

PRESS RELEASE

Düsseldorf, June 30, 2011

Record diameter 20"

SMS Meer delivers largest PQF[®] seamless tube plant to China

SMS Meer, Germany, has started delivery of the world's largest PQF[®] plant (Premium Quality Finishing) for seamless tubes with diameters up to 20". The customer is a Chinese consortium consisting of the Tianjin Pipe Corporation (TPCO) and the Jiangsu Shagang Group Huaigang Special Steel Company. Erection is scheduled to start in August 2011 in the Huai'an works in Jiangsu province. Production is due to start at the beginning of 2012. The capacity of the new PQF[®] plant is 500,000 t of seamless tubes per year. Main customers are the oil and gas industry.

SMS Meer Project Manager, Roland Preuten: "The project has a signal effect for the whole tube industry. This plant will represent the largest production facility for seamless tubes in China. The maximum diameter of 20" is a record. PQF[®] seamless tubes are thus breaking into a new performance dimension."

Benefits of PQF[®] plants include the low energy and material consumptions. The PQF[®] process means smaller tolerance deviations in the roll gap, minimum material load and fewer disruptive influences during the rolling process. For tube mill owners this means: Tube production runs in a more stable manner and is easier to master. And: The lower material stress makes it possible for the

product range to be extended to thin-walled dimensions and higher steel grades.

The Chinese consortium decided in favor of the PQF[®] technology developed by SMS Meer because it assures not only a new spectrum of dimensions, but also a consistently high tube quality within the closest tolerances plus a dependably high productivity.

For the 20"-tubes SMS Meer has developed the world's largest cone-type piercer with a roll diameter of 1,700 mm. The company is also to supply the PQF[®] mill, the components for the run-out side and the extracting and sizing mill. The engineering for the mechanical and electrical parts of the hot section of the mill also come from SMS Meer.

PQF[®] stands for "Premium Quality Finishing". In the PQF[®] mill, the three rolls are positioned uniformly around the tube. As a result, the forces acting on the tube are distributed more uniformly around the circumference than with the two-roll arrangement.

(39 lines with max. 55 letters)

SMS Meer GmbH is a company of the SMS group, which is, under the roof of the SMS Holding 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 Siemag and SMS Meer. In 2010, some 9,200 employees worldwide generated a turnover of EUR 3 bn.