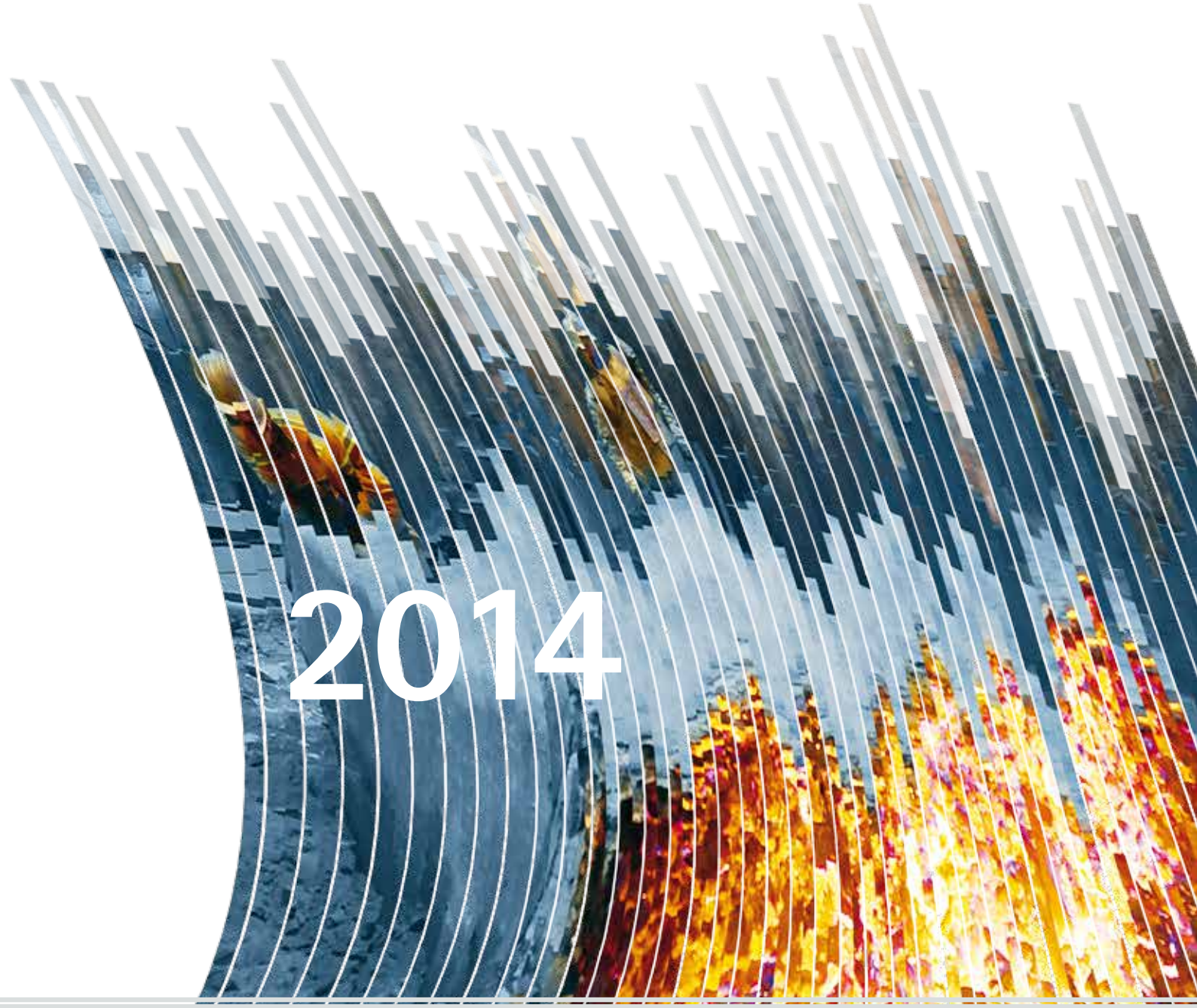
saarstahl



2014

Executive Summary of the Financial Statement

Key figures at a glance

		2013	2014	Change
Hot metal purchase	kt	2,201	2,365	7.45 %
Crude steel production	kt	2,520	2,727	8.21 %
Sales revenues per region				
Germany	million €	1,385	1,426	
Rest of the EU	million €	583	582	
Third party countries	million €	312	353	
Total turnover	million €	2,280	2,361	
Workforce (not incl. trainees)	31.12.	6,384	6,498	
Personnel costs	million €	400	420	
Balance sheet total	million €	3,614	3,485	
Fixed assets	million €	2,170	2,055	
Investments	million €	84	38	
Equity	million €	2,577	2,608	
EBITDA	million €	19	233	
EBIT	million €	-131	80	
Result from ordinary business actvities	million €	-147	66	
Net income for the year	million €	-158	44	
Operating cash flow	million €	46	148	

Members of the Supervisory Board

Dr. Michael H. Müller, Saarbrücken Chairman	Chairman of the Management Board of the Curatorship for the Montan-Stiftung-Saar trust
Armin Schild, Biebertal First Deputy Chairman	District Manager of IG Metall Hesse, Rhineland Palatinate, Thuringia and Saarland
Henner Wittling, Ottweiler Second Deputy Chairman	Member of the Management Board of the Curatorship for the Montan-Stiftung-Saar trust
Stephan Ahr, Wadgassen	Chairman of the Central Works Council of Saarstahl AG and Chairman of the Works Council of the Völklingen Plant of Saarstahl AG
Aribert Becker, Rehlingen From 10 July 2014	Member of the Management Board of the Curatorship for the Montan-Stiftung-Saar trust
Dr. Bernd Bergmann, Wallerfangen Until 09 July 2014	Member of the Board of Management of Dillinger Hüttenwerke, retired
Prof. Dr. Heinz Bierbaum, Saarbrücken	Director of the INFO-Institute
Elke Hannack, Berlin	Trade Union Secretary / Deputy Chairwoman of the German Confederation of Trade Unions
Robert Hiry, Rehlingen-Siersburg	Primary Authorized Representative of IG Metall Administrative Unit Völklingen
Michel Maulvault, Paris	Chairman of the Board of Management of Dillinger Hüttenwerke, retired
Markus Menges, Waldbrunn	Managing Director Südweststahl AG
Dr. Axel Nawrath, Frankfurt a.M. Until 30 June 2014	Member of the Board of Management of the KfW Banking Group
Eleonore Neumann, Ottweiler	Member of the Central Works Council of Saarstahl AG and Chairwoman of the Neunkirchen Works Council of Saarstahl AG
Angelo Stagno, Saarbrücken	Member of the Central Works Council of Saarstahl AG and Chairman of the Works Council of the Burbach Plant of Saarstahl AG
Reinhard Störmer, Völklingen	Managing Director of re:cas GmbH
Erich Wilke, Königstein (Taunus)	Bank Manager, retired

Members of the Board of Management

Dr. Karlheinz Blessing	Chairman
Martin Baues	Chief Technology Officer
Fred Metzken	Chief Financial Officer
Dr. Klaus Richter	Chief Sales & Marketing Officer
Peter Schweda	Chief Human Resources Officer / Labour Director

Basis of the group

Business model

The core business of the Saarstahl group comprises the manufacture and sale of wire rod, bar and semi-finished products in various grades and for numerous technical applications. The product portfolio also includes high-grade open-die forgings. The most significant clients include automotive manufacturers and their suppliers, companies for power generation machinery, general mechanical engineering and the aerospace industry, the construction industry and other steel processing industries. Besides an LD steelmaking plant, a rolling mill and a high-tech forge in Völklingen, a considerable part of the production of the Saarstahl group is carried out, above all, in the rolling mills in Neunkirchen and Burbach. At locations both in Germany and abroad further subsidiaries offer additional services and customized solutions in the fields of further processing, trade, sales and distribution. The Saarstahl Group also includes transport and logistics companies which are involved in both the transport of raw materials as well as the shipping of semi-finished products and finished products.

Legal Framework

A domination agreement according to § 291 of the German Company Law (AktG) has been concluded between Saarstahl AG as the parent company of the Saarstahl Group and its majority shareholder, SHS – Stahl-Holding-Saar GmbH & Co. KGaA.

The majority shareholder of Saarstahl AG, as well as the associate company, DHS – Dillinger Hütte Saarstahl AG with its most important subsidiary AG der Dillinger Hüttenwerke, is SHS – Stahl-Holding-Saar GmbH & Co. KGaA (SHS), a wholly owned subsidiary of the Saarland coal and steel foundation – Montan-Stiftung-Saar – under which the two companies work closely together.

Overall economic and sector-related conditions

Sluggish growth of the global economy

Despite positive underlying economic dynamism, worldwide economic growth developed more sluggishly than expected in 2014 at a rate of 3.3 %, and stagnated at the level of the previous year. World trade increased slightly to 3.8 % (previous year: 3 %)[1]. Overall, economic conditions in the individual regions developed very heterogeneously: while impetus came primarily from the United States (2.2 %), recovery stalled in the EU (1.4 %) and Japan (0.9 %). The mild slowdown in growth of the Chinese economy continued with 7.4 % (2013: 7.7 %). In addition, many emerging markets are undergoing a marked period of weakness, especially Russia (0.2 %) and large portions of South America. The world economy is consequently far from experiencing a rebound that is borne by all regions.

[1] International Monetary Fund, World Economic Outlook Update, October 2014

Slight economic recovery in Europe
In the EU, more significant growth was noted in 2014, at 1.4 % (previous year: 0.2 %). Contributing to this was robust growth in the United Kingdom (3.2 %) and Poland (3.2 %) as well as continued recovery in peripheral countries: Greece (0.6 %), Spain (1.3 %), Portugal (1.0 %) and Ireland (3.6 %). On the other hand, growth in the core of the euro zone was sluggish. Italy posted a -0.2 % decline in gross domestic product (previous year: -1.9 %), and economic performance in France stagnated at 0.4 % (previous year: 0.3 %).

The German economy experienced a weak phase at the end of 2014. Gross domestic product failed to grow after spring. Indeed, investment in equipment and machinery fell considerably. For the first time in three years, economic performance in Germany (+1.4 %) grew in 2014 at a rate above 1 % (previous year: +0.5 %), but this growth remained considerably below expectations.

Worldwide steel market: little vitality
The worldwide steel market was characterized in 2014 by weak growth compared to the previous year: No significant growth was posted in either worldwide crude steel production, which increased by only about 1 % to 1.69 billion tons, or in apparent steel consumption (+2 %). The continued expansion of production capacities led to global utilization of capacities being under the 80 % mark for the third consecutive year. With the exception of South Korea, no major steel producing country was able to noticeably expand its crude steel production; important emerging market countries like Brazil, Russia and Turkey experienced declines in production. Two countervailing developments were noted: The rate of growth in China diminished sharply; in comparison to 2013, only very slight rates of increase were achieved in both crude steel production and steel consumption. In contrast, the United States was able to break away from the downward trend of the previous year.

