

PRESS RELEASE

Düsseldorf, March 31, 2006

SMS Demag Metallurgical Equipment Shanghai, SDME

A new SMS Demag AG workshop in China

On February 15 SMS Demag Metallurgical Equipment Shanghai (SDME) opened the newly erected workshop in Fengxian, China, with an official ceremony.

In the Shanghai Chemical Industrial Park (SCIP), about 60 km to the south of Shanghai city center, SDME is functioning as a service and repair workshop for SMS Demag products on the Chinese market. On a piece of land measuring over 10,000 square meters and on a workshop area of around 2,900 square meters, SDME is carrying out repairs and assembly work using modern equipment. Such equipment includes CNC machine tools imported from Germany, small machines of local origin, submerged-arc welding machines and a heat-treatment furnace. The assembly section has an assembly clamping area of around 180 square meters.

The new workshop is highly advantageous for the customers in that it is directly in their neighborhood, offers a uniform worldwide standard of quality and allows payments to be transacted in Chinese national currency.

The 20 employees of SDME are starting straight away with concrete tasks: Coiler mandrels and AGC hydraulic cylinders are being repaired for Chinese customers. Machining is also to be performed in the near future on bending and CVC blocks, drive spindles and strand guide rollers. Accordingly, it is planned to continuously increase the number of employees to 40 by the end of 2006.

SMS Demag AG forms part of the Metallurgical Plant and Rolling Mill 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 2004 some 9,500 employees worldwide generated a turnover of about EUR 2.20 bn.