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ArcelorMittal Lázaro Cárdenas orders hot strip mill and hot skin pass mill from Primetals Technologies

- **In future, ArcelorMittal Lázaro Cárdenas will be able to process slabs on site**
- **Hot strip mill is designed to produce 2.5 million metric tons per year**
- **Hot skin pass mill is designed to process 650,000 metric tons per year**
- **Project will be executed on turn-key basis, including power supply, drives and automation**
- **Through-Process Optimization improves efficiency, stability and product quality across the production route**

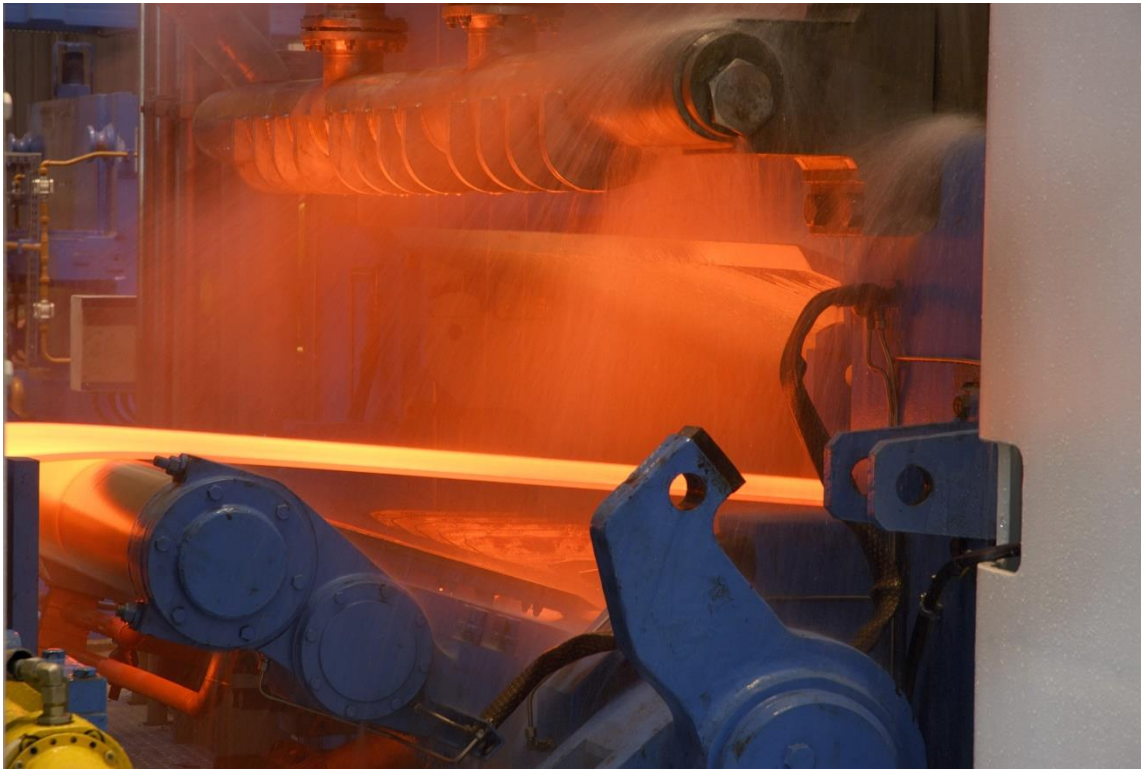
Mexican steel producer ArcelorMittal México S.A. de C.V placed an order with Primetals Technologies to supply a hot strip mill and a hot skin pass mill for its production site in Ciudad Lázaro Cárdenas, Michoacán State, on the Mexican Pacific coast. This will enable ArcelorMittal Lázaro Cárdenas to process the slabs produced in its works on site. The hot strip mill will be erected on a turn-key basis, including power supply, mechanical equipment, drives and automation. Through-Process Optimization will improve efficiency, stability and product quality across the production route. The project will be executed in an open consortium with the Mexican construction companies LOMCCI S.A. de C.V and WP Constructora S.A. de C.V. Design capacity is 2.5 million metric tons of hot strip per year. The hot skin pass mill is designed to process 650,000 tons per year. The start-up of the hot strip mill and the hot skin pass mill is planned for 2020.

ArcelorMittal Lázaro Cárdenas is Mexico's largest steel producer and slab exporter. The company uses DRI as its primary metallic input for steelmaking. This results in higher quality slabs with a uniform grain structure. Liquid steel production capacity is 5.3 million metric tons per year, while slab production capacity currently amounts to 3.8 million metric tons per year. The new hot strip mill and hot skin pass mill from Primetals Technologies will provide ArcelorMittal Lázaro Cárdenas with the potential to process slabs on site.

The hot strip mill (HSM) consists of a roughing mill and a seven stand finishing mill. It will roll slabs with thicknesses of 220 or 250 millimeters. A slab reheating furnace, a crop shear, a strip cooling line including Primetals Technologies Power Cooling system, two downcoilers and the modular coil shuttle car system are also part of the turnkey mill. All equipment will be engineered and supplied by Primetals Technologies, with supplies also including the water treatment plant, the high and medium voltage electric power supply down to the local subdistribution, the roll shop, a laboratory as well as the required bays and cranes. One indoor and two outdoor coil storages will also be integrated. The hot skin pass mill (HSPM) consists of a powerful mill stand, entry and exit reels, a flattener, a side trimmer and inspection equipment.

In addition to the mechanical equipment, Primetals Technologies will also be in charge of the engineering and supply of the basic automation (level 1) and drives for the HSM, HSPM, the coil storage, and the water treatment plant, the level 2 and level 3 automation for the HSM, and the basic engineering and supply of the electrics for the plant infrastructure. HSM and HSPM will be connected via Through-Process Optimization. Through-Process Optimization is an integrated know-how based solution developed by Primetals Technologies to improve efficiency, stability and product quality across the entire steel production route. Additionally, the know-how based TPQC IT system accelerates the time to market for cutting edge high value products.

WP Constructora, Tlaquepaque, Jalisco State will be responsible for the basic and detail engineering for the steel structure bay buildings, pipe and cable racks, the HVAC and the fire-fighting system, supply and installation of steel structure, HVAC and fire-fighting system, the installation of mechanical and electrical equipment including the water treatment plant, and the supply and installation of piping and cables. LOMCCI, Huixquilucan, Estado de México will carry out the detail engineering for piling and concrete foundations, the basic and detail engineering for concrete and masonry buildings, the demolition of existing concrete structures and the civil construction of equipment foundations as well as of concrete and masonry buildings.



Hot strip mill from Primetals Technologies

This press release and a press photo are available at

www.primetals.com/press/

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Primetals Technologies, Limited headquartered in London, United Kingdom is a worldwide leading engineering, plant-building and lifecycle services partner for the metals industry. The company offers a complete technology, product and service portfolio that includes integrated electrics, automation and environmental solutions. This covers every step of the iron and steel production chain, extending from the raw materials to the finished product – in addition to the latest rolling solutions for the nonferrous metals sector. Primetals Technologies is a joint venture of Mitsubishi Heavy Industries (MHI) and Siemens. Mitsubishi-Hitachi Metals Machinery (MHMM) - an MHI consolidated group company with equity participation by Hitachi, Ltd. and the IHI Corporation - holds a 51% stake and Siemens a 49% stake in the joint venture. The company employs around 7,000 employees worldwide. Further information is available on the Internet at www.primetals.com.

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Page 3/3