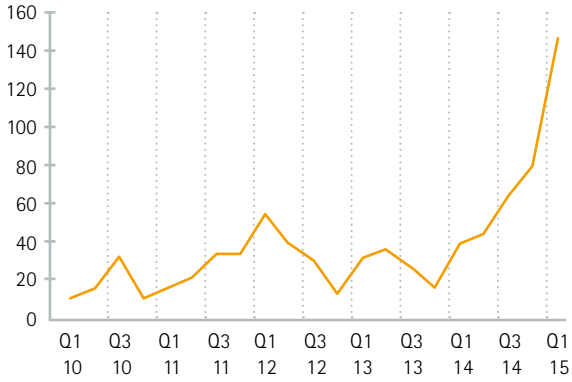
Change in % compared to previous year	2013	2014
Crude steel production		
World	5.3	1.2
China	11.5	0.9
USA	-2	1.7
EU (28)	-1.3	1.7
Apparent steel consumption		
World	3.8	2
China	6.1	0.6
USA	-0.3	11.7
EU (28)	-0.2	2.6

Growth rate for crude steel production and apparent steel consumtion in individual world regions (Source: Worldsteel, German Steel Industry Federation)

European steel market characterized by overcapacities

Growth in the steel processing sectors of the EU 28 – an important sales market for Dillinger Hütte – amounted to 2.3 % compared to the previous year, and apparent steel consumption increased by approx. 4 % to around 146 million tons*. However, comparison with the strong years of the past, such as in 2007 when apparent steel consumption comprised almost 200 million tons, indicates that the market is still contracted. For this reason there continues to be a large gap between production capacity and demand. There has been no sustained reduction in capacity that could bring supply and demand into balance. Despite the more favorable growth in volume compared to the previous year, there continued to be pressure on the price side.

Demand for steel on the German steel market recovered in 2014, which led to a slight 1 % increase in crude steel production to 43.0 million tons. Although utilization of capacities reached a high 86 % in an international comparison, it remained under the long-term average of 89 %. Altogether, steel processing firms in Germany grew a moderate 2 % in 2014 with development in the various sectors being uneven. Growth drivers were above all the automotive and construction industries, which increased their production by 4 % and 3 % respectively, while the expansion of production in machine manufacturing was quite weak (+1 %).



Change in imports of Chinese heavy plate into the EU (28)
(Source: German Steel Industry Federation)

Course of business

The course of business of the Saarstahl group is largely characterized by the companies Saarstahl AG und Saarschmiede GmbH Freiformschmiede.

Saarstahl AG

In spite of adverse market conditions, Saarstahl AG closed the business year 2014 with significantly better figures than the previous year. In particular, the sales volume for wire rod and bar steel was on a high level while the revenue situation remained below expectations. Nonetheless, tangible profits could be achieved in 2014.

In the case of wire rod and bar steel, the company benefited from stable demand from its principle customers – the automotive and mechanical engineering industries. In particular, German manufacturers in the premium automotive range recorded a robust economy in 2014. As a leader in quality, Saarstahl has succeeded in continuously increasing market share in the field of superior quality steels. However, the global price decreases for steel products put revenues under renewed pressure as a result of existing over-capacities and a sharp rise in imports into the European market.

Saarschmiede GmbH Freiformschmiede

Saarschmiede GmbH Freiformschmiede (Saarschmiede) is divided up with regard to sales into the three industrial segments of power generation machinery, general mechanical engineering and special materials. Capacity utilisation in these sectors remained weak in 2014 since, on the one hand, capacities were extended and on the other, demand is low. The after-effects of the financial crisis of 2008, global changes in energy generation and consolidation among power plant manufacturers resulted in a high level of uncertainty with regard to investment in power plants.

In spite of this adverse environment, in 2014, Saarschmiede was able to halt the negative trend of the previous years. The "Future Programme" initiated in 2013, with the aim of improving costs and efficiency, was further advanced in 2014. Besides savings in material costs, there were also adjustments to the number of personnel. Nevertheless, Saarschmiede contributed to the result for the group with a significant loss.

* Measured against Eurofer's Steel Weighted Industrial Production Index (SWIP)

Earnings position

Sales on record level with continuing massive pressure on revenues

In the Saarstahl Group, in 2014, the positive development in sales of the previous years continued. As a result of the noticeable increase of 8.8 % in shipping volume to 2,361 kt, sales revenues increased from € 2,280 million to € 2,361 million and there was also an increase in total performance from € 2,322 million to € 2,374 million. Due to continuing massive price pressure which is specific to the industry, the increase in turnover was lower and can exclusively be ascribed to the higher sales figures.

The geographical distribution of the sales revenues for the year 2014 shows that the Saarstahl Group has extended its position within the European Union, above all in its core market in Germany. Contrary to previous years, in which a drop in sales was recorded in third-party countries (NAFTA, Asia and Rest of the World), there was a considerable rise in sales. Therefore, the sales revenues increased over-proportionately in third-party countries by more than 13.2 % in 2014 compared with the previous year.

The increase in the total performance in 2014 amounting to € 52 million has to be seen alongside lower expenditure – € 68 million – for raw materials and energy in the same period – above all for the reduction of in the cost of hot metal. The personnel costs of the Saarstahl-Group rose by € 20 million compared to the previous year, primarily due to wage adjustments as well as due to the workforce being larger overall as a result of an improved rate of employment.

As a consequence, the Saarstahl Group closed the business year 2014 successfully with an EBIT of € 80 million (previous year € -131 million) and an EBITDA of € 233 million (previous year € 19 million).

At € 153 million, depreciation and amortisation of fixed assets are negligibly higher than the level for the previous year (€ 151 million) due to the course of investments and extraordinary depreciation amounting to € 8 million. The other operational expenses rose as expected due to increased sales; however, at € 180 million, they were lower, in total, than in the previous year (€ 229 million) since, in 2013, additional expenses for restructuring measures in France were taken into account.

The financial result made up of the results of participations and interest was € -10 million in 2014 (previous year: € -88 million). Besides a slight improvement in the interest result amounting to € -17.5 million (previous year: € -18.9 million), the result of participation changed from € -69 million in 2013 to € 7 million in 2014. Contrary to the previous year, in 2014 it was again possible to record a positive effect of the result from the extrapolation of the equity valuation rate on the participation in the DHS-Dillinger-Hütte-Saarstahl AG; this led to earnings amounting to € 9 million in 2014. The result of ordinary business activities therefore moved to € 66 million (previous year: € -147 million).

Taking the tax result of € -22 million into account, the Saarstahl Group closes the financial year with an annual surplus of € 44 million (previous year: annual deficit € -158 million).

Financial position

Increase in liquid assets from operating activities

The inflow of funds from current operating activities amounting to € 148 million exceeds the figure for the previous year by more than € 100 million. This sharp increase was largely due to a significant improvement in the result which also exceeded the increased outflow of funds from changed working capital. The cash flow from ordinary business activities must be seen alongside a significantly lower requirement for funds for investments of € -25 million (previous year: € -54 million). Taking the cash flow from financial activities amounting to € -62 million into account (previous year: € -51 million), largely through the repayment of short-term and long-term loans as well as dividend payments to the shareholders of Saarstahl AG, liquid funds increased by € 61 million to € 313 million.

Investments in intangible and tangible assets were € 37 million for the group during the financial year (previous year: € 83 million). A significant part of these investments were in the rolling mills in Neunkirchen, Nauweiler and Burbach as well as in the production facilities of ROGESA and ZKS. There were investments amounting to over € 5 million in Drahtwerk St. Ingbert GmbH. In addition, on the balance sheet date, there are obligations resulting from purchase commitments from investments and repair projects amounting to € 81 million (previous year: € 46 million).

Net asset position

Equity ratio at 75 %

The balance sheet total fell by € 129 million compared with the previous year to € 3,485 million. The financial position in the use of funds is thus characterized, above all, by the reduction in the fixed assets and net current assets amounting to € 115 million or € 65 million, at the same time, with more liquid funds available amounting to € 61 million.

In spite of payment of dividends to the shareholders of Saarstahl AG (€ -18 million), equity increased due to the annual surplus (€ 44 million) and events not affecting income (€ 6 million) by a total of € 31.5 million to € 2,608 million. In the case of outside funds, obligations towards credit institutions (€ -44 million) could be paid back according to plan, and liabilities from deliveries and services (€ -84 million) as well as other provisions due in the short term could be reduced (€ -33 million).

Key figures for the Saarstahl group

The course of business of the Saarstahl Group in 2014 is also reflected in the most important key figures of the asset and capital structure as well as the development in returns. An overall positive development of the Saarstahl Group with different effects on the asset, financial and earnings position allowed the equity intensity to increase from 71.3 % in 2013 to 74.8 % in 2014. Tangible assets, which were reduced mainly due to scheduled depreciation and a slight change in the financial assets and, at the same time, higher equity meant that the volume of fixed assets significantly increased in comparison with the previous year.

The positive development in the result of the Saarstahl Group in the business year 2014 is reflected in all of the key figures for earnings; based on an annual surplus amounting to € 44 million, the earnings before interest and tax (EBIT) as well as the earnings before interest, tax, depreciation and amortisation (EBITDA) each improved by more than € 210 million compared with the values for the previous year. The ROCE (Return on Capital Employed) in the year under review amounted to 2.6 %, the operating profit margin to 3.4 % (EBIT margin) and 9.9 %, respectively (EBITDA margin).

Financial key figures

		2010	2011	2012	2013	2014
Equity intensity						
Equity	million €	2,639	2,788	2,768	2,577	2,608
Balance sheet total	million €	3,884	3,989	3,834	3,614	3,485
	in %	67.9	69.9	72.2	71.3	74.8
Fixed Assets Coverage Ratio						
Equity	million €	2,639	2,788	2,768	2,577	2,608
Fixed assets	million €	2,220	2,319	2,336	2,170	2,055
	in %	118.9	120.2	118.5	118.8	126.9
Debt						
long-term liabilities to banks	million €	401	540	469	447	404
Equity	million €	2,639	2,788	2,768	2,577	2,608
	in %	15.2	19.4	16.9	17.3	15.5
EBIT Margin						
EBIT	million €	442	210	9	-131	80
Product sales	million €	2,296	2,673	2,492	2,280	2,361
	in %	19.3	7.9	0.4	-5.7	3.4
EBITDA Margin						
EBITDA	million €	553	354	147	19	233
Product sales	million €	2,296	2,673	2,492	2,280	2,361
	in %	24.1	13.2	5.9	0.8	9.9
Return On Capital Employed (ROCE)						
EBIT	million €	442	210	9	-131	80
Equity, provisions for taxation, Liabilities subject to interest (average)	million €	2,788	3,369	3,424	3,244	3,130
	in %	15.9	6.2	0.3	-4.0	2.6
Internal financing capability						
Operating cash flow	million €	17	1	277	46	148
Net investments in tangible assets	million €	309	207	131	78	34
	in %	5.5	0.5	211.5	58.7	431.5
Expense structure in % of the overall performance						
Material intensity	in %	64.4	72.0	74.6	72.2	67.7
Personnel intensity	in %	16.5	14.9	17.2	17.2	17.7

Non-financial performance indicators

Sustainability

The efficiency and success of the Saarstahl group are determined by its sustainable and responsible behavior toward employees, the environment, the public and the region. Responsible and sustainable practices are a key element of corporate policy.

