

PRESS RELEASE

Düsseldorf, August 30, 2007

Order for SMS Demag AG

Colakoglu Metalurji orders a compact hot strip mill

Colakoglu Metalurji A.S., Turkey, has awarded to SMS Demag, a company of the SMS group, Germany, an order to construct a compact hot strip mill. The order comprises the supply of the mechanical, electrical and automation systems.

The new works will be built in Gebze, close to Istanbul. The mill is designed for an annual capacity of 3 million t of hot strip in the gages 1.2 to 25.4 mm and widths from 800 to 1,650 mm. The product range extends from low-carbon steel grades to high-strength low-alloy steels, pipe grades and multiphase steels.

With a length of only 330 m, the hot strip mill is distinguished by its highly compact construction. Its essential components are a four-high roughing stand with edger, a mandrel-less coilbox, seven CVC plus[®] four-high finishing stands, a laminar strip cooling and two fully hydraulic coilers.

The finishing mill is equipped with all of the technology packages and components required for the economical production of high-quality hot strip. These include the CVC plus[®] system with integrated work-roll bending, roll-gap lubrication, interstand cooling and hydraulic loopