

PRESS RELEASE

Düsseldorf, July 21, 2006

SMS Demag AG builds an iron and steel plant on the Persian Gulf

IMIDRO, the Iranian Mines and Mineral Industries and Renovation Organization has placed an order with an international consortium, in which SMS Demag, Germany, is participating, for the erection of a turnkey iron and steel plant in the Iranian province of Hormozgan, not far from the provincial capital of Bandar Abbas. SMS Demag will assume the technical leadership of the project and coordinate the overall activities for construction of the iron and steel plant.

The SMS Demag supply scope comprises an electric steelworks and a downstream continuous slab caster. The steelworks is equipped with two 120 t electric arc furnaces, two 120 t ladle furnaces and a two-strand continuous slab caster for the gages 225 mm and 250 mm and a width range of 900 to 2,000 mm. The supply scope further includes the complete provision of utilities, electrical equipment and automation including Level 2. An air separation plant, lime kiln plant, infrastructure and auxiliary facilities such as workshops and laboratories likewise belong to the supply scope of SMS Demag.

The investment costs for provision of the turnkey plant at the iron and steel works site come up to 450 million US Dollars.

Completion is scheduled for summer 2009. The plant will initially produce 1.5 million t of slabs for further processing in Iran and for export.

SMS Demag AG forms part of the Metallurgical Plant and Rolling Mill Technology Business Area of the SMS group. (23 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.