Key areas include:
- Human resources that are geared to continuity and high social standards,
- Company internal improvement processes that bring the principles of sustainable and reliable conduct to each workplace and each employee,
- Pooling expertise and service for the sustained success of the customers in the economic implementation of unusual and innovative projects,
- Safeguarding and expanding our technological capabilities by investing in new facilities and modernizing of existing facilities and by developing innovative products and processes,
- A procurement system that is based on procurement reliability and environment friendly means of transport,
- Economical and resource saving conduct using numerous environmental protection measures for the efficient use of energy, such as the introduction of a certified energy management system and
- Long-term partnerships with universities, research institutions and customers in the development and improvement of materials

Steel, the material itself, and the product of the Saarstahl Group, correspond more clearly than any other material with the principle of sustainability: Through numerous applications and uses, steel provides a valuable contribution to environmental and climate protection. No other material is produced in such an environment friendly manner than steel. When it has fulfilled its purpose after a few decades or generations of use it has become scrap and is therefore a valuable raw material which can be fully recycled over and over again without any loss of quality and returned completely to the economic cycle.

Innovative products made of steel, such as wind turbines and power plant turbines save six times more CO_2 than is used in their production, according to a study by Boston Consulting Group. In automotive engineering, high-strength steels reduce vehicle weight to ensure significant fuel and emissions savings. The use of advanced steels in structures that are subject to high stress loads can in many cases reduce the amount of materials used by up to 50 %, thus helping to conserve valuable resources and boost environmental protection.


saarstahl
Our heart's
blood flows in
four strands.

Employees

The Saarstahl Group consistently aims at being competitive on the global market. In this respect, the group is particularly dependent on the potential, commitment and skills of its employees as well as on the competence of its management. Traditionally, it has been part of responsible corporate policy to offer a wide range of social benefits. This range includes, for example, facilities which Saarstahl initiated and supports such as the childcare centre of the AWO – the German Worker's Welfare Association – "Stahlsternchen" ("Little Steel Stars") where care is currently provided for 46 children.

The workforce of the Saarstahl Group as of 31.12.2014 is made up of 4,026 employees of Saarstahl AG, 897 employees of Saarschmiede and 1,575 employees of the other companies in the group.

	31.12.2013	31.12.2014
Wage earners	4,876	5,047
Salary earners	1,508	1,451
Total	6,384	6,498

Apprenticeships and further training

In 2014, too, the focus at Saarstahl lay on state-of-the-art and practice-oriented initial training which has achieved further improvements in quality through the implementation of the new training centre at the Völklingen location. The number of trainees in the year under review developed as follows:

	31.12.2013	31.12.2014
Trainees	252	247

Investments

After the huge amount of investment made in the previous years, the year 2014 was characterised by investment decisions which set the trend and which will become effective in future. In the period under review, the volume of investment implemented was on an altogether lower level with the emphasis on the rolling mills in Burbach, Nauweiler and Neunkirchen.
For Saarstahl AG itself, the volume of investment amounted to € 14 million (previous year: € 55 million). For the two wholly-owned subsidiaries ROGESA and ZKS, the investments amounted to a total of € 19 million, of which Saarstahl AG bears half, in accordance with its share in the companies.

Rolling mill Burbach

In order to take the load off the 4-stand roughing mill of rolling train 11 in Burbach the decision was taken in 2014 to invest € 16 million in extending the line by two additional stands as well as replacing the drive technology for the existing stands. The mechanical engineering could be ordered in August and the electrical equipment in December of 2014. It is planned to replace the drive technology during the winter shut-down of 2015 and to install the two new stands in the summer of 2016.

Rolling mill Nauweiler

In June 2014, the Supervisory Board approved investment of € 30 million for a 7-stand continuous roughing mill as a replacement for the existing blooming stand in the rolling mill in Nauweiler. The orders for the mechanical engineering and electrical equipment could already be placed in 2014. Initial functional tests are planned for the end of 2015 / beginning of 2016. In order to keep production running, the hot billets will roll over a provisional roller conveyor circumventing the construction site to the blooming stand so that the work can be carried out without any lengthy standstill.

Rolling mill Neunkirchen
In September 2014, the Supervisory Board approved a new wire rod outlet for rolling line 32 in Neunkirchen. The aim of this investment amounting to € 30 million is to improve the rolling tolerances and thermodynamic rolling process as well as to stabilize the microstructural properties. In order to implement the planned measure, the new part of the system will be constructed parallel to production. In an initial construction phase, the new system will be able to operate using the existing stand 18, and it will be possible to manufacture thicker dimensions of wire rod. In a second phase of construction, the existing finishing block will be converted with the result that it will be possible to produce all dimensions of wire rod. In December 2014, extension of the existing hood-type annealing plant in Neunkirchen for € 7.3 million was approved by the Supervisory Board. This investment will lead to an additional annealing capacity of approx. 2,000 t per month.

Drahtwerke St. Ingbert GmbH
In the summer of 2014 after 18 months of planning and construction the new surface treatment facility for wire rod coils went into operation on the premises of Drahtwerke St. Ingbert (DWI). Depending on the customers' wishes, wire rod can be phosphate-treated, polymer-coated or soap-treated. In combination with the hood-type annealing plant, DWI now offers the latest technology within the Saarstahl Group where further processing of wire rod is concerned.

Saarschmiede GmbH Freiformschmiede
After the large investments made in the previous years, investment activities in 2014 were restricted to a ladle car in the steelmaking plant in order to improve quality.

Strategy

In order to be able to further exploit the potential of Saarstahl AG, at the end of 2013, a business field organisation was introduced which has a matrix structure. For the six business fields cold heading wire rod, massive forming, semi-finished drawn steel bar with special requirements of the surface, drawing qualities, spring steel and roller bearing steel, interdisciplinary teams were formed from the divisions of Marketing, Sales, Production, Quality Management, Research and Development and Controlling. The overriding aim of this business field organisation is to work out a medium to long-term strategy for the individual business fields. To achieve this, internal processes and procedures are examined to find possibilities for improvement, technological trends are investigated and future market potential for the products of Saarstahl AG is identified using market studies, customer analyses and by investigating the competition for the Saarstahl AG products. Besides drawing up the business field strategy, the teams have the task of formulating the measures which are required and providing support in implementing them. An account of the status of the strategy development in the business fields is given in regular information sessions for company managers.

The cost-reduction programme was also subjected to consistent examination of its potential in 2014 and further measures for cost reduction were implemented. This meant that in the year 2014 cost-savings could once again be increased compared with the previous year. In doing so, the implementation of the department Cost Management led to enhanced cost-sensitivity in all technical areas and precise control of expenses depending on the current revenue situation. In addition, measures already in place for process optimisation within the context of SixSigma projects and a production system approach for continuous improvement were pursued further.

In the year 2014, various measures for improving delivery dependability (OnTimeInFull – OTIF) were implemented within the context of process improvement projects. The delivery dependability of Saarstahl AG was significantly greater in 2014 compared with the figures for the previous year. This success is also reflected in positive feedback from customers. In 2015, further projects for process improvement are to be implemented. In order to be able to introduce more targeted improvement measures in future, the possibilities for analysis to evaluate deviations are to be improved. The key aim of OTIF is to structure internal processes in such a way that the product required by the customer can be delivered on the agreed date without any restrictions in quality.

Innovation and Quality

In the field of Innovation, all activities from the areas of Research and Development and Product and Process Innovation are combined. Projects which are defined annually and subjected to regular checks are set up in close cooperation with the production operations, the laboratory and quality area, sales division and our customers. The implementation is carried out partly in cooperation with universities, polytechnics and research facilities within the context of state-aided national and international research projects.

The key tasks are the production of new steel qualities for customised applications, improvement of steel properties, securing an excellent degree of purity, minimization of core segregation and the achievement of faultless billet surfaces. Furthermore, the focus is on extending the systems for capturing process data, optimising the existing surface-coating systems for intermediate and semi-finished products and developing and applying new types of surface systems.

In the year under review, together with a customer, our bainitic-martensitic steel 32MnCrMo6-4-3 was successfully homologated at a premium range automotive manufacturer for use as a common rail material for a turbo-diesel. The rail has currently been approved for injection pressures of 2,500 bar and, according to the automotive manufacturer, it has the potential for even higher pressures.

The trials commenced in 2013 to reduce annealing times and intensification of the trials in thermo-mechanical rolling at our customers for cold-heading qualities with the aim of achieving improved processability were successfully continued in 2014. Cooperation with customers and the technical university Bergakademie Freiberg led to a reduction in annealing time of 4 hours in the steel 23MnB4 without affecting the processability. Optimisation in the field of hot metal production in cooperation with ROGESA resulted in more homogeneous hot metal analyses so it is easier to adhere to low limits for trace element content.

Further support was provided for the start of operation of the new secondary metallurgy. The focus here was on those steel qualities where the degree of purity is particularly critical. Further metallurgical topics were improvements in the accuracy of nitrogen analysis, in the converter model for additives, and in optimised calculation of flow dynamics simulation for drying wire-rod coils in the new pickling plant at Drahtwerk St. Ingbert GmbH.

Saarstahl is the first steel manufacturer in the world to use mechanical soft reduction technology (MSR), which had hitherto only been used for continuously cast slabs and blooms, also to cast billets in a continuous casting process in formats of 150 mm x 150 mm and 180 mm x 180 mm. Besides cold-heading and pressure-resistant free-cutting steels, through-hardening anti-friction bearing steels, wire rod qualities with high carbon content for offshore applications and steels for tyre cord are manufactured using MSR. The volume produced in the format 150 mm x 150 mm more than doubled compared with the year 2013 and was around 48,000 tonnes in 2014.

Quality

New mobile environmental laboratory

Since the middle of 2014, the chemical laboratories have had a new mobile environmental laboratory. The van with a box body design contains a laboratory workstation which is state-of-the-art with a hazardous substances cabinet, extraction facilities and analyses equipment. The interior fittings are not only designed to allow sample-taking but also to allow initial parameters to be determined on-site. The environmental laboratory travels to a total of 80 points on Saarstahl's premises in Völklingen, Luisenthal, Burbach and Neunkirchen as well as the dumping sites in Schoeneck and Hostenbach. The orders for environmental analysis are placed by the Environmental Protection department, which dictates the intervals for the tests as well as the scope of the analysis in accordance with the Regional Ministry for the Environment and Occupational Health and Safety.

Accreditation achieved

In October 2014, the two-day monitoring audit of the German accreditation body (DAkkS) was carried out. The central focus of the audit was to monitor participation in the prescribed ring trials, checking the process characteristics and control charts in environmental analysis. This data must be drawn up at least once a year and recorded during daily work in order to ensure the correctness and reproducibility of the environmental data recovered. The chemical laboratory is thus proven to have excellent quality standards and to be independent. In particular, the quality awareness and commitment of the employees was emphasized. The chemical laboratory has therefore achieved the status of an umpire laboratory (third party), the highest level of qualification.

Recognized quality management

The emphasis in the central Quality Management department is on recognized quality and it organizes the continuation and expansion of the quality management system and the system of internal audits.

