which contains seating for 50 000 spectators. The stadium can be divided into various sections with a giant curtain and thus very quickly adapted for all types of events and audience sizes. Dillinger Hütte and GTS Industries delivered 5 400 tons of steel for the two-part roof construction developed for the multifunctional arena.

Generating energy on the high seas: Walney Wind Farm
A new record was set on 9 February 2012 off the west coast of England when the biggest offshore wind farm to date began operating. Covering an area of 73 km², the wind farm's 102 turbines have a total output of 367 MW, enough to supply environmentally friendly electricity to up to 320 000 households. Due to the associated reduction of CO_2, Walney represents a big contribution to achieving the United Kingdom's ambitious climate goals. The facility is mounted on monopile foundation structures 56 m long, feature a diameter of 5.5 m and weigh up to 600 tons.

The most popular brands of Dillinger Hütte are DILLIMAX for high-strength fine grained structural steel and DILLIDUR for wear-resistant steel

Dillinger Hütte and GTS Industries delivered around 35 700 tons of thermomechanically rolled heavy plate in thicknesses up to 105 mm. The steel features superior welding properties.

Steel solutions for the heavy-lift jack-up vessel "Innovation"

In addition to the foundation structures for the offshore wind parks, steels from Dillinger Hütte are also used for parts of the special heavy-lift jack-up vessels with which the enormous constructions are anchored into the sea floor. The "Innovation" from HGO InfraSea Solutions was launched into operation in August 2012. The 147.5 m long and 42 m wide ship is equipped with its own helideck and a 1500-ton crane, and offers space for a crew of 100. It also features 4 jacking legs with which it can work in waters up to 50 m deep. It is propelled by 4 azimuth thrusters and 3 tunnel thrusters, which allows dynamic positioning of the ship even in turbulent waters. For the jacking legs, Dillinger Hütte's heavy fabrication division delivered 1 470 tons of gear racks, flame-cut structural elements with extremely close tolerance made from special high-strength steel alloys in thicknesses up to 178 mm as well as 1 050 tons of hot-formed chords in thicknesses of up to 63.5 mm.

Steels for extreme loads: 200 DS heavy-duty crane

The latest generation of the PTC 200 DS super heavy lift crane has a maximum bearing load of 3 200 tons with an outreach of 50 m. The colossus can turn 360° in 15 minutes and can work in a radius of more than 200 m. Along with record-setting lifting abilities, the cranes also feature superior reliability in arctic temperatures down to -40 °C. Dillinger Hütte delivered 12 500 tons of heavy plate for three of the new PTC cranes in thicknesses up to 120 mm. For the rails that guide the crane, and that must withstand high rolling loads, Dillinger Hütte developed a special wear-resistant grade of steel with high cryogenic toughness.

Gigantic dimensions: sun shades in Medina

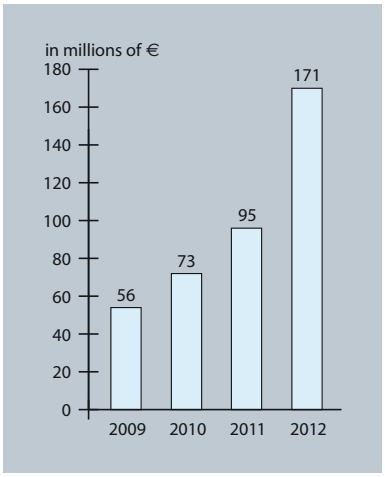
The plaza around the Mosque of the Prophet in Medina, Saudi Arabia, now contains 250 extraordinary sun shades at a height of 20 m. Each of these 45-ton shades covers an area of 625 m² and offers up to 800 pilgrims protection from the sun. The 156 000 m² total area of the sun shades, which are controlled by an electromagnetic drive, equals the size of about 22 football fields. Dillinger Hütte delivered 2 600 tons of DILLIMAX 690 and DILLIMAX 960 in thicknesses up to 70 mm for the sun shades' connecting rods. Because the connecting rods are moveable precision-fit parts along which the entire mechanism for the shade is put into motion this extraordinary project required adherence to extremely close tolerances for the plates.

Environmentally compatible energy generation: Santo Antônio hydroelectric power plant

Construction of the Santo Antônio hydroelectric dam on the Madeira River in northwest Brazil demonstrates that energy can also be generated without CO_2 emissions in countries with emerging economies. It is a part of a complex of 4 hydroelectric power plants in the region. Numerous measures such as the construction of fish bypasses and spillways accompanied construction of the dam in order to realize the project while preserving the environment and conserving resources. The power plant features a maximum output of 3 150 MW, which roughly corresponds to the output of three large brown-coal power plant units. Dillinger Hütte delivered a total of 5 800 tons of heavy plate in thicknesses up to 210 mm. Dillinger Hütte's heavy fabrication division also contributed to the success of the project with the delivery of multi-part heads, one-third shells and flame-cut parts.

Investment volumes increased once again

Dillinger Hütte invests continuously in its sustainability. At € 171 million, Dillinger Hütte's total investments for the financial year were once again significantly higher than the already high amount of € 95 million in the previous year. The primary focus here is the new CC 6 continuous casting machine, with which Dillinger Hütte underscores its leadership in technology for manufacturing premium continuously-cast slabs for the most demanding heavy plate specifications. In addition, a total of an additional € 55 million was invested in both indirect subsidiaries, ROGESA and ZKS, at the Dillinger location. Dillinger Hütte bears half of these investment costs, in proportion to its shares in the companies (see also the "Most significant shareholdings" section).



Development of investments in property, plant and equipment at Dillinger Hütte

Steel plant

The groundbreaking was held on 6 February 2012 for what is, with an investment volume of more than € 300 million, the single biggest project to date in the history of the company. Excavators began digging a 45.5 m deep hole with a diameter of 54 m, in which the CC 6 continuous casting machine will be constructed. By the end of 2012 the foundation for the deep part was largely finished; work began in spring 2013 on the steel structure to expand the steel mill's Hall 5. The new double-strand CC 6 ensures the supply of slabs for both heavy plate rolling mills in Dillingen and Dunkerque and will replace the CC 3 continuous casting machine.

In order to meet the increased demand for vacuum-treated steel with a very high level of purity, a new vacuum system (VD 4) was constructed. The assembly work was completed in December 2012, allowing trial operation to begin in February 2013.

High-tech steel by Dillinger Hütte
for the East-Harbour Bridge
in Frankfurt

Rolling mill

The focus of investment in the rolling mill was in the slab finishing area. Due in part to the increased weight of the slabs, the old crane was replaced with a new, 90-ton slab transport crane. In addition, the foundations were completed for a new slab turner, whose final assembly and start of operation are planned for April 2013. An additional burr remover, which removes material that adheres to surfaces that are flame cut, further optimizes the production line. To minimize the lengthy time required for manual measurement and to achieve more precise results, a new flatness measuring system for plates was installed in both Hall 12 of the rolling mill and in the heat treatment unit.

