

## **PRESS RELEASE**

Düsseldorf, March 10, 2008

### Order for SMS Meer

#### **Vallourec & Sumitomo do Brasil orders Premium Quality Finishing (PQF<sup>®</sup>) seamless tube plant**

Vallourec & Sumitomo Tubos do Brasil (VSB) has awarded the supply of the new PQF<sup>®</sup> seamless tube plant to SMS Meer, a company of the SMS group, Germany. The new state-of-the-art tube plant will have an annual capacity of 600,000 t and will be primarily dedicated to the production of seamless OCTG (Oil Country Tubular Goods) products, with diameters up to 16". The plant, to be built in the state of Minas Gerais, is scheduled to start production in 2010.

SMS Meer is to supply all the key components of the mill equipment for the PQF<sup>®</sup> plant, including the media systems and the technological automation. The scope of supply also includes the project management, the supervision of erection and commissioning and the training of the operating personnel. The heart of the plant – the PQF<sup>®</sup> mill – will be equipped with individual roll drive and an all-hydraulic roll adjustment system. In order to ensure the constant premium quality, the whole PQF<sup>®</sup> plant is monitored and controlled by the CARTA<sup>®</sup> technology system and the LASUS<sup>®</sup> wall-thickness measuring system. Both systems are developments from SMS Meer.

The new PQF<sup>®</sup> plant forms part of a new state-of-the-art integrated steel works and pipe mill that will strengthen the competitiveness of Vallourec and Sumitomo Metals in an expanding market.

SMS Meer has already built plants in the past for both Vallourec and Sumitomo. The close cooperation and shared expertise of all three partners will ensure that the new PQF<sup>®</sup> plant will set high standards in terms of maintenance and eco-friendliness. The PQF<sup>®</sup> technology developed by SMS Meer is recognized worldwide as the leading technology for the production of seamless tubes.

(29 lines with max. 55 letters)

SMS group is, under the roof of the holding SMS GmbH, a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. It consists of the two Business Areas SMS Demag and SMS Meer, which jointly form SMS metallurgy. In 2006, some 9,000 employees worldwide generated a turnover of about EUR 2.8 bn.