The successful outcome of this work is both the setting up of an integrated management system (Quality, Environmental Protection, Occupational Health and Safety and Energy Efficiency) and the certification in compliance with various standards. One essential focus of the work in the year 2014 was the implementation of a new document guidance system d.3. It is a joint project by Saarstahl AG, Dillinger Hütte and SHS with the aim of being able to guide documents in cooperation with each other in a cross-company system.


saarstahl
Endurance and reliability are our allies.

Focus of work on CO_2 emission trading

In the field of work "CO_2 emission trading of the Saar steelworks", in 2014, the cross-location workgroup brought more precision to the monitoring plans for facilities subject to mandatory emission trading. The requirements for this are characterised by ever more complex statutory regulations and ordinances.

Reporting to the German Body for Emission Trading is becoming increasingly comprehensive. This development is leading to a rise in costs due to verifying the reports and the corresponding expense that this involves for external auditors. The political discussion regarding unattainable reduction objectives within the EU and the heightened aims of the German government – reduction of CO_2 emissions by 2020 by 40 % compared to the year 1990 – are being observed with concern for the location of the steel industry in the face of international competition.

Although the European steel industry, together with other energy-intensive sectors, has spoken out against backloading, it was decided upon in the European Council on 24th February 2014. In the backloading regulation, the EU plans not to auction a total of 900 million certificates from the years 2014 to 2016 until the years 2019 and 2020 (artificial scarcity of supply). Therefore, in the year 2014, a total of 400 million fewer certificates will come onto the market. This means that it is planned to have a reduction of 300 million certificates for the current year, 2015, and in 2016 a reduction of 200 million certificates is planned.

Raw material procurement and transport

The raw material market and especially the market for ores were characterised in 2014, especially, by the fact that the large producers, but also smaller suppliers, pushed their way into the market with new quantities. On the purchasing side, China continues to be the main player on the market. In spite of several announcements by the Chinese government that they are planning to curb steel production, the quantities of hot metal and raw materials produced increased continuously and this largely determined the demand situation on the market for raw materials.

In the year under review, ore imports reached a volume of over 900 million t in China, which corresponds to two thirds of the overall sea-transported iron ore trade worldwide. In the years 2000 to 2011 alone, the import quantities multiplied ten-fold from around 70 million t to almost 700 million t. On the other hand, the import amounts of coking coal to China fell from around 80 million t per year to around 50 million t per year.

Transport
The supply of raw materials to the Saarland steel industry could always be securely upheld. No serious impairments were recorded as a result of environmental influences such as low water levels or frost during the year under review. Merely strikes by the train drivers in the second half of the year led to adverse effects in individual cases. The shipping volume of the locations of Saarstahl AG reached around 2.49 million t. The proportion shipped by rail was slightly higher than in the previous year at 73 %.

As of January 2014, for the first time, rail transport to Italy was carried out using trains of our group's own subsidiary Saar-Rail. By carrying out optimisation measures throughout the whole logistics chain, it was possible to reduce the transport time, improve punctuality of delivery and reduce freight costs.

Saarstahl participated in the increasing steel consumption in North America. A contribution to this was also made through improvements in logistics in that the logistic partners invested in new transfer loading equipment and means of transport, and new transport routes could be successfully tested.

For the first time, billets were transported to customers from Völklingen by direct shipping on barges. This form of transport is cheaper and more environmentally friendly than road or rail transport due to the larger size of the loading unit. For the customer, too, delivery by barge is interesting.

Saar Rail extends its scope of services
It has proven to be the right strategic decision to carry out in-plant and also external railway transport under Saarstahl AG's own direction. Both sensitive transport of hot metal and billets as well as customer transport with direct loading in Burbach, Neunkirchen and Nauweiler could be carried out with satisfactory performance and reliability at low prices. Targeted measures in agreement with partners and production operations meant that production stoppages during the train driver strikes could be avoided.

Environment and energy

Environmental management
In 2014, too, Saarstahl AG with its locations in Völklingen, Burbach, Neunkirchen and the limestone quarry Kalksteingrube Auersmacher and forge Saarschmiede GmbH Freiformschmiede could successfully achieve certification in compliance with the international environmental management standard ISO 14001:2004. This certification documents the continuous efforts that are being made to sustainably minimize consumption of resources, emission of dust and noise and the amount of waste produced.

Energy management system EN/ISO 50001
In spring 2014, Saarstahl AG successfully completed the annual audit of its energy management system by an external certifier. Systematic processing of topics regarding energy efficiency is being continuously extended and will lead to additional savings and increases in efficiency.

Parent Company Saarstahl AG

Personnel

Occupational health and safety remains topic no. 1
The level of safety reached in previous years could be stabilised. In absolute terms, in 2014, as in the previous year, there were 47 accidents with days of absence. The internal frequency of accidents fell slightly in 2014 and now lies at 7.1 accidents per 1 million hours of work (previous year: 7.2).

The focus of activity is on projects begun in 2014 for preventive occupational health and safety measures and these will be continued in 2015. The workshop for safety representatives, which has now been successfully held by Saarstahl AG for several years, was carried out in cooperation with Dillinger Hütte for the first time in 2014.
For the first time, Saarstahl AG also took part in the "Steel Safety Day", which was organized by the industrial association "worldsteel". This global event is all about work safety. In factory tours with participation by the Board, awareness was heightened for the five main causes of serious accidents. The information collected will be captured on a database by "worldsteel" with the aim of achieving an "accident-free" workplace.

Increase in the number of employees
At Saarstahl, the number of employees increased by 4.1 %, i.e. by 159 people, in 2014 to 4,026 employees (previous year: 3,867). In total, 269 members of the workforce were in the non-active phase of part-time retirement at the end of the year.

Efficient management of applicants
Saarstahl AG receives more than 8,000 applications per year, and this results in a great deal of effort for administrative processing. The step-by-step introduction of the new software CONCLUDIS in all companies within the Saarstahl Group from the beginning of 2014 has led to a considerable increase in efficiency in the very work-intensive core process of "Personnel recruitment". In a further step as of 2015, it is planned to set up an internal applicant talent pool. Here, the competence profile of talented employees can be compared with the requirements profile of job vacancies, thus providing support for strategic internal talent management.

Apprenticeships and further training
The emphasis in the year 2014 was also on state-of-the-art, practice-oriented initial training. No fewer than four trainees completed their training as Best in the Region, once again proving that Saarstahl provides top-level training. In 2014, Saarstahl hired 76 new trainees and thus employed a total of 247 trainees. For the first time, a four-day introductory seminar was conducted in 2014 for the new-comers to help provide rapid integration into the company and to help them to adapt better to this new phase in their lives.


saarstahl
We launch
great missions.

Production

The production area of Saarstahl AG comprises the core facilities of the steelmaking plant in Völklingen and three rolling mills at the locations in Völklingen (Nauweiler), Burbach and Neunkirchen, respectively. The preliminary steps in production, i.e. the production of coke and hot metal, take place at the Dillingen location at the two companies ZKS and ROGESA (Saarstahl AG holds a share of 50 % in each).

LD steelmaking plant

The LD steelmaking plant of Saarstahl AG in Völklingen is supplied with hot metal via rail by ROGESA and has three 170 t LD converters and four continuous casting plants in which the steel is cast as billets or blooms.

Due to the large amount of vacuum-treated steel and the greater amount of hot metal required as a result, the volume of hot metal blown in 2014 increased to the record amount of 2.362 million t (previous year: 2.194 million t). But in total, too, the LD steelmaking plant achieved the second best production result ever in the year 2014: around 2.66 million t (Previous year: 2.45 million t) of preliminary material left the steelmaking plant for the rolling mills.

In individual months up to 90,000 t of vacuum degassed steel could be produced. This represents an increase in production of around 50 % compared with the mode of operation from the time before the new secondary metallurgy was put into operation. This flexibility in production guaranteed a dependable supply to the rolling mills.

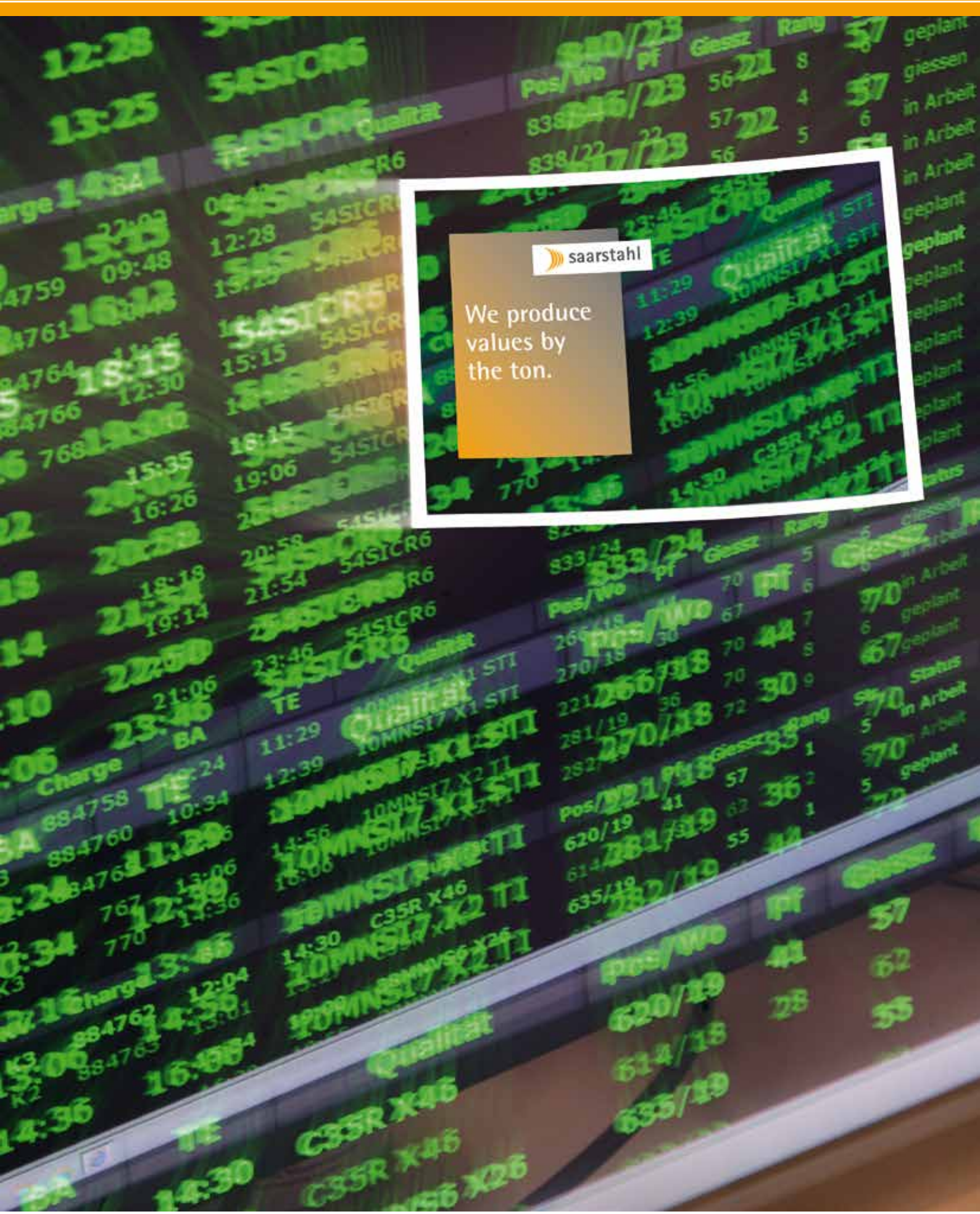
Rolling mill Völklingen

On a semi-open line, the rolling mill in Völklingen produces high grade bar steel in round, square, hexagonal and flat dimensions as well as semi-finished forgings.
In 2014, it was again possible to achieve an increase in overall production in the rolling mill to 567,646 t including primary rolling (previous year: 523,555 t). The shift output could also be increased by 7 t/shift to 768 t/shift. With a running time of 92.8 %, line 14/15 achieved an extraordinary high value. There was also a visible increase in delivered output as a result of optimisation measures on the line and in further processing. On peeling and checking line 4 for bright steel and on checking line 6 for untreated steel, the plant efficiency could be significantly increased during the course of 2014 through continuous process improvements. Delivery dependability in 2014 increased by 10 % to 77 %. This improvement in performance was also documented in positive customer evaluations on the topics of logistics/delivery dependability.