Research and development: manufacturing innovative products while conserving resources

Manufacturing innovative steel products in a profitable way while conserving resources is the foundation for the success and sustainability of Dillinger Hütte. The company continuously invests in research and development that is oriented on this objective. Among the tasks of research and development in this connection is the development of highly sophisticated steels with increasingly complex properties and combinations of properties, along with sustainable improvement of raw materials and energy efficiency – an important factor in worldwide competition, given the high price of raw materials and energy.

Production of hot metal and coke

Among the R&D activities aimed at more efficient use of raw materials and energy in 2012 was the development and implementation of a "fuzzy regulator" that optimizes the hot blast stove heating at ROGESA's blast furnace 5. This resulted in a significant reduction in the requirement for fuel gas. In addition, a new regulator for optimizing the heating of ZKS's coke oven battery B3 was tested and put into operation, which helped reduce energy consumption considerably. The researchers work closely with internal operations as well as with external research institutions to optimize the input materials. Another focus of research was the cooperation with supplier companies to enhance 2D gas temperature measurement above the burdening of blast furnace 4, to improve the precision of measurements and optimize furnace operation.

Reduction of CO_2 emissions

Permanent reduction of CO_2 emissions in the steel industry is a focus of research in Europe. As core members of the major European project ULCOS (Ultra-Low Carbon Dioxide Steelmaking), Dillinger Hütte and Saarstahl AG are participating in an extensive EU initiative to examine long-term potential for reducing CO_2 emissions during the production of iron and steel.

Steel production

As part of Dillinger Hütte's corporate energy policy statement, one focus of activity for research and development in the 2012 financial year was optimizing control of the melt temperature in the steel plant. Here, reducing the tapping temperature using an autothermal converter process, e.g. one that is independent from external heat supply, made

it possible to reduce refractory consumption in both the converter and the steel casting ladle and thus to preserve natural resources.

Plate production

A significant focus of research consists of the development of steels for special usage conditions, which is often connected to extreme combinations of properties. The researchers at Dillinger Hütte develop custom-tailored products and designs for this and are continuously improving existing concepts. The additional insight into the complex and interdependent material correlations contributes significantly here. The scanning electron microscope and electron backscatter diffraction technology are used systematically here, which enabled the company during the 2012 financial year to once again realize a considerable share of production with new combinations of specifications never previously achieved.

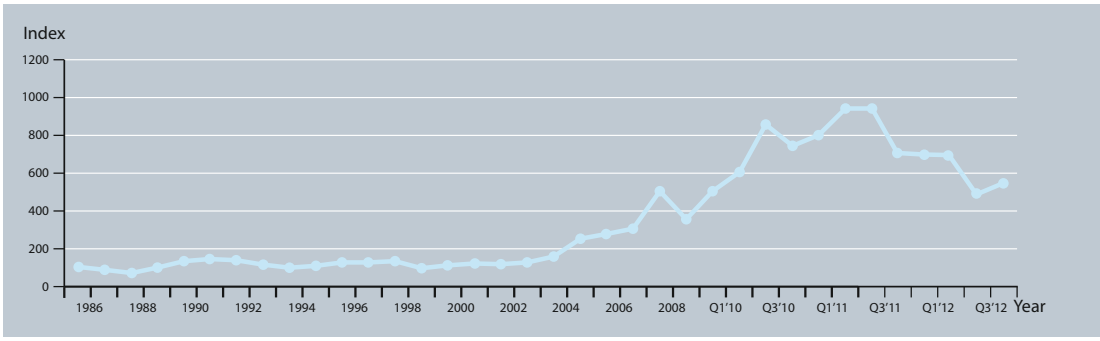
High volatility in markets for raw materials and transport

The markets for raw materials in 2012 were initially marked by the expansion of existing capacities and by the advancement of new projects. To avoid the development of an oversupply of raw materials, this process was slowed. New projects were delayed; unprofitable coal and ore mines were shut down or even closed. On the consumer side there was a decline in demand due to the slump in the steel market. While the rate of increase in hot metal production in China was lower than in recent years, China is and remains the dominant factor in the raw materials markets, with almost two thirds of the import tonnage of the entire worldwide ore trade.

The main supplier for the ore used at the Dillingen location is Brazil. The coking coal comes mainly from Australia

High volatility in ore prices

In the world market for iron ore, a quarterly system for price formation has now been established, which – evened out over a three-month period – reflects the spot market and thus reinforces the price volatility. After ore prices fell sharply from an all-time high in the fourth quarter of 2011, they remained at a constant level in the first half of 2012 and then fell to a multi-year low. Since the low point in October they have once again exhibited a sharply increasing trend.



Changes in ore prices, FOB Brazil, index-based (1986 = 100) Carajas Sinterfeed

Coal and coke: fallen demand from China shows impact
Coking coal prices fell sharply during the course of 2012. Despite a lack of supply due to a four-month labor dispute (force majeure declaration) at an Australian supplier at the start of the year, the fallen demand from China in particular had an easing effect on the price situation.

Successful supply strategy
The strategy for supplying ROGESA and ZKS with cost-effective raw materials of suitable quality continued to be consistently implemented in 2012. As a result, it was possible to secure the higher volumes of suitable coke purchased from external sources required during the refurbishment work at ZKS, to ensure the supply of injection coal at better conditions and to optimize the batch structure costs. Supplies are predominantly secured on the basis of long-term contracts.

SHS Logistics consolidates logistics activities
The wholly owned SHS subsidiary SHS Logistics GmbH, which was founded in 2011, continued as planned with its mission to consolidate the logistics activities of Dillinger Hütte and Saarstahl as well as their subsidiaries – particularly ROGESA and ZKS. The goal is to leverage additional process and cost synergies. For instance, it now consistently handles tasks such as railway management, export and customs clearing for the SHS Group.

Purchasing through SHS Services
SHS Services GmbH, likewise a wholly owned subsidiary of SHS, is an independent company that performs services for Dillinger Hütte, Saarstahl and other affiliated companies in other purchasing (e.g. raw materials for steel plants such as alloys and refractory material). This was characterized in 2012 by problems in sales as a consequence of the increasingly gloomy situation in the international steel markets, which led particularly in Europe to low procurement volumes in most areas of purchasing relating to metallurgical plants. As a result, almost all raw and aggregate materials as well as most purchased technical items experienced considerable price pressure, which led to a noticeable decline in prices from the previous year.

Environmental protection and energy efficiency: state-of-the-art technology

In keeping with its corporate vision and environmental guidelines, Dillinger Hütte consistently strives throughout the entire company for sustainable and ecologically sound management and production. This is being achieved through extensive investments: in the last 5 years around € 270 million has been invested in modern equipment and processes that have resulted in sustainable improvements to environmental protection and energy efficiency at the Dillingen site.

Emission control
At the Dillingen site, numerous technical modernizations and new construction projects in recent years have contributed to improvements in air quality. For instance, the latest technologies for emission control were employed during the comprehensive refurbish-

The name „green mill" is to be taken literally – more than two-thirds of the over 400 hectares plant site of Dillinger Hütte are green areas

ment of ZKS that was completed in 2012. Equipment such as a new system for charging-gas capture and transfer as well as the installation of a single-oven pressure control system for the coke ovens also ensure effective reduction of emissions. In addition, a new Claus unit with a redundant design was constructed on the so-called "white side" of ZKS. As part of the two major investment projects in the steel plants – the newly constructed VD4 vacuum system in the secondary metallurgy area and the construction of the new CC 6 continuous casting machine – new, high-capacity dust removal systems were also ordered.

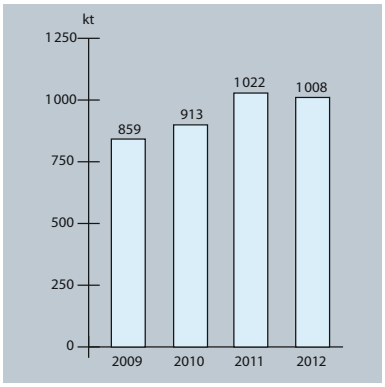
Reduction of noise emissions was also a focus of environmental activities, with numerous technical measures in 2012. For instance, extensive sound insulation measures were planned and implemented, depending on the phase of construction, in the two major projects in the steel plant mentioned above. For the plant-wide noise register, acoustic documentation has begun in the blast furnace and sintering plants. With this, the last operational area is now being integrated into a complete noise register for the Dillingen site.

Through a new control concept the energy consumption at the slab pusher furnace in the rolling mill could be reduced by up to 9.7 %. This is reflected simultaneously in a reduction of CO_2 emissions of up to 9500 tons per year

Continuous improvement of energy efficiency

The blast furnace gas-fired power plant of Gichtgaskraftwerk Dillingen GmbH & Co. KG combines optimum protection of the environment with maximum energy utilization at the Dillingen site. The blast furnace gas-fired power plant has an electric output of around 90 megawatts and a thermal output of 230 megawatts. By employing the best systems technology currently available, a maximum of 2 billion cubic meters of blast furnace gas can be used annually to produce 570 million kWh of electricity and 400 000 tons of steam and usable heat for consumers at the steel mill site. It is also a highly efficient combined heat and power plant, with the amount of useful heat it produces being fed into the relevant steel plant grid to fulfill heating requirements again amounting to about 230 million kWh in 2012. Around two thirds of the total electricity requirements at the Dillingen site were once again covered by self-produced energy in 2012.

Most significant shareholdings

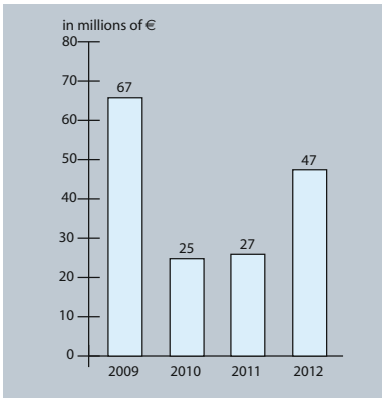


ZKS coke production

Zentralkokerei Saar GmbH, Dillingen

Aktien-Gesellschaft der Dillinger Hüttenwerke and Saarstahl AG each hold an indirect 50 % interest in Zentralkokerei Saar GmbH. ZKS produces coke intended exclusively for use in ROGESA's blast furnaces. Coke production (1 008 kt) decreased from the previous year by 1.4 % (1 022 kt), in part due to the refurbishment of Coke Oven Battery B1. ZKS is a company without employees. Personnel required for operation of the coking plant are provided by Dillinger Hütte.

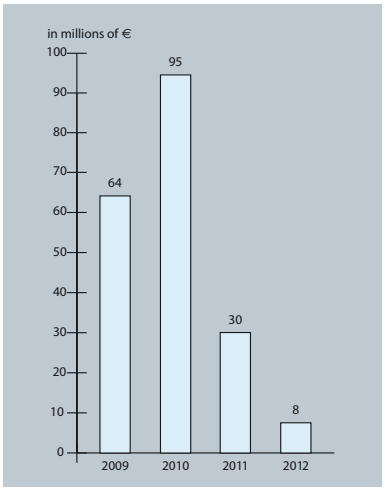
Investments at ZKS in 2012 remained at a high level, amounting to € 47 million (2011: € 27 million). The central investment project was the refurbishment of Coke Oven Battery B1. After completion of the assembly of the buckstays and metal structure, Battery B1 was continuously heated up beginning in June of the year under review, allowing the first coke to be produced in October 2012. Following construction of Battery B3 in 2010 and the refurbishment of Battery B1 in 2012, both coke oven bat-



Investments in plant, property and equipment at ZKS

teries are now state-of-the-art facilities. As a result, they contribute significantly to supplying the blast furnaces of ROGESA with top-quality coke as well as to improving environmental protection at the Dillingen site (see also the "Environmental protection" section). A progressive increase in coke production is planned for 2013, so that ZKS will successively reattain its original production capacity of around 1.2 million tons.

The tamping, charging and extracting machine (SBA 3) ordered during the previous year will start up operation in April 2013. This new machine will replace the two "old" machines and help optimize plant availability.



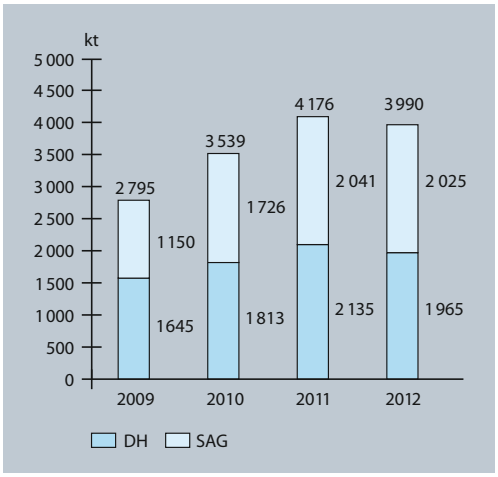
Investments in plant, property and equipment at ROGESA

ROGESA Roheisengesellschaft Saar mbH, Dillingen

ROGESA Roheisengesellschaft Saar mbH, in which Dillinger Hütte holds a 50 % interest (indirect and direct), produces hot metal exclusively for its shareholders, AG der Dillinger Hüttenwerke and Saarstahl AG. Operational management of ROGESA, as a company without employees, lies in the hands of Dillinger Hütte.

Utilization of ROGESA plant capacities was at nearly the same level as the previous year. Annual production in 2012, at 3 990 kt, was 4 % below the annual production for the previous year (4 176 kt). Of the quantity produced, 1 965 kt of hot metal was supplied to Dillinger Hütte (2011: 2 135 kt) and 2 025 kt went to Saarstahl (2011: 2 041 kt).

Investments at ROGESA amounted to about € 8 million during 2012 compared to € 30 million in the previous year. After successful completion of major projects in the area of ROGESA, such as an interim repair of Blast Furnace 4 and the repair of granulation and second relining of Blast Furnace 5, additional, smaller investments were made in these projects during the year under review.



Hot metal production by ROGESA for DH and SAG

Along with STEAG New Energies GmbH (49.9 %) and VSE AG (25.2 %), ROGESA holds a 24.9 % stake in Gichtgaskraftwerk Dillingen GmbH & Co. KG.

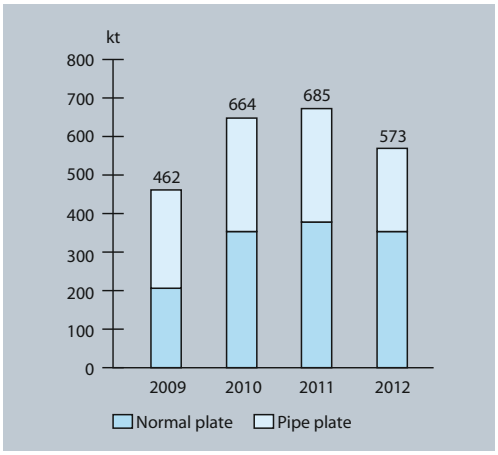
GTS Industries S.A., Dunkerque

GTS Industries S.A. (GTS) is a wholly owned subsidiary of Dillinger Hütte that operates a heavy plate rolling mill in Dunkerque. The products are marketed almost exclusively through Dillinger Hütte. GTS Industries also procures the majority of its input material from Dillinger Hütte.

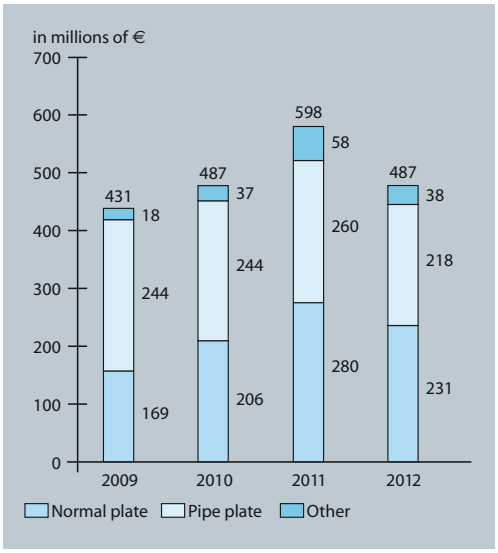
The year 2012 was notable as the 50th year of existence for GTS Industries and the 20th year of the company's belonging to the Dillinger Hütte Group. Both events were celebrated during Partner Day and during an event for employees and their families, when more than 1 000 visitors toured the company.

Shipping and sales volume depressed

In an increasingly difficult environment with falling demand for heavy plate steel, business activities as a whole worsened at GTS Industries. The company suffered particularly from the decline in the pipe plate business division. This can be traced to the deterioration of the energy market due to geopolitical conditions, the worldwide economic crisis that made financing the projects increasingly difficult, and intensified competition. The slowdown was less marked in the other market segments and the increasing incoming orders in international business were able to compensate in part for the weak order situation within the EU (27).



Performances of the heavy plate production of GTS Industries



Sales performance of GTS Industries

Total production by GTS Industries in 2012 declined significantly (- 16.3 %), with 573 kt of heavy plate steel produced compared to 685 kt in 2011.

GTS Industries started operation of a second flame-cutting line for thick plate in 2012, which allowed production in this product segment to be increased. This enhancement is part of the strategy of the Dillinger Hütte Group aimed at further strengthening the company's position in the premium quality steel products segment. This investment also ensures the ability to react to growth in the wind power market. Consequently, business activities with end customers in the normal plate segment could be stabilized at a satisfactory level and the sharp decline in pipe plate could be partially compensated.

A downward trend was observed in revenues in the second half of the year, particularly in that for pipe plate. Sales revenue at GTS Industries in 2012 amounted to € 487 million and was thus 19 % lower than in 2011, roughly corresponding to the decline in invoiced tonnage. The weaker activities also had a negative impact on the earnings of GTS Industries: a loss of € 15.3 million was posted for the 2012 financial year (2011: + € 6.0 million).

Number of employees increased – work safety further improved

GTS Industries continued in 2012 to adhere to its ambitious hiring policy: during the course of the year more than 30 people were hired, primarily to replace the number of employees who left the company. As of 31 December 2012 there were 624 people employed at GTS Industries (2011: 618).

GTS Industries once again achieved excellent results in work safety: in 2012 there was only one work-related accident with at least one day of downtime (2011: 2; in 2010 and 2009 there were 3 accidents). The number of accidents subject to reporting requirements (21), however, increased from the previous year (11).

In 2012, GTS Industries had even 2 anniversaries: 50 years of existence and 20-year membership in Dillinger Hütte

Startup of operation for important investments

Three new sample processing centers began operating in GTS in 2012, adding to the center that began operating in 2011. These four fully automated centers were quickly able to begin operating at full capacity and processed a sharply increased number of samples. In addition, the marking system (stamping and color coding), which was installed in 2011, began operating. After the usual optimization and adjustment phase, this system provided increased capacity as well as better quality and productivity for the entire marking process for stamping and color coding, allowing the requirements of the growing number of incoming orders with special markings to be met. Moreover, harmonization of the markings of Dillinger Hütte and GTS Industries has now been achieved.

One of the notable projects that began in 2012 is the performance enhancement of the flame-cutting system for thick plate, which began operating in the old slab hall. Also among the most important investments of 2012 with respect to ensuring the future-readiness of the facilities was the further fortification of the roller beds. This coincides with an increase of slab weight and replaces the transport and weighing ferries for the slabs in the slab yard. In addition, a "plate router" project began in 2012 in the heavy plate division and will be completed in 2013. This project is linked with the modernization of electronic data processing in the finishing shop, which is aimed at improving the flow of materials in this area.

A difficult 2013 expected

A notable improvement in the demand for heavy plate is anticipated only in the second half of the year. There is little expectation of short term improvement in the area of pipe plate, and the order situation in the pipe mills has proven especially weak; accordingly, prospects for GTS Industries for the 2013 financial year are subdued.

Just as in 2012, great effort is again being put into controlling costs and reducing expenditures in 2013. At the same time, competitiveness and flexibility are being enhanced in order to best surmount this difficult phase.

EUROPIPE GmbH, Mülheim

The EUROPIPE Group manufactures and sells welded large-diameter line pipe made of steel. The diameters of the line pipe range from 20 inches (508 mm) to 60 inches (1 524 mm). As a corporate group with annual production of more than one million tons and about 2 500 km, EUROPIPE GmbH and its affiliated companies are among the world's leading corporations.

As the management company for the EUROPIPE Group, EUROPIPE GmbH manages the group and coordinates the technical and commercial activities of the subsidiaries. Dillinger Hütte holds a 50 % share of EUROPIPE GmbH.

Within Europe, large-diameter line pipe is produced in Mülheim, Germany, and Dunkerque, France. Both the acquisition of the input material and the sale of the pipe produced at the German and French locations to customers worldwide are handled through EUROPIPE GmbH in Mülheim. EUROPIPE France, with its plant in Dunkerque,

handles the conversion of the pipe from EUROPIPE GmbH in France. Coating of the pipe in Mülheim is carried out by MÜLHEIM PIPECOATINGS GmbH (MPC), Mülheim, whose sole shareholder is EUROPIPE GmbH. In France, the pipe produced by EUROPIPE is coated by an external service provider.

In the United States, the operating companies of the EUROPIPE Group were consolidated in 2008 under the holding company, BERG EUROPIPE Holding Corp. (BEHC), of New York. Berg Steel Pipe Corp. (BSPC) of Panama City, Florida, primarily supplies the North American market with longitudinally welded pipe. During the financial year, BSPC was merged with eb PipeCoating Inc. (ebPC) of Panama City, Florida. Marketing activities for the North American companies are combined with those for EUROPIPE GmbH in the BERG EUROPIPE Corp. (BEC) marketing company of Houston, Texas (USA). The spiral pipe mill Berg Spiral Pipe Corp. (BSPM) in Mobile, Alabama, primarily supplies the North American market with spiral pipe.

Decline in shipping and sales volume

Due to the loss of a large order, the performance of EUROPIPE GmbH was marked in 2012 by a serious gap in first-quarter activity. This gap was closed for the most part, however, by the booking of the large Ichthys order from Australia for the delivery of 410 000 tons of large-diameter line pipe starting in April 2012, as well as by other large orders. Unfortunately, hopes for additional volumes for production from Russia and the Gulf region were not fulfilled in 2012. The backlog of orders at EUROPIPE GmbH as of 31 December 2012 fell slightly from the previous year to 280 kt (previous year: 303 kt). The backlog of orders at the EUROPIPE Group increased as of 31 December 2012 to 440 kt (previous year: 341 kt).

Sales achieved by the EUROPIPE Group in 2012 were 22 % lower than in the previous year, at € 879 million (previous year: € 1 122 million). The drop can be traced in particular to the considerably lower shipped tonnage at the European plants compared to the previous year, which was primarily due to the halting of production in the first two months. Despite the increase in sales in 2012 by the U.S. Group in comparison with the previous year, this trend could not be compensated for. Delivered shipped tonnage decreased overall from the previous year by 30 % and amounted to 750 kt (previous year: 1 075 kt). Due to the specific order structure, the tendency toward greater weight per meter did not continue during the financial year for the European plants, in contrast with the longterm trend of the previous years; thus, the weight per meter for quantities shipped, at 504 kg/m, was below the 680 kg/m of the previous year.

The considerable decline in shipping and the continued unsatisfactory revenue quality had a diminishing impact on the earnings of the EUROPIPE Group. As a result, the 2012 financial year concluded with earnings after taxes pursuant to the German Commercial Code (HGB) of € 10.3 million (previous year: € 25.5 million). The halting of production in the first two months of 2012 due to the unexpected loss of the large order was reflected in Group earnings. After-tax earnings for EUROPIPE GmbH fell accordingly and amounted to € 21.1 million (previous year: € 47.1 million).

At the end of 2012, the EUROPIPE Group employed a total workforce of 1 289 people (previous year: 1 324). Of these, 620 employees worked for EUROPIPE GmbH (previous year: 625).

Investments and research continued

The EUROPIPE Group invested a total of € 19.7 million in 2012 (previous year: € 30.4 million). Of this, € 6.7 million (previous year: € 15.6 million including coating) were invested at the Mülheim site (large-diameter line pipe, surface coating plant, and headquarters) for plant, property and equipment, and for intangible assets. The investments were primarily used in the interest of further rationalization and to stabilize the market position through continuously improving product quality. Of particular note is the renovation of the ultrasound testing unit for pipe ends at the Mülheim pipe mill, which allows extremely sensitive testing of pipe with very thick walls and fulfills the more stringent specifications expected in the future. The pipe mill in Dunkerque is renovating its pipe welding facilities in a program covering several years. Worthy of note is the startup of operation of an expander at the U.S. plant in Panama City, Florida, with which the first test pipes were successfully expanded during the financial year.

The EUROPIPE Group invested € 3.6 million during 2012 (previous year: € 3.8 million) in the enhancement of its products and the continuous improvement of production and quality assurance methods. The overriding goal of all development efforts is to expand the range of use of the large-diameter line pipe for gas transport and to improve quality through, among other things, greater wall thicknesses for offshore projects at great depths, improved strength of the material with the same or greater toughness, and optimized heat-affected zones.

Highly uncertain prospects for the large-diameter line pipe market

The utilization of the 18-meter production line at the Mülheim plant is secured through March 2013, in particular by the large Ichthys order. For the plant in Dunkerque only smaller incoming orders could be booked in 2013; as a result, there are currently significant booking gaps. For MPC, after interrupted operation in 2012 that coincided with reduced working hours based on the current backlog of orders, only a low level of activity has been scheduled in the first quarter of 2013; at the beginning of 2013, reduced working hours were again introduced. Due to the booking of a large order, the booking situation for the U.S. companies has effectively improved. Based on the order backlog at the beginning of the year, both of the plants in the United States already have a good basic level of utilization for 2013.

Development in 2013 will continue to be defined by coping with the ongoing European and American national debt crises. Whether the decline observed in 2012 in global demand for steel pipe will continue depends in part on development in the persistently weak demand at the beginning of the year for gas in Western Europe and the low price for gas in the United States. With continued high crude oil prices, worldwide exploration and production drilling projects will likely stabilize at a high level, so that the project

activities typical for the large-diameter pipe market should profit from these after some delay. Positive impetus is also seen in new application fields for steel pipe.

The most significant cause for optimism in the current pursuit of large projects is the international South Stream project, a pan-European natural gas pipeline intended to link Russia with Western Europe. However, the project will only begin to take concrete shape toward the end of 2013 and the competition surrounding it will be particularly intense. The technical qualification measures required for the awarding of the orders have already been initiated.

In sum, it can be stated that 2013 currently continues to be marked by significant gaps in bookings for the European plants. For the U.S. companies, large planned projects beyond the current bookings are emerging in both Canada and Mexico, which offer prospects of overall positive volumes and revenues in 2013 for both U.S. plants.

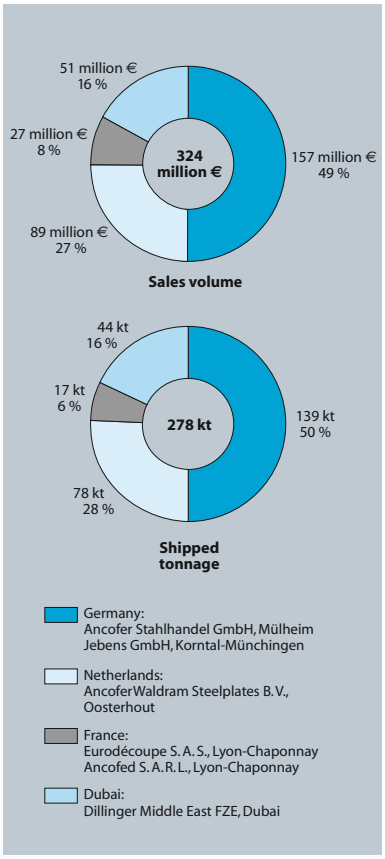
Saarstahl AG, Völklingen

Specialties of Saarstahl AG, in which Aktien-Gesellschaft der Dillinger Hüttenwerke holds 25.1% of shares, include the production of wire rod, bar steel and semifinished products in various qualities. Open-die forgings are also included in the product range. Customers include automotive companies and their suppliers, companies that build machinery for power generation, the general machine manufacturing sector, the aerospace industry, the construction industry and other sectors that process steel.

The 2012 financial year was inconsistent for Saarstahl AG but with good revenue and earnings figures overall considering the economic situation. After a strong first half of the year there was a noticeable loss of vitality in the year's second half. Incoming orders, especially in the 1st quarter of 2012, reflected the overall good requirements situation at the beginning of the year. Later, the increasing adjustment of stock inventories for upstream and semifinished products along the industrial value chain led to a significant reduction in incoming orders. Saarstahl was meanwhile able to profit during the entire course of the year from the persistently good level of activity of German manufacturers of premium automobiles. The momentum from the machine manufacturing sector was rather subdued; demand from abroad, however, remained stable.

Crude steel production for 2012 was at 2.31 million tons, down from the previous year by 0.05 million tons (- 2 %). Shipping of steel products rose significantly by 8 % to about 2.1 million tons.

Sales revenue fell from € 1 816 million in the previous year to € 1 759 million (- 3 %). The decline was primarily due to prices combined with high raw material costs. Similar development was observed in the subsidiaries of the heavy fabrication division. At Saarschmiede GmbH Freiformschmiede, the existing uncertainty in the worldwide energy markets continued to have a negative impact. The resulting reluctance to invest resulted in a decline in annual sales of 13 % to € 275 million (previous year: € 317 million).



Sales volume and shipped tonnage in 2012 for the marketing and flame-cutting companies in the DH Group

In 2012, additions to Saarstahl AG property, plant and equipment amounted to € 99 million (previous year: € 125 million). Planned investments were carried out consistently and according to schedule once again during 2012. In addition to numerous small and medium-size investments, the construction of the new secondary metallurgy is particularly worthy of note. The new facility includes two twin ladles for the treatment and heating of molten steel, an additional vacuum degassing system (RH system) and a completely independent alloying system with 34 bunkers. The new secondary metallurgy system – at € 150 million, it is the biggest investment in the LD steel plant since it was built in 1980 – will be ready to start production in early 2013. It solidifies the company's position as a strategic bar steel supplier in the German automotive industry, in machine manufacturing and in other highly demanding industrial sectors.

As of 31 Dec. 2012, there were 3 791 people employed by Saarstahl AG. As in years past, a high number of trainees were hired during the year under review. A total of 74 young people were able to start their vocational training at Saarstahl AG. With this, the company – as one of the biggest employers in the federal state of Saarland – is once again fulfilling its social responsibility to the region.

Marketing and flame-cutting operations in the DH Group

To supplement the range of products and lengthen the value chain, Dillinger Hütte holds several indirect and direct shareholdings in marketing and flame-cutting companies in Germany, the Netherlands, France, Dubai, and India. These companies are specialized both with regard to their regional alignment and their product ranges and processing depth, whereby products from other steel producers are also marketed and processed.

Following an increasing revival of customer demand in 2011 for products from the marketing and flame-cutting companies in all geographic main markets, there was a significant and consistent decline in 2012. Thus, the business trend for the marketing, flame-cutting and treatment activities was characterized by decreased sales volumes and lower revenue levels. Despite declining procurement costs in the course of the year under review, with increasing pressure on sales prices, it was not always possible to achieve satisfactory gross margins. The major companies finished with positive operating profits which were considerably below the previous year's level.

Overall, sales for 2012, at € 323.8 million, were 12.9 % below those of the previous year (€ 371.7 million). Net shipped tonnage declined by 12.3 % to 278 kt (2011: 317 kt), whereas the decline in sales involved the flame-cutting activities with a 15.2 % decline, and marketing activities with a 10.6 % decline. Earnings from operations for 2012 amounted to € 1.9 million (2011: € 9.6 million).

Future prospects

Moderate growth of the world economy

The forecasts for the world economy in 2013 call for a slight upturn. Overall, the International Monetary Fund (IMF) currently expects moderate growth of the world economy at a rate of around 3.5 %. This primarily positive scenario for the world economy in 2013 continues to carry a great deal of uncertainty, however, especially from the finance sector. Because of the sharply diverging regional economic cycles, stronger growth rates are particularly anticipated in the emerging markets. Expectations for the NAFTA countries are also generally positive, especially since improved opportunities for growth have begun to emerge for the processing industry.

In contrast, forecasts for the European economic area and Japan remain restrained to negative. Growth around zero or even a slight recession is expected for the eurozone; for the German economy, low growth significantly under 1 % is expected. Due to the high level of exports, economic development remains dependent, especially in Germany, on the economic growth of the major trade partners in Europe and in third countries, as well as on the currency exchange parities of the euro, particularly with respect to the U.S. dollar.

Slower rates of growth in the world steel market

The forecast for the global steel market in 2013 is primarily optimistic. The forecast growth rates for crude steel production (+ 3.5 %) and steel consumption (+ 3.2 %), however, are below the average for the years 2000 to 2008. Due to the persisting expansion of capacities, the utilization of global crude steel capacities will likely remain under the longterm average.

In the European Union (27), forecasts call for only a very weak recovery of demand (+ 0.8 %), which is largely due to inventory cycles. Altogether, European steel processing firms are expected to reduce their production by 2 % from the previous year and thus prevent an effective recovery of steel demand. A significant decline in steel demand is expected in southern European steel markets such as Italy and Spain, although the market supply had already dropped in 2012 at a double-digit rate.

Heavy plate market stagnates at a low level

On the demand side, forecasts for the heavy plate market in 2013 call for overall consumption comparable to that of 2012, along with problematic price levels. Inventory cycle effects at the beginning of the year are having a stabilizing effect on the market. The demand trend in Asia is gloomy as the economic prospects in the most important growth countries have cooled. Consequently, together with the new capacities that have been added, a situation has been created that originates from the Asian markets in the Far East and can lead to significant shifting of volumes. This is already having a negative impact on worldwide price levels.

In the individual consumer segments, demand for heavy plate is likely to develop unevenly: with a forecast 2 % increase in sales, for instance, machine manufacturing is expecting relatively good and stable growth. Good market growth is also seen in the

offshore segment. Although the German offshore wind market continues to struggle with project delays due to unclear underlying conditions, development in other countries continues to progress and additional projects are being announced. Among construction machinery manufacturers and in boiler construction, however, lower demand is expected. The market for large-diameter line pipe remains highly strained: here, there are currently only a few projects that are accordingly highly competitive – including in terms of price. It remains to be seen whether further price increases for the next few quarters will be accepted.

