

PRESS RELEASE

Düsseldorf, August 6, 2008

Order for SMS Meer from China

Baosteel subsidiary Yantai orders 18" PQF[®] plant

Yantai Baosteel Pipe Co. Ltd., part of the largest Chinese steel group Baoshan Iron & Steel Co. Ltd., has placed an order with SMS Meer, a company of the SMS group, Germany, for the supply of an 18" PQF[®] plant. Following the three plants for the production of tubes from 21.3 up to 1,420 mm already supplied by SMS Meer to Baosteel, the new plant operating with the PQF[®] method (Premium Quality Finishing) will cover the upper end of the size range for the production of seamless tubes, in particular for the high-grade tube segment. The plant is scheduled to go into operation at the beginning of 2010 and will then produce 520,000 t of seamless tubes a year.

The tubes will have diameters from 244.5 to 457.0 mm, with wall thicknesses up to 55.0 mm. Baosteel will deliver the starting material by sea from its own steelworks to the port of Yantai directly next to the works.

Through the production of high-alloy and stainless steels in conjunction with the large diameters, the modern PQF[®] plant will be the most performant in the world. The installed maximum power of the key units alone is more than 80,000 kW.

SMS Meer is to supply all the key components of the mill equipment for the PQF[®] plant, including the media systems and the 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[®] 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[®] plant is monitored and controlled by the CARTA[®] technology system, developed by SMS Meer.

The plant for Baosteel is already the eleventh PQF[®] plant worldwide and the sixth in China that SMS Meer has installed since the market introduction in 2003.

(32 lines with max. 55 letters)