Rolling mill Burbach

With its wide range of products, the rolling mill in Burbach is one of the leading producers of drawing qualities and, with its four-strand wire mill for dimensions in the 5 mm to 20 mm range, it is one of the most efficient facilities of its type.

After a slight decrease in 2013, production could be considerably increased in 2014. At a total of 1,092,020 t it was around 15.5 % higher than in the previous year (945,886 t). As a result of optimisation measures in the clock cycle of the walking beam furnace, the shift output increased significantly to 1,523 t/shift (previous year 1,474 t). Due to various optimisation measures, the output of rolled products was at a new record level of 97.9 %.


saarstahl
We produce values by the ton.

Rolling mill Neunkirchen
The rolling mill in Neunkirchen produces wire rod and bar, which are mainly used in the automotive industry but also in mechanical engineering and in the electrical and construction industries. On the combined one-strand mill for light sections, wire rod and bar are produced in round, square, hexagonal and flat formats as well as with special profiles. The single strand mill produces round wire rod with special requirements regarding temperature control.

Last year, as a result of consistent further development of thermo-mechanical rolling of spring steels on the wire mill, this process could be developed to readiness for serial production in cooperation with a tier 1 supplier (spring manufacturer). The improved microstructure and mechanical properties of the thermo-mechanically rolled wire rod lead to a significant increase in the lifetime of the final product – vehicle suspension springs – and therefore opens up new possibilities regarding spring design.

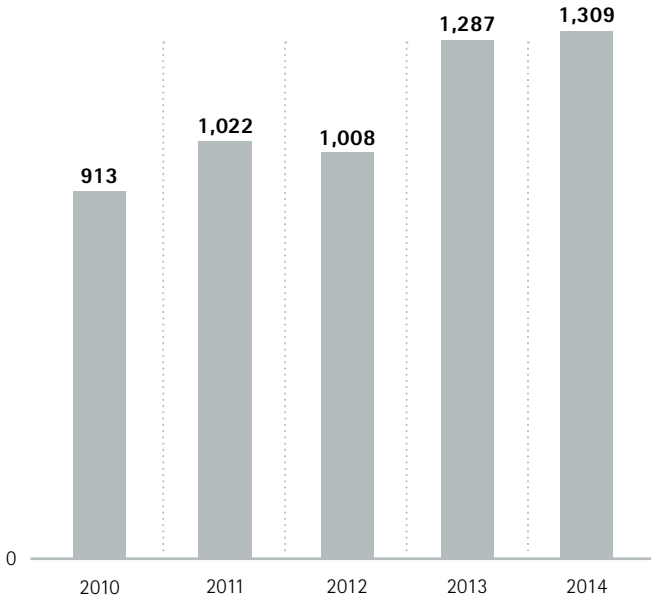
Taking all constructional and production-related possibilities into account, weight-savings of up to 20 % per spring are possible in the production of springs when using thermo-mechanically rolled spring wire.

Projects of this type, which can only be achieved through regular and intensive work together with our customers throughout the whole production chain, ensure the continuous development of Saarstahl products. In 2014, around 830,000 t of rolled steel were produced on the two rolling mill trains in Neunkirchen (previous year: 825,000 t).

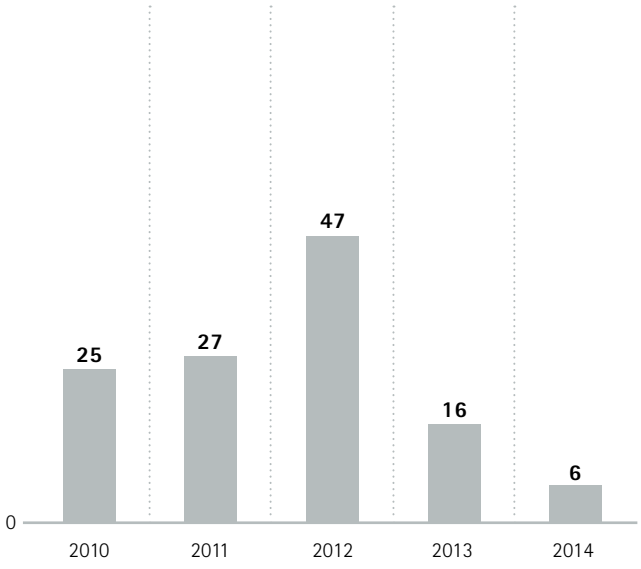
Most significant shareholdings

Zentralkokerei Saar GmbH, Dillingen
Saarstahl AG and Aktien-Gesellschaft der Dillinger Hüttenwerke each hold an indirect 50 % interest in Zentralkokerei Saar GmbH. ZKS produces coke intended exclusively for use in ROGESA's blast furnaces. Utilization of capacities at ZKS was consistently good in 2014, so that coke production (1,309 kt) increased by 1.7 % from the previous year (1,287 kt).
ZKS is a company without employees. Personnel required for operation of the coking plant are provided by Dillinger Hütte.

Investments at ZKS in 2014 amounted to € 6 million (2013: € 16 million). After a successful test and optimization phase, the new stamping, charging and pushing machine (SBA) 3 began operating during the year under review. Systems on the so-called "white side" underwent additional renovation measures that primarily served to improve environmental protection. These investments contribute significantly to securing the coke supply at the site.



ZKS coke production (in kt)

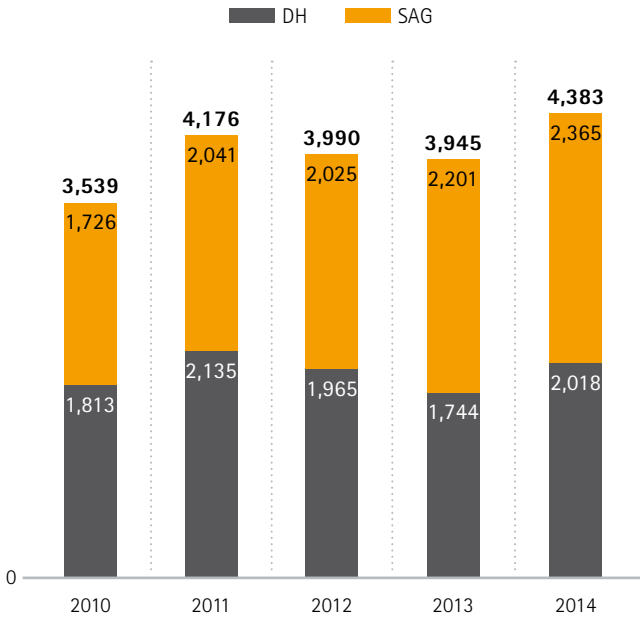


Investments in plant, property and equipment at ZKS (in million €)

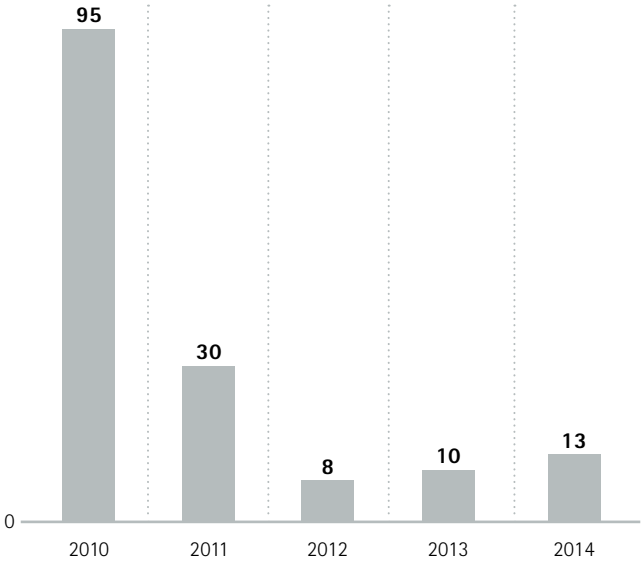
ROGESA Roheisengesellschaft Saar mbH, Dillingen

ROGESA Roheisengesellschaft Saar mbH, in which Saarstahl holds a 50 % interest (indirect and direct), produces hot metal exclusively for its shareholders, Aktien-Gesellschaft der Dillinger Hüttenwerke and Saarstahl AG. Operational management of ROGESA, as a company without employees, lies in the hands of Dillinger Hütte. Hot metal production in 2014 was carried out according to plan with the blast furnaces 4 and 5, and annual production, at 4,383 kt, was 11.1 % higher than the previous year (3,945 kt). During the year under review, 2,018 kt (previous year: 1,744 kt) was supplied to Dillinger Hütte and 2,365 kt (previous year: 2,201 kt) went to Saarstahl.

After blast furnace 5 was shut down for roughly two and a half weeks during spring of the previous year for a planned interim repair, both blast furnaces remained in production throughout the year under review. To avoid bottlenecks in the delivery of refractory material in particular, a basic package as well as additional procurements were arranged in 2014 for the planned 4th relining of blast furnace 4 in 2016. The focus of the project work was on coordinating operation of the sintering plant and blast furnaces as well as on optimizing the properties of the mixture.



Hot metal production by ROGESA for SAG and DH (in kt)



Investments in plant, property and equipment at ROGESA (in million €)

Subsidiaries in the field of further processing
The level of sales in 2014 declined slightly in total and therefore remained below the long-term average of the years before.
There were differences here, depending on the product. As far as wire rod was concerned, galvanized industrial and manufacturing wires were generally in decline. In spite of falling prices for case-hardening steels during the year, it was not possible to prevent increasing deterioration of margins in this field. In addition, over-capacities in connection with increased imports led to substantial pressure with regard to volume and prices. On the other hand, the sections bright steel, cold rolled strip steels and welding wires were able to exceed the level of sales of the previous year in total. Furthermore, the sale of the Sodetal company resulted in a loss of volume of wire, in particular in the field of tyre cord.

The focus of investment was on measures for a new structure in St. Ingbert by putting the new pickling line into operation. Together with the large project of the new annealing plant improvements are now being achieved in the high quality wire products delivered to the automotive and mechanical engineering industry. In addition, investments were carried out to increase energy efficiency and eliminate shortfalls.