Subdued prospects for Dillinger Hütte in 2013

Opportunities and challenges in the future

Due to the diverse possibilities for its use and its recyclability, the future of steel as a material is generally good. The current weak demand does not change the long-term increase in demand for steel* – and along with it a growing need for heavy plate. The goal of Dillinger Hütte remains to participate in its share of the forecast growth by further establishing itself in the growth markets, particularly for niche products, without losing its position in the traditional markets. The worldwide building sector as well as the energy and transport industries are expected to make up a significant share of the growing demand for steel. Dillinger Hütte is well positioned in all of these segments with its highly specialized product mix. Due to the company's systematic development of its sales network, it also has a local presence in places where demand is being created.

Dillinger Hütte is meeting the challenges that result worldwide from the buildup of new heavy plate capacities – including those in the higher quality product segment – by consistently pursuing its successful, selective market and product strategy: to offer a highly specialized product mix for sustainable consumer segments. Dillinger Hütte is known and appreciated by its customers as a dependable partner and quality leader in the area of premium heavy plate steel – a fact confirmed by the worldwide customer satisfaction study conducted among more than 200 customers in the summer of 2012. Retaining and further developing this reservoir of trust remains a central component of the market development strategy.

The expansion of offshore wind energy will play an important role in the European energy sector. With its decision to build Steelwind Nordenham, a plant to manufacture offshore monopiles that will begin operation in 2014, Dillinger Hütte is reacting to the expected high demand in this sector, is extending its value chain and is offering existing customers new options for project-related partnerships.

On the other hand, increasing extraction of shale gas, currently limited primarily to the United States, must be classified as a market risk, since it may work to the company's disadvantage by reducing the demand for large gas pipelines – a main field of application for Dillinger plate.

** For 2025, OECD expects a worldwide demand for steel of 2.3 billion tons.*

The supply of raw materials plays an important role in safeguarding future competitiveness. The high volatility observed here and the inability to foresee price developments for raw materials represent a challenge to manufacturers and customers alike. With its purchasing strategy – characterized by systematic management of stocks, diversification in procurement and long-term partnerships – Dillinger Hütte views itself as well positioned. In addition, SHS - Stahl-Holding-Saar joined the Raw Material Alliance in Germany in 2012 in order to secure existing supply structures and explore alternative sources of supply.

Another significant factor influencing competitiveness is the energy supply for the site. For Dillinger Hütte, the relatively high price of energy in an international and competitive comparison and the costs of emission trading represent a burden for the site. Added to this are uncertainties over possible changes to the Renewable Energies Act (EEG). As an energy-intensive sector, the European steel industry is at a clear disadvantage compared to locations with cheap energy sources such as natural and shale gas, which are used for the production of direct reduced iron.

Dillinger Hütte continuously invests large sums to safeguard and further extend the company's technological leadership and thus remain sustainable. The workforce of qualified and capable employees is therefore an important factor for success. In addition to their know-how, which is required by the company's high-tech equipment and processes, the increasing significance of project work also makes the flexibility of employees of great importance to Dillinger Hütte. With its trendsetting and sustainable human resource policy, which relies on strong initial job training, development of systematic continuing education and close cooperation with schools and universities, Dillinger Hütte provides for its own qualified and skilled young talent and works to counter demographic change.

With the coming together of Dillinger Hütte and Saarstahl in the increasingly operational management holding SHS, the strengths are being further consolidated so that synergies may be exploited and costs reduced. Initial synergy measures in the services companies SHS Services and SHS Logistics have already led to considerable savings here in 2012.

The profitability of Dillinger Hütte will also be sustainably increased by the cost-cutting measures that have been introduced and by continuous cost controlling, so that positive earnings are expected for 2013 and 2014. With the GPS system for integrated planning and control, the corresponding annual development plans and the DILLIGENZ TPM method at Dillinger, the company has introduced management instruments that provide continued and lasting support to the process for helping the company advance.

No transactions of major significance took place following the balance sheet date.

Stable sales volume and positive earnings expected

Hopes for a sweeping economic recovery and an associated significant growth in demand for heavy plate appear to be postponed until year 2014. The main assumptions in the forecasts for Dillinger Hütte's performance in 2013 therefore call for only moderate growth of the world economy and on the whole lateral development of the heavy plate market. Intense competition and price pressures are prevailing in nearly all important consumer segments.

The year will be particularly difficult for the pipe plate product category. In this segment, which traditionally makes up a large share of Dillinger Hütte's annual production, there are too few projects in the market and as a consequence the prices that can be achieved are low. A fundamental change in the conditions in the heavy plate market for large-diameter line pipe is not expected before the end of the year. In the normal steel product range, the situation in the commodity segment will be characterized by strong competition and price pressure. In the specialty segment, forecasts consistently predict more stable demand.

Given all this, Dillinger Hütte expects weaker utilization of plant capacities for 2013, above all in the first half of the year. In the second half of the year, however, improvement in demand is expected, so that the 2013 financial year should experience sales at about the previous year's level and positive earnings.

Despite difficult underlying conditions, the emphasis in 2013 will continue to be on the basic strategic alignment, which calls for further development of the niche strategy with existing customers and worldwide development of new customer relationships in growing consumer segments.

Dillingen, 26 March 2013

The Board of Management

Dr. BLESSING | Dr. BANNENBERG | Dr. LUXENBURGER | METZKEN | SCHWEDA

Gigantic proportions:
with a depth of 45.5 m and a
diameter of 54 m – the hole where
the new Continuous Caster is being erected

ANNUAL FINANCIAL STATEMENT
BALANCE SHEET

Assets

K €	attachment	31/12/2012	31/12/2011
A. Fixed assets	(1)		
I. Intangible assets		**740**	863
II. Tangible assets		**555 698**	441 272
III. Financial assets		**1 178 035**	1 139 783
		1 734 473	1 581 918
B. Current assets	(2)		
I. Inventories			
1. Raw materials and supplies		**38 380**	53 002
2. Work in process		**70 518**	90 691
3. Finished goods		**84 679**	77 597
		193 577	221 290
II. Receivables and other assets			
1. Trade accounts receivable		**91 687**	92 778
2. Receivables from affiliated companies		**130 254**	175 399
3. Receivables from companies in which the company has a participating interest		**43 235**	39 438
4. Other assets		**327 374**	322 299
		592 550	629 914
III. Cash and bank balances		**420 677**	283 753
		1 206 804	1 134 957
C. Deferred items		**25**	0
D. Positive difference from asset allocation	(3)	**8 031**	5 645
		2 949 333	2 722 520

Shareholders' equity and liabilities

K €	attachment	31/12/2012	31/12/2011
A. Shareholders' equity	(4)		
I. Subscribed capital		**178 500**	178 500
II. Capital reserve		**378 574**	378 574
III. Earnings reserves		**1 279 587**	1 184 587
		1 836 661	1 741 661
B. Accruals and provisions	(5)		
1. Accruals for pensions and similar obligations		**296 896**	278 534
2. Tax accruals		**600**	789
3. Other accruals and provisions		**226 977**	225 381
		524 473	504 704
C. Liabilities	(6)		
1. Liabilities to financial institutions		**230 882**	151 734
2. Customer advance payments		**8 620**	2 494
3. Trade accounts payable		**63 131**	68 826
4. Payables to affiliated companies		**241 344**	137 530
5. Payables to companies in which the company has a participating interest		**16 420**	78 378
6. Other liabilities		**27 802**	37 193
		588 199	476 155
		2 949 333	2 722 520

