

PRESS RELEASE

Düsseldorf, August 29, 2008

Order for SMS Meer from the Kingdom of Saudi Arabia **ArcelorMittal orders 16" PQF[®] plant for Saudi Arabia**

The world's largest steel group, ArcelorMittal, has placed an order with SMS Meer, a company of the SMS group, Germany, for the supply of a PQF[®] seamless tube plant. The seamless tube mill operating on the PQF[®] principle (Premium Quality Finishing) has an annual capacity of 600,000 t. It will be used predominantly for the production of OCTG tubes (Oil Country Tubular Goods) in the size range from 4½" to 16". The plant will be erected in Jubail Industrial City, north of Al Jubail on the Persian Gulf, and is scheduled to go into production in the second half of 2010.

The heart of the plant – the PQF[®] 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[®] mill will be monitored and controlled by the CARTA[®] Technology System and the LASUS[®] wall-thickness measuring system. Both systems are successful developments from SMS Meer.

The modern PQF[®] plant will in future be operated by a joint venture between ArcelorMittal and the Saudi Bin Jarallah Group. ArcelorMittal has a 51 % shareholding in the joint venture and will manage the plant. The proximity to the world's largest oil company, Saudi Aramco, and the continuing increase in demand for OCTG tubes in the region were the crucial factors for the strategic choice of Al Jubail, Saudi Arabia as the location for the new plant.

With the supply of this twelfth PQF[®] plant since the market introduction in 2003, SMS Meer is continuing the success story of its PQF[®] rolling mill technology.

(27 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 2007, some 8,000 employees worldwide generated a turnover of about EUR 3.0 bn.