

## **PRESS RELEASE**

February 22, 2006, Düsseldorf

### Order for SMS Demag AG

#### **China Steel Corporation contract for continuous annealing line**

China Steel Corporation, Kaohsiung, Taiwan, has awarded SMS Demag, Germany, a contract for the supply of an integrated solution comprising the mechanical equipment and automation system for a new electrical-steel annealing and coating line.

Starting in 2007, China Steel Corporation (CSC) will use its new annealing and coating line to produce high-grade silicon steel strip ranging in finish gauges from 0.3 to 0.7 mm and in widths from 600 to 1,300 mm. The flexible line was designed specifically for CSC's process route for the production of non grain oriented electrical steel. At a maximum process speed of 130 m/min, the line's annual capacity is rated for the production of around 200,000 tons. This investment will boost China Steel Corporation's total annual production capacity to 800,000 tons.

The scope of supply will exclusively comprise components designed to the state of the art which specifically satisfy the requirements of electrical steel production. The line will thus guarantee the production of high-quality end products while featuring a high degree of environmental compatibility and economy.

An essential part of the supply will be SMS Demag's integrated electrical equipment and automation system. Starting with the design of the power supply system and extending to the complete drive units including Level 1 and HMI automation system for the complete line as well as our Level 2 for the annealing and coating line and the coil store of the line located next to it – everything will be from a single source!

Already before the actual installation of the system we will use our own specially designed Plug & Work simulation system to reproduce line functions and the dynamic behavior of the actual customer line under realistic conditions. This makes it possible to optimize all automated functions, both Level 1 and Level 2 including the visualization system and to test them even before installation.

As part of the Plug & Work test the customer's future operator crew will be trained at SMS Demag's test center in the use of the original computer systems under realistic conditions. According to experience, this early Plug & Work test will help to reduce commissioning and training times.

Production of the first coil is scheduled for June 2007.

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

(42 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.