

PRESS RELEASE

December 23, 2005, Düsseldorf

Start of production of rail and section mill at Inner Mongolia Baotou Steel Union

After less than 24 months, the first rail was successfully rolled on the newly erected mill in Baotou and could be rolled out within the specified tolerances.

The Inner Mongolia Baotou Steel Union Co., Ltd. had placed the order with SMS Meer GmbH, Mönchengladbach, Germany, to supply this rail and section mill with an annual capacity of 900,000 tonnes in December 2003.

The SMS Meer scope of supplies and services included the planning of the whole rolling line, supervision of the manufacturing in China for selected mill components as well as the production and supply of the reversing tandem stand group as the key component of the plant.

Furthermore, SMS Meer supplied and commissioned the automation system for the mill. This included essentially the control engineering, mill operating system with host system and the hydraulic roll adjustment system.

The Inner Mongolia Baotou Steel Union plans to focus its production in future on the manufacture of high-speed rails for the expansion of the railway network in China.

SMS Meer GmbH forms part of the Tube, Long Product and Forging Technology Business Area of the SMS group. (22 lines with max. 55 letters)

SMS GmbH is the holding for a group of companies internationally active in plant construction and mechanical engineering relating to the processing of steel, non-ferrous metals and plastics. The group is divided into the Business Areas of Metallurgical Plant and Rolling Mill Technology, Tube, Long Product and Forging Technology and Plastics Technology. In the year 2004 some 9,500 employees worldwide generated a turnover of about EUR 2.20 bn.