

PRESS RELEASE

Düsseldorf, July 5, 2006

TMK orders PQF[®] plant from SMS Meer GmbH

A festive ceremony was held on June 15, 2006 to mark the signing of the contract for the supply of a PQF[®] seamless tube plant between OAO Pipe Metallurgical Company (TMK), Russia, and SMS Meer, Germany. The tube plant is intended for the Tagmet Metallurgical Works in Taganrog.

The ceremony was attended not only by the representatives of TMK and SMS Meer but also by representatives of the German Embassy in Russia. In addition, journalists from the business press and representatives of the trade media were also present.

The SMS Meer scope of supplies and services includes the supply of the complete equipment and technology, erection supervision, commissioning and training of the buyer's personnel.

The new plant will incorporate the latest developments in the PQF[®] technology (Premium Quality Finishing) developed by SMS Meer, the world's most modern technology for the production of seamless steel pipes and tubes. The plant will replace two pilger mills and boost the annual capacity by more than three times with a significant increase in profitability.

The plant will produce tubes in the size range from 2 3/8" to 10 3/4" and is designed for an annual capacity of 600,000 t. The product spectrum includes oil-and gas-field tubulars and structurals of the highest grades to meet all international standards.

The start of production of the plant is scheduled for the beginning of 2008.

SMS Meer GmbH forms part of the Tube, Long Product and Forging Technology Business Area of the SMS group.

(27 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 2005 some 9,250 employees worldwide generated a turnover of about EUR 2.33 bn.