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PRESS RELEASE

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MMK honors SMS group with "Best Supplier Award 2015"

SMS group has been recognized as "Best Supplier of MMK in technological and non-standard equipment in 2015". The award was presented to SMS group (www.sms-group.com) in a ceremony held at Magnitogorsk Iron and Steel Works (MMK) in Magnitogorsk, Russia, on June 2, 2016. Pavel Shilyaev (CEO of Magnitogorsk Iron and Steel Works) handed over the award to Fulvio Michelutti (General Manager Sales & Marketing, SMS Metallurgical Service LLC) and Grigory Smolin (Deputy General Manager Sales & Marketing, SMS Metallurgical Service LLC) in recognition of exceptional performance as suppliers of plant technology and technical services. The ceremony concluded with a tour of the Magnitogorsk works.

Pino Tesè, Executive Vice President Technical Service of SMS group: "We are proud to be recognized by our customers and are indeed very happy about this award. It will be motivation to us to continue striving to improve our products and services for our customers and responding to their requirements as efficiently as possible. The award honors our proficiency and professionalism as well as the high quality of our products. It will foster the partnership between SMS group and MMK — one of our most important customers for 80 years."

As early as in 1936, SMS group supplied the first reversing rolling mill to MMK. Since then, MMK has been producing and processing steel on numerous state-of-the-art plants and machines from SMS group. SMS group has been supporting MMK extensively as a service partner. Starting in 2009, service teams from SMS group have been performing various activities at facilities of MMK, including service tasks ranging from individual solutions through to complete service and maintenance packages. As plant manufacturer and systems supplier, SMS group is familiar with every detail of the plants and makes this know-how available to their customers as service partners. SMS group's proficient approach to maintenance guarantees highest plant availability. The SMS group services which MMK refers to as being exceptional and for which they presented the recent award relate particularly to services for the No. 6 continuous casting plant. For that casting plant, which produces slabs up to 300 thick and has a maximum casting width of 2,700 millimeters, the SMS group's service team performs the complete routine maintenance as well as regular maintenance and repairs to the molds and segments.

MMK rates their suppliers on a scale of points based on a number of criteria, which include the service scope, quality of work, timeliness and compliance with contract agreements. This open supplier selection system provides MMK and their business partners an objective assessment of competitiveness. The "Best Supplier of the Year Award", presented for the first time in 2016, makes quality of performance openly visible.

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Ceremony during which Pavel Shilyaev, CEO of MMK, handed over the award.

From left to right:

Sergey Ushakov, Deputy CEO for Commercial Affairs, OJSC MMK; Fulvio Michelutti, General Manager Sales & Marketing, SMS group Metallurgical Service LLC; Pavel Shilyaev, CEO of Magnitogorsk Iron and Steel Works; Grigory Smolin, Key Account, SMS group Metallurgical Service LLC, Russia.



The award document.

The SMS group is a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. Its 14,000 employees generate sales of over EUR 3.3 bn.