With its independent companies, further processing at Saarstahl AG in 2014 achieved sales revenues of € 378 million (previous year: € 416 million) with shipping volumes of 367 kt (previous year: 397 kt). The EBT of all further processing subsidiaries amounts to € 1.3 million (previous year: € -4 million).

For 2015, the further processing companies are planning to increase their sales volumes and to have a further positive result for the year.

Saarschmiede GmbH Freiformschmiede

General market situation
Saarschmiede GmbH Freiformschmiede (Saarschmiede) produces large forgings for power generation machinery and for the mechanical engineering industry. There was no change in capacity utilization in these sectors which continued to be weak, since, on the one hand, capacities were created but, on the other hand, demand is low. The after-effects of the financial crisis of 2008, changes in global energy generation and consolidation among power plant construction companies led to great uncertainty regarding investment in power plants. India, for example, is far behind the investment plans that were originally made. In Europe, the topic of energy efficiency and "Green Energy" is gaining increasing importance and is resulting in changes in investment policies. Concentration of manufacturers of power generation machinery is advancing, companies such as General Electric / Alstom or Siemens / Dresser Rand are consolidating the market.

Course of business 2014
In 2014, in spite of this adverse environment, Saarschmiede was able to halt the negative trend of the previous years. The turnover could be slightly increased compared with 2013. Sales amounted to 30,430 t (previous year: 24,120 t), representing an increase of 26 %. Sales revenues increased from € 217 million in 2013 to € 219 million in 2014 (+1 %).

The "Future programme", which commenced in 2013 to improve costs and efficiency, was further advanced in 2014. Besides savings in material costs, there were adjustments in personnel. In the course of continued transferral to Saarstahl AG and the use of natural fluctation, the workforce decreased from 986 to 897 employees.
After the major investment measures of the previous years, investment activities in 2014 were restricted to a ladle car in the steelmaking plant in order to achieve improvements in quality.

Outlook
As far as the outlook for 2015 is concerned, no significant changes on the market are to be expected. Manufacturers of power generation machinery assume that the level will remain the same. Saarschmiede is therefore intensifying its acquisition activities in general mechanical engineering and in the field of special material in order to compensate this. At the same time, in 2015, optimisation of the internal cost structure and of processes will be further advanced.

Sales companies
In Germany, Saarstahl AG sells its products through direct sales and, in other European countries, through its own sales networks with subsidiaries in France, Italy, Belgium, Switzerland, the Czech Republic and Turkey. Worldwide, Saarstahl AG is represented by further offices in the USA, China, India and Malaysia. In other countries in Europe and on the markets of third-party countries where Saarstahl AG does not have a sales organisation of its own, Saarstahl-Export GmbH in Düsseldorf is responsible for sales and marketing. The focus of sales and marketing in the international sales organisation is on the long products of Saarstahl AG and its subsidiaries. To a limited degree, trading deals are also carried out.
In 2014, there was a major increase in exports to third-party countries compared with the previous year, above all to North America, Eastern Europe, China/Taiwan and Turkey. In particular, the broad scope of economic recovery on the US market led to a significant increase in steel demand for long products with higher quality. This meant that slight decreases in partial markets in the EU (Italy and Spain) could be distinctly over-compensated.

The sales companies achieved a result of € 3 million in 2014 (previous year: € 1 million).

Aktien-Gesellschaft der Dillinger Hüttenwerke

Development on the market for heavy plate remains difficult
The development on the market for heavy plate proved disappointing in 2014. In particular, the Asian market was characterised by significant over-capacities. The visible market consumption in Europe increased by 3 % compared with the previous year with demand increasingly fulfilled by imports. Even if capacity utilisation of the Eurofer plants for heavy plate, at 70 %, was, on average, slightly higher than in the previous year, it was not sufficient to have a sustainable positive influence on prices for heavy plate. On the contrary, falling prices for raw materials and a sharp increase in imports from third-party countries resulted in intensified price pressure so that price increases which had meanwhile been achieved during the course of the year had to be retracted.

Dillinger Hütte closes the business year at a profit
Dillinger Hütte recorded high levels of incoming orders at the start of and for a large part of the business year 2014, which, with a time delay from the end of the first quarter, led to more even and greater utilisation of the production facilities than in the previous year. In a difficult market situation, in particular on the European steel market, the company was able to increase the production and sales volumes compared with the previous year and to close the business year at an overall profit. A significant contribution to this result was made by the structural and cost-saving programme DH 2014 plus.

Steel manufacturing and production in the two rolling mills, i.e. at Dillinger Hütte itself and at its wholly-owned subsidiary Dillinger France, are above the levels of the previous year. Thus, there was a rise in hot metal procurement of 15.7 % to 2,018 kt (2013: 1,744 kt), and the production of crude steel, too, increased by 15.9 % compared with the previous year to 2,345 kt (2013: 2,023 kt). As in the previous years, steel production provided the supply of slabs for the rolling mill in Dillingen and, for the most part, the slab requirements of Dillinger France. Production in the rolling mills (1,820 kt) increased by 9.6 % overall compared with the previous year (2013: 1,660 kt) whereby 1,258 kt of heavy plates (2013: 1,114 kt) was produced in Dillingen and 562 kt in Dunkirk (2013: 546 kt).

In spite of the fact that sales revenues fell once again in the complete heavy plate segment – in particular for tube plate – at the same time, increased sales volumes meant that the sales revenues in 2014 were higher than those of the previous year. In total, shipping of heavy plate increased by 90 kt (+5.4 %) to 1,767 kt, whereby the moderate decrease in standard plate was compensated by a significant increase in tube plate. The EBIT (Earnings before Interest and Tax) amounted to € 183 million (2013: € -53 million) and the EBITDA (Result before Interest, Tax, Depreciation and Amortisation) was € 237 million (2013: € 3 million). The ROCE in the year under review amounted to 9.3 % (Previous year: -2.6 %)

Number of employees reduced

At the end of the year under review, there was a workforce of 5,048 employed at the location in Dillingen (31.12.2013: 5,291). These employees worked at Dillinger Hütte itself, at Zentralkokerei Saar GmbH (ZKS) and at ROGESA Roheisengesellschaft Saar mbH (ROGESA). 10 employees were newly hired in 2014. In addition, 53 trainees were taken on into employment. This has to be seen alongside employees leaving the company on reaching retirement age and transfer of personnel within the Saarstahl Group, so that the total number of employees fell by 243 people (-4.6 %) compared with the previous year.

At the end of the business year, there were 550 employees at the wholly-owned subsidiary Dillinger France (31.12.2013: 590).

With 60 accidents with one day or more of absence per year and an accident frequency of 7.4 (number of accidents with one day of absence per 1,000,000 working hours), accident statistics could not be improved in 2014 (previous year: 49 accidents, accident frequency: 5.8).

Investments on a high level

With a total of € 140 million, investments at Dillinger Hütte remained on a high level (2013: € 193 million). The focus in 2014 continued to be on the construction of the new continuous casting plant CC 6 – a major project with which Dillinger Hütte is underlining its role as technological leader in the manufacture of high-grade continuous cast slabs to fulfill the most demanding heavy plate specifications. In the year under report, all large components were assembled in both the continuous casting plant and in the flame cutting and loading areas.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We are sure
you have driven
a Saarstahl lately.

Risks and opportunities report

As a global player in the manufacture of wire rod, bar and semi-finished products in various grades, it is of key importance for the Saarstahl Group to have a structured and constructive approach to business opportunities and risks. Against this background, the Saarstahl Group has already introduced a group-wide risk management system which is integrated into the risk management of the SHS Group. This system is continuously extended.

Organisation of risk management

Risk management of the Saarstahl Group comprises, on the one hand, those responsible in the various specialist fields and subsidiaries. They are responsible for the operative risk management tasks which are part of the processes of individual areas of the company and its subsidiaries. On the other hand, SHS Risk Management takes on coordinating, supportive and consolidating tasks for the Saarstahl Group. Those responsible for risk and SHS risk management work together as partners.

Risk management function

The risk management system includes all measures which ensure the systematic handling of risks and focuses on risk transparency, risk control and risk communication.

- Risk transparency: Risk management pursues the objective of identifying and pointing out the risks which the business activity entails at the earliest possible stage. In order to achieve this aim, systematic and uniform analytical and evaluation methodology is used.
- Risk control: An additional objective of risk management is to avoid, reduce or transfer risks which have already been identified through risk control instruments that have either already been newly implemented or which it is planned to implement. The transfer of risk is carried out by the central insurance service SHS Versicherungskontor GmbH, which is responsible for ensuring the appropriate suitable scope of insurance cover.
- Risk communication: The Board is informed about the current risk situation on a regular basis. Furthermore, elementary questions regarding risk management are discussed with the Supervisory Board.

The content, structure and results of the risk management system are documented in such a way that they can be audited in compliance with the German Corporate Sector Supervision and Transparency Act (KonTraG). Within the framework of the overall approach of company management to setting up an internal leadership and monitoring system, the Corporate Audit unit is part of the risk management system in compliance with the German KonTraG. In this function, it is also responsible for the systematic and target-oriented auditing and monitoring of the risk management system.

Industry, environmental and market risks

The Saarstahl Group is a global player. Furthermore, the client structure of the company is characterized by companies with global operations, in particular in the automotive and mechanical engineering industries. This implies that there is dependence on both future overall economic trends and on the trends in individual client industries. Current geopolitical crises can have an influence on these, at least indirectly. Even if the Saarstahl Group currently estimates that any risks of this sort are moderate, the group will not be able to completely avoid any potential negative effects. This applies, in particular, since the steel market continues to be characterized by over-capacities. Depending on the future, overall economic development, competition may thus become more intense so that competitive risks for the future market and sales situation cannot be ruled out. The Saarstahl Group is therefore continually monitoring its competitors and their strategic commitment and is thereby laying the foundation for its ability to assert itself in the competitive environment. In addition, by manufacturing wire rod, bar steel and semi-finished products from high-grade steels, the group has reduced its dependence on the mass market. Furthermore, the Saarstahl Group has continuously extended its product portfolio through having its own companies for further processing. As far as risk diversification is concerned, strategic decisions in this respect have a risk-reducing effect.

Procurement risks
In order to manufacture its high quality products, the Saarstahl Group requires raw materials, energy and logistic capacities of sufficient quality and in sufficient quantity. Specific procurement and logistic areas are therefore consolidated under the umbrella of SHS Services GmbH and SHS Logistics GmbH, respectively. Irrespective of this, the current geopolitical crises can have a negative effect on the procurement situation since individual raw materials are procured from the regions which are affected. Further developments in the crisis areas are therefore being closely observed and any risks connected with these are discussed with suppliers and minimized in cooperation and agreement with the suppliers. Moreover, long-term framework contracts are used in procurement. In addition, options are used to ensure basic flexibility in the supply of raw materials, in particular with the associated companies ROGESA Roheisengesellschaft Saar mbH and Zentralkokerei Saar GmbH.