PROFIT AND LOSS STATEMENT

K €	attachment	2012	2011
1. Net sales	(7)	**2 351 262**	2 499 090
2. Change in finished goods, work-in-process and other own work, capitalized	(8)	– **4 631**	47 453
3. Other operating income	(9)	**24 210**	26 230
		2 370 841	2 572 773
4. Cost of materials	(10)	**1 629 324**	1 957 230
5. Personnel expenses	(11)	**352 589**	333 802
6. Amortization and depreciation		**56 441**	57 492
7. Other operating expenses	(12)	**142 221**	92 250
		2 180 575	2 440 774
8. Income from participating interests	(13)	**19 036**	30 951
9. Net interest income		**11 220**	0
10. Result from ordinary activities	(14)	– **4 204**	6 273
11. Extraordinary profit		**193 878**	169 223
12. Taxes on income and earnings		– **187**	– 110
13. Other taxes		– **848**	– 756
14. Compensatory payment to minority shareholders		– **1 004**	– 1 004
15. Profit transfer due to profit and loss transfer agreement	(15)	– **96 839**	– 87 353
16. Net income		**95 000**	80 000
17. Transfer to earnings reserves		**95 000**	80 000
18. Unappropriated retained earnings		**0**	0

CASH FLOW STATEMENT

K €	2012	2011
Net income before profit transfer	**191 839**	167 353
Amortization and depreciation/write-ups		
Intangible assets and tangible assets	**56 441**	57 492
Financial assets	**11 220**	– 2
Change in long-term accruals	**17 627**	– 20 205
Change in receivables from and payables to affiliated companies	**139 473**	– 58 502
Change in inventories and receivables (without affiliated companies)	**19 907**	– 56 495
Result from the disposal of fixed assets	– **2 024**	– 1 711
Change in other accruals, provisions and liabilities (without affiliated companies)	– **71 162**	4 833
Cash flow from operations	**363 321**	92 763
Investments in		
Intangible assets and tangible assets	– **170 887**	– 94 673
Financial assets	– **49 472**	– 14 677
Proceeds from disposals of fixed assets	**2 167**	2 550
Cash flow from investment activities	– **218 192**	– 106 800
Change in long-term financial activities	**79 148**	28 523
Previous year's profit center	– **87 353**	– 165 236
Cash flow from financing activities	– **8 205**	– 136 713
Change in cash and cash equivalents	**136 924**	– 150 750

LISTING OF SHAREHOLDINGS

	Currency	Share of capital in % Direct	Indirect	Total	Shareholders' equity	**Results 2012**
1. Affiliated companies	K					
Domestic companies:						
Saarlux Stahl GmbH & Co. KG, Stuttgart	€	53.0		53.0	13 818	**– 423**
Dillinger Hütte Vertrieb GmbH, Stuttgart	€	100.0		100.0	4 210	[1]
Ancofer Stahlhandel GmbH, Mülheim/Ruhr	€	90.0		90.0	27 258	**673**
Jebens GmbH, Korntal-Münchingen	€	100.0		100.0	19 808	[1]
DHC-Consult GmbH, Dillingen	€	100.0		100.0	187	**4**
Cargo-Rail GmbH, Dillingen	€	100.0		100.0	34	**– 20**
MSG Mineralstoffgesellschaft Saar mbH, Dillingen	€	100.0		100.0	19 282	**1 059**
DH Nordenham Projekt GmbH, Dillingen	€	100.0		100.0	59 212	**– 827**
Foreign companies:						
GTS Industries S.A., Grande-Synthe	€	100.0		100.0	210 542	**– 15 258**
Eurodécoupe S.A.S., Lyon-Chaponnay	€		100.0	100.0	– 4 394	**– 1 637**
Ancofed S.A.R.L., Lyon-Chaponnay	€		100.0	100.0	68	**85**
AncoferWaldram Steelplates B.V., Oosterhout	€	100.0		100.0	32 765	**547**
Trans-Saar B.V., Rotterdam	€	100.0		100.0	1 306	**703**
Dillinger Hütte GTS Nederland B.V., Amsterdam	€	100.0		100.0	510	**188**
Dillinger-GTS Ventes S.A., Paris	€	100.0		100.0	1 478	**75**
Dillinger Norge AS, Oslo	NOK	100.0		100.0	2 311	**1 243**
Dillinger Middle East FZE, Dubai	AED	100.0		100.0	70 222	**2 161**
Dillinger India Steel Service Center Private Ltd., Mumbai	INR		100.0	100.0	60 830	**– 12 170** [2]
Dillinger Hütte Services B.V., Zwijndrecht	€	100.0		100.0	46	**11**
Dillinger America Inc., New York	USD	100.0		100.0	1 119	**340**
Dillinger Sverige AB, Alingsås	SEK	100.0		100.0	1 365	**518**
Dillinger Italia S.R.L., Mailand	€	100.0		100.0	73	**69**
Dillinger España S.L.U., Madrid	€	100.0		100.0	25	**7**
Dillinger Hutte UK Ltd., London	GBP	100.0		100.0	109	**60**

	Currency	Share of capital in % Direct	Indirect	Total	Shareholders' equity	**Results 2012**
2. Participating interests	K					
Domestic companies:						
Dillinger Hütte und Saarstahl Vermögens-verwaltungs- und Beteiligungs-OHG, Dillingen	€	50.0		50.0	267 324	[1]
Zentralkokerei Saar GmbH, Dillingen	€		50.0	50.0	137 212	[1]
ROGESA Roheisengesellschaft Saar mbH, Dillingen	€	24.5	25.5	50.0	224 636	[1]
ROGESA Beteiligungsgesellschaft mbH, Dillingen	€		50.0	50.0	3 022	**– 6**
Cokes de Carling S.A.S., Carling	€		50.0	50.0	– 22 418	**391**
EUROPIPE GmbH, Mülheim/Ruhr	€	50.0		50.0	231 138	**21 116**
EUROPIPE France S.A., Grande-Synthe	€		50.0	50.0	7 724	**954**
BERG EUROPIPE Holding Corp., New York	USD		50.0	50.0	176 696	**– 6 577**[3]
MÜLHEIM PIPECOATINGS GmbH, Mülheim/Ruhr	€		50.0	50.0	14 229	**– 5 562**
Saarstahl AG, Völklingen	€	25.1		25.1	2 768 326	**31 602**[3]
1. Dillinger Projekt GmbH, Dillingen	€	50.0		50.0	101	**– 5**

[1] *A profit and loss transfer agreement exists.*
[2] *Due to the financial year differing from the calendar year there are no statements for 31 March 2012*
[3] *Consolidated profit*

Optimisation of coke production and improvement of environment protection: In 2012, the revamping of ZKS to the amount of approximately € 220 million was completed

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