

Phone: +49 (0) 211 881-4449  
Fax: +49 (0) 211 881-4386  
E-mail: [thilo.sagermann@sms-group.com](mailto:thilo.sagermann@sms-group.com)  
Thilo Sagermann

## **PRESS RELEASE**

Düsseldorf, June 7, 2006

### **Ural Steel and SMS Demag AG consolidate strategic partnership**

Ural Steel AG (Uralskaya Stal) of Novotroitsk, Russia, and SMS Demag, Germany, are to implement the investment program elaborated in their strategic partnership.

With this program, Ural Steel intends to adapt plant technology to the growing demands of the market. This includes improved quality of products, mechanical properties and chemical compositions.

SMS Demag will be modernizing the electric melt shop and the heavy-plate rolling mill and will be using new technologies to reduce environmental pollution.

This revamping project will considerably enhance the spectrum of steel grades with regard to high-quality steels, bringing the annual production from 750,000 to 2 million t of steel and the production of continuously cast steel from 350,000 to 2 million t. Heavy-plate production is to rise to 1.2 million t by 2009.

In this partnership concluded with Ural Steel, SMS Demag is responsible for providing new equipment and technologies for the individual works and consultancy services for structural and organizational tasks.

On the occasion of the signing of the credit agreement with the HypoVereinsbank at the Mandarin Oriental Hotel in Munich on May 19, General Director of Ural Steel, Nazim Efendiev and his staff met with representatives of the HypoVereinsbank. Burkhard Dahmen as the responsible Board Member and Thomas Scheiblich, Key Account Manager and Project Director, attended the signing ceremony on behalf of SMS Demag.

SMS Demag AG forms part of the Metallurgical Plant and Rolling Mill Technology Business Area of the SMS group.

(29 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.