Furthermore, through corresponding storage policies, a supply buffer is always maintained, and a constant, systematic search is carried out for new sources of supply. In connection with this, alternative possibilities for the use of raw materials are tested and evaluated. Besides securing the supply, the measures implemented also make a contribution to lowering price risks. However, there is the risk that that where the price level for selected raw materials is low suppliers may demand the negotiation of changes to the existing conditions to the disadvantage for Saarstahl AG.
As far as the energy supply and energy cost security are concerned, leasing block 3 of the power station in Ensdorf, Saarland, from the energy company VSE AG, has reduced the cost and supply risks for Saarstahl AG. All in all, the medium term security of supply of the required quantities of raw materials, energy and logistic capacities can be estimated to be sufficiently guaranteed.

Risks from operating activities
In the production facilities of the Saarstahl Group, interruptions to operations, damage to property and/or quality risks can occur. These can be caused by the complexity of the products manufactured, the complexity of the manufacturing processes and technical operating facilities or by force majeure. The former causes are counteracted by the group, besides by using innovative diagnostic systems for preventive and condition-oriented maintenance and consistent further development of the quality assurance system in compliance with international standards, in particular, through continuous investment in state-of-the-art equipment. Risks from force majeure such as explosions or major fires which, although the potential damage is great but the probability of their occurrence is to be seen as small, are dealt with by the Saarstahl Group with fire protection facilities, emergency plans and the works' own fire brigade. Furthermore, the company has concluded insurance contracts with the appropriate degree of cover.

Financial risks
For the Saarstahl Group, it is of key importance to secure the financial independence of the company through coordinating the financial requirements. To achieve this, active control and limitation of economic risks is carried out. In the last business year, commitment in this respect was reinforced through integrating all financial departments under the umbrella of SHS.

The Saarstahl Group only makes transactions regarding financial instruments with counterparties who have a very high credit standing. Outstanding payments in the supply and services business are continually monitored. The deals are largely safeguarded through credit insurance. The resulting risk of default can therefore be considered to be low. Continuous finance and liquidity planning reduces the liquidity risk, which is currently to be seen as low. All main subsidiaries are integrated into the short and medium term financial planning according to uniform standards. In regular analyses, both the status quo and planning are therefore part of the risk management system. The financial flexibility that the Saarstahl Group requires is thus secured. Irrespective of this, market risks can influence fluctuations in fair values or future cash flows from financial instruments. The company deals with these risks actively through the use of currency deals and interest rate hedges. These instruments limit the market price risks considerably or eliminate them completely. It generally applies that hedging instruments cannot be used uncoupled from the economic performance-related basic business. They are regularly monitored, and analyses are created for control purposes. The results of these analyses are integrated into the risk management system. The remaining residual risks are to be seen as low.
The balance sheet representation of the hedging instruments mentioned is presented in detail in the comments to the balance sheet.

Legal risks and compliance risks
Legal risks are currently to be seen as low. However, there is a fundamental risk that, as a result of increasing internationalisation and expansion of the business activities of the Saarstahl Group, legal uncertainties could arise as a result of the quantity of legal fields and legal systems which are touched upon.
Irrespective of this, deliberate, individual misconduct on behalf of a single person cannot be completely ruled out. However, the group's preventive compliance commitment counteracts potential misconduct. In 2012, an ethics guideline was introduced which aims at ensuring that the behaviour of legal representatives, employees and of external third parties is in compliance with the rules. In addition, in the business year 2014, the Compliance Management System was expanded further by the Compliance Committee of the SHS Group. This means that awareness of the topic of compliance was heightened among managers in the Saarstahl Group during information events, and responsibilities were pointed out. In addition, special publications on the topic of compliance were issued in order to work through prevention towards correct and compliant behaviour.

Regulatory risks
New laws or changes to legal framework conditions at national and international level can imply risks for the Saarstahl Group. This applies, in particular, to cases where revisions or changes lead to higher costs for the Saarstahl-Group than for its competitors. Saarstahl therefore accompanies attempts at regulation efforts directly through close contact with industry associations.
In particular, the revision planned for 2017 of the exemption of own energy generation using existing installations from the renewable energy surcharge should be mentioned as a potential regulatory threat as well as potential negative effects from the reform of EU emission trading. Both aspects entail considerable risk potential for the group.

IT risks
Both the complex technical production processes and administrative processes of the Saarstahl Group are supported by modern IT systems. The availability of flows of data and information is therefore of central importance for Saarstahl. Due to human error, organisational or technical processes and/or security vulnerabilities, risks can therefore arise which endanger the confidentiality, availability and integrity of IT-aided information and systems. Besides failures of important systems relevant for production and administration within the value chain, in particular risks due to unauthorized third parties accessing the system, such as, for example, industrial espionage or sabotage, are to be mentioned in this regard. For this reason, the software used is permanently monitored by the Saarstahl Group and by SHS Services GmbH and the systems updated as required. In addition, hardware components such as the server or networks are continually expanded or adapted to technological innovations.

Personnel risks
For the Saarstahl Group as a manufacturer of high-tech, high quality products, qualified specialists and managers and their high level of commitment are of vital importance to the company's success. Against this background, Saarstahl considers it to be of great importance to be an attractive employer. The Saarstahl Group provides training in a wide range of different occupations and thus ensures that it will have the specialists of the future at its disposal. For this purpose, the company is involved in various recruiting efforts in order to gain early contact with young people. This commitment also makes an active contribution to preventing the anticipated lack of specialized employees. Furthermore, the Saarstahl Group offers a wide range of different opportunities for further training for managers and specialists. Irrespective of this, people leaving the company can result in risks due to loss of knowledge or records. These risks are counteracted by cooperation across the generations in order to ensure the systematic transfer of knowledge to the successor from the manager or expert leaving the company for reasons of age. This process is supported by specially trained coaches who help to systematically capture knowledge critical for success using a transfer plan and to pass this on the successors.

Environmental risks
As a result of the processes involved, the production processes of hot metal and steel manufacturing as well as further processing present imminent environmental risks such as air and water pollution. The Saarstahl Group therefore makes every effort to preclude damage which could result from the product or its manufacture through intensive quality and environmental management. Thus, Saarstahl operates an integrated management system, which combines quality management, occupational and environmental safety as well as incident management. In addition, the company continuously invests in measures to increase the effectiveness of environmental protection. However, there are additional risks based on tightening of environmental requirements which it may not be possible to fulfill economically with the current level of technology. Furthermore, inherited pollution could occur on plots of land owned by the Saarstahl Group which are not used or only partially used today, as a result of business activities in the past. Saarstahl deals with these risks through continuous monitoring and scheduled decontamination work.

Organisation of opportunity management
Opportunity management in the Saarstahl Group consists of systematic handling of opportunities and potential. It forms an integral part of the work of the board of directors of the group. The board identifies and discusses opportunities and potentials and, where required, conducts a strategic dialogue with the departments and subsidiaries concerned with regard to trends on the market and in technology. As a basis for this strategic work, the board focuses on current global and industry-specific growth drivers and continuously develops the company further, taking global trends into account.

Strategic opportunities
The Saarstahl Group sees that there are both challenges and, at the same time, opportunities in the internationalisation of its business activities. Many of the group's customers from main sales sectors i.e. the automotive and mechanical engineering industries, have become international in the past or are driving their internationalisation forward. In doing so, they are often orientated towards new growth markets. For this reason, Saarstahl sees an opportunity in further internationalisation and also through ensuring the loyalty of existing customers. In addition, there is opportunity in gaining new customers who have not hitherto been reached. The Saarstahl Group is therefore strengthening its global presence by expanding its sales network and exploiting potentials in emerging markets, in particular, without abandoning its position in the traditional markets. In this context, all strategic alliances with local partners at existing locations are to be seen as an opportunity.

A further opportunity for corporate growth in future lies in the engineering competence of the Saarstahl Group's employees. This competence allows the company to optimise processes and systems, to develop products further, to improve them or completely re-develop them in order to penetrate niches in the market or to develop these. For this reason, Saarstahl is endeavouring to continuously extend this engineering competence.

One important element in the business model of the Saarstahl Group is formed by further processing companies. These are recorded as independent companies in Saarstahl's investment portfolio. The company sees the basis for future and sustainable growth in strengthening and further expanding these processing companies. In doing so, Saarstahl is not only capable of offering its customers a wide range of high quality steel products but rather individual further processing companies also offer the possibility to penetrate economically attractive niches.

The Saarstahl group always sees itself as a partner for its customers. The company therefore works in close cooperation with its customers in order to provide them with the optimum solution. This understanding of the company as a service provider is a characteristic which distinguishes Saarstahl from its competitors. For this reason, it is to be seen as an opportunity to further expand various services so that the customers, too, see the company more as a partner than merely as a supplier.

Operative opportunities
The operative activities of the Saarstahl Group consist of numerous processes for which, in some cases, interdependencies exist or which are connected to each other through interfaces. The group sees an operative opportunity in the optimisation of these internal company processes. By adapting selected processes, it may be possible to achieve accelerated workflows and thus to achieve cost savings. In Sales, operative opportunities are seen in setting up and expanding the business field organisation.

By investing in state-of-the-art production facilities, the Saarstahl group is able to exploit potentials, not only with regard to products suited to customer requirements but also with regard to the efficiency of the operative production process with the result that costs are reduced. Furthermore, there is the possibility to benefit from the low price level of selected raw materials during the coming business year.

In the field of further processing, comprehensive coordination of the relevant companies is to be seen as an opportunity for the future. For example, inter-company processing of topics and agreement help to ensure that further processing companies learn from each other and that processes improve. This means that efficiency can also be increased in the field of further processing.

In addition, there are opportunities in the continued channelling and consolidation of activities of Saarstahl and Dillinger Hütte in SHS – Stahl-Holding-Saar GmbH & Co. KGaA and of their service companies. These can result in synergy effects being created whereby processes and workflows are harmonized and improved.

Forecast

Economic conditions

There is only a slight upward trend in the outlook for the global economy in 2015. All in all, from today's point of view, the International Monetary Fund (IMF) predicts moderate growth in the global economy of 3.8 % for 2015. This somewhat patchy scenario for the global economy also remains subject to uncertainty in 2015. There are still risks posed by geopolitical conflict such as in the Ukraine or Near East. Furthermore, it cannot be ruled out that the expected interest rate turnaround in the United States will lead to renewed turbulence on the international finance and currency market since the recovery which has commenced in many countries and regions remains very fragile due to structural problems.

Global steel market: Gradual recovery
The forecast for the global steel market predicts gradual recovery in 2015. A growth rate of 2.2 % is forecast for the global demand for steel while growth of 2.4 % to 1.730 billion t is predicted for the production of hot metal. The utilisation of global hot metal capacity remains below the long-term average, however, as a result of continued capacity increases. All in all, a slight improvement in the steel economy is anticipated in the European Union. However, the positive development will most likely be 2 % lower than in 2014. In total, the market environment remains very demanding since, with regard to the existing considerable under-utilization of steel capacities in Europe and in the world, there is also no sustainable improvement expected in 2015.

Development of the Saarstahl Group

The Saarstahl Group will continue to pursue its strategy as a globally recognized manufacturer of high quality steel products. Investments planned for the future and already implemented are targeted at optimising processes and improving the quality of the products as well as the service for customers. Taking these high quality products as a basis, increasing sales potential is provided by advanced national economies with their demand for improvements in efficiency and technology as well as threshold countries with broad industrial growth.

