

PRESS RELEASE

Düsseldorf, August 25, 2009

Order for SMS INNSE S.p.A.

6 1/4" PQF[®] mill – Baotou, China

In March 2009, Baotou Steel International Economic & Trading Co. Ltd. placed an order with SMS INNSE, Milan, Italy, for the supply of a new 159-mm PQF[®] (Premium Quality Finishing) seamless tube plant. SMS INNSE is one of the Italian subsidiaries of SMS Siemag AG, Germany.

The SMS scope of supply comprises the design and manufacture as well as erection and commissioning supervision of the main mills of the tube rolling line: cone-type piercer, PQF[®], extractor and stretch-reducing mill.

For this seamless tube plant, SMS INNSE works in collaboration with SMS Meer, Germany, which is the center of competence for tube plants within the SMS group and will supply the cone-type piercer and stretch-reducing mill areas.

SMS INNSE will supply the PQF[®] area, the CARTA[®] (Computer Aided Rolling Technology Application) automation control as well as the level-2 automation system, e. g. for the order-specific process data for the PQF[®].

The main characteristics of the new plant will be:

- tube diameter range: 38.0 to 159.0 (168.3) mm

- steel grade range: from carbon steel to high-alloy steels (up to 13% Cr)

- production: 400,000 tpy †

- first pipe within 22 months

(25 lines with max. 55 letters)