The automotive and mechanical engineering customer sectors, which are so important to Saarstahl AG, had a positive start in 2015 with a significant increase, in some cases, in the registration of new passenger cars on the markets in Western Europe and in the USA, in China and India; the trend is likely to weaken somewhat in the course of the year, however. The mechanical engineering sector anticipates moderate acceleration of growth compared with the previous year. This development creates an overall positive starting point for wire rod and bar steel in quality steels and high-grade engineering steels, where stable development of quantities will manifest itself in a good degree of utilization.

At Saarschmiede GmbH Freiformschmiede, the market situation remains tense. In 2015, optimisation of the internal cost structure and of processes will be further advanced. All in all, tangible improvements are expected at the end of 2015 and, above all, in 2016.

In view of the economic impetus forecast and the good rate of employment in the most important client industries – the automotive and mechanical engineering industries – similar sales revenues and a positive operative result (EBIT) are also to be expected in 2015, but this will be slightly below the level of the previous year. The development of the key figures EBITDA, return on sales and ROCE will show a corresponding trend.

Consolidated Balance Sheet

Assets	31 December 2014 million €	31 December 2014 million €	31 December 2013 million €	31 December 2013 million €
A. Fixed Assets				
I. Intangible assets	3.8		5.0	
II. Tangible assets	1,088.0		1,204.7	
III. Financial assets	962.9		960.4	
		2,054.7		2,170.1
B. Current Assets				
I. Inventories				
1. Raw, auxiliary and operating materials	198.3		241.3	
2. Unfinished products, unfinished services and finished products	456.3		446.2	
3. Advance payments for inventories	0.1		0.6	
4. Downpayments received on orders	-0.1		-0.5	
II. Accounts receivable and other assets				
1. Trade accounts receivable	285.6		304.7	
2. Accounts receivable from affiliated companies	32.2		32.3	
3. Accounts receivable from companies where a participatory interest exists	10.1		21.0	
4. Other assets	132.7		134.9	
		460.6		492.9
III. Cash balance and credit with financial institutions		313.0		251.9
		1,428.2		1,432.4
C. Accruals and deferrals		0.4		0.8
D. Deferred taxes on the assets side		1.6		1.0
E. Debit difference in assets in the calculation of assets		0.1		9.2
		3,485.0		**3,613.5**

Liabilities	31 December 2014 million €	31 December 2014 million €	31 December 2013 million €	31 December 2013 million €
A. Equity				
I. Subscribed capital	200.0		200.0	
II. Capital reserve	44.0		44.0	
III. Other retained profit	1,189.2		1,183.4	
IV. Balance sheet profit	1,174.8		1,149.1	
		2,608.0		2,576.5
B. Reserves				
1. Reserves for pensions	15.0		15.2	
2. Reserves for taxes	13.7		10.7	
3. Other reserves	151.4		184.7	
		180.1		210.6
C. Liabilities				
1. Liabilities towards financial institutions	403.8		447.4	
2. Trade liabilities	113.3		197.3	
3. Liabilties towards affiliated companies	4.2		5.7	
4. Liabilities towards companies where a participatory interest exists	32.6		38.3	
5. Other liabilities	142.3		136.8	
		696.2		825.5
D. Accruals and deferrals		0.7		0.9
		3,485.0		**3,613.5**

Consolidated Profit and Loss Account 2014

	2014 million €	2013 million €
1. Sales revenues	2,361.4	2,279.5
2. Changes in inventory and internally produced and activated assets	12.8	42.3
3. Other operating income	62.1	76.1
	2,436.3	2,397.9
4. Material costs	1,608.5	1,676.7
5. Personnel costs	419.9	400.2
6. Depreciation and amortisation on intangible assets of fixed assets and tangible assets	152.6	150.5
7. Other operating expenses	179.5	229.3
	75.8	-58.8
8. Income from participations	7.4	-69.5
9. Interest income	-17.5	-18.9
10. Result from ordinary activities	65.7	-147.2
11. Taxes on income and earnings	19.0	7.6
12. Other taxes	3.0	3.0
13. Net result for the year	**43.7**	**-157.8**

Consolidated Cash-Flow Statement

	2014 million €	2013 million €
Annual result of the Group	43.7	-157.8
Amortisation and depreciation / appreciation		
- Intangible assets and tangible assets	152.6	150.5
- Financial assets	2.1	4.6
Changes in long-term reserves	-0.2	-2.5
Expenses and income not affecting payments	-0.6	-4.5
CF acc. to DVFA/SG *)	**197.6**	**-9.7**
Changes in inventory and outstanding payments	74.8	-5.3
Result from the disposal of fixed assets	0.4	-2.8
Result from equity accounted investments	-8.6	68.3
Changes in the remaining reserves and liabilities	-116.1	-4.8
Operating cash flow	**148.1**	**45.7**
Investments in		
- Intangible assets and tangible assets	-37.1	-83.0
- Financial assets	8.6	8.5
Disposal of assets	3.1	5.4
Changes in the consolidated group	0.0	2.7
Dividends from equity companies	0.0	12.8
Cash flow from investment activities	**-25.4**	**-53.6**
Changes in long and short-term financial liabilities	-43.6	-21.4
Dividend payments	-18.0	-30.0
Cashflow from financing activities	**-61.6**	**-51.4**
Change in liquidity	**61.1**	**-59.3**
Liquid assets at beginning of the period	251.9	311.2
Liquid assets at the end of the period	**313.0**	**251.9**
Change in liquid assets	**61.1**	**-59.3**

*) DVFA/SG: German Association for Financial Analysis and Investment Consulting / Schmalenbach Association

Statement of the Group's Shareholdings

	Capital share direct %	Capital share indirect %	Equity 31 December 2014 million €	Result for the business year 2014 million €
1. Affiliated Companies				
a) Inland				
Saar-Blankstahl GmbH, Homburg	100.00		42.0	[1]
Saar-Bandstahl GmbH, Völklingen	100.00		8.7	[1]
Saarstahl-Export GmbH, Düsseldorf	100.00		1.6	[1]
Metallurgische Gesellschaft Saar GmbH, Völklingen	100.00		5.1	[1]
Saarschmiede GmbH Freiformschmiede, Völklingen	99.95	0.05	173.3	-20.4
Saarstahl Finanzanlagen GmbH, Völklingen	100.00		23.4	-2.9
Drahtwerk St. Ingbert GmbH, St. Ingbert	2.49	97.51	24.0	-3.0
Drahtwerk Luisenthal GmbH, Völklingen		100.00	4.8	[1]
DWK Drahtwerk Köln GmbH, Köln	3.62	96.38	13.9	-0.8
Schweißdraht Luisenthal GmbH, Völklingen		100.00	2.3	0.4
Stahlguss Saar GmbH, St. Ingbert	100.00		4.3	-2.4
Saar Stahlbau GmbH, Völklingen	100.00		8.2	0.0
Saar Rail GmbH, Völklingen	100.00		10.0	[1]
Saarstahl Beteiligungsgesellschaft mbH, Völklingen	100.00		0.1	0.0
FORGE Saar GmbH, Dillingen	100.00		0.1	0.0
FORGE Saar Besitzgesellschaft mbH & Co KG, Dillingen		100.00	242.3	0.1
Saarstahl-Vermögensverwaltung GmbH, Völklingen	100.00		7.6	0.3
SAG Medienversorgungs-GmbH, Völklingen	100.00		16.1	[1]
SIB-Immobiliengesellschaft mbH, Völklingen		100.00	0.1	0.0
Neunkircher Eisenwerk Wohnungs-gesellschaft mbH, Völklingen	100.00		9.5	0.3
Gewerbe- und Wohnpark Heubügel GmbH, Völklingen		89.00	0.0	0.0
44. Vermögensverwaltungs- und Beteiligungs-GmbH, Völklingen		100.00	0.0	-2.8
45. Saarstahl-Beteiligungsgesellschaft mbH, Völklingen	100.00		0.0	0.0
b) Abroad				
Secosar S.A.S., Bussy-Saint-Georges/Frankreich	99.99	0.01	14.2	-0.3
Conflandey Industries S.A.S., Port-sur-Saône/Frankreich	80.00	20.00	1.9	-1.1
S.P.M. Participation S.A.S., Bussy-Saint-Georges/Frankreich	100.00		-11.0	-2.5
Saarsteel Inc., New York/USA [2] [3]	100.00		0.7	0.0
Sodetal S.A.S., Tronville-en-Barois/Frankreich [4]		100.00	-	-
Saarstahl Shanghai Limited, Shanghai [2] [3]		100.00	0.1	0.1
Saarstahl (S.E.A.), Petaling Jaya/Malaysia [2] [3]		100.00	0.1	0.0
EUROFIL Polska, Warsaw/Polen [2]		98.00	-0.1	0.0
Saarstahl Export India Pvt Ltd, Mumbai/Indien [2] [5]	1.00	99.00	0.2	0.0
Saarstahl Demir Celik Sanayi Ltd., Istanbul/Türkei [2] [3]		100.00	0.1	0.0
Saarstahl s.r.o. Ostrava/Tschechien [2] [3]		100.00	0.6	0.3
Secosar Etirage S.A.S., Bussy-Saint-Georges/Frankreich		100.00	0.7	-0.4
Quinofer S.A.S., Bussy-Saint-Georges/Frankreich		100.00	1.1	0.0
Saarstahl AG, Zürich/Schweiz [2]	97.50		3.7	0.0
Les Aciers Fins de la Sarre S.A., Liège/Belgien	95.83	4.17	3.7	0.2

	Capital share direkt %	Capital share indirekt %	Equity 31. Dezember 2014 million €	Result for the business year 2014 million €
Acciai della Saar SpA., Milano/Italien	100.00		1.7	0.1
Tréfileries du Beuchot S.A.S., Saint-Loup-sur-Semouse/Frankreich		98.80	-0.4	-0.5
Metalfil S.A., Granollers Barcelona/Spanien		100.00	0.5	0.0
FILMETAL S.A., Bussy-Saint-Georges/Frankreich		99.17	1.7	0.0
2. Proportionately Consolidated Companies				
Dillinger Hütte und Saarstahl Vermögens-verwaltungs- und Beteiligungs-OHG, Dillingen	50.00		266.2	0.8
ROGESA Roheisengesellschaft Saar mbH, Dillingen	24.50	25.50	235.6	[1]
Zentralkokerei Saar GmbH, Dillingen		50.00	137.2	[1]
DHS – Dillinger Hütte Saarstahl AG, Dillingen [6]	33.75		2,791.6	30.2
ROGESA Beteiligungsgesellschaft mbH, Dillingen		50.00	3.0	0.0
GAL Zentralkokerei Saar Besitzgesellschaft mbH & Co. KG, Dillingen		24.50	17.8	1.0
1. Dillinger Projekt GmbH, Dillingen	50.00		-0.1	0.0
Kraftwerk Wehrden GmbH, Völklingen	33.33		0.0	0.0

[1] A profit and loss transfer agreement exists.

[2] Currency of the country converted into €.

[3] The figures are preliminary.

[4] The company has been in liquidation.

[5] Data refers to the previous year as no final result was available when the financial result was drawn up.

[6] Consolidated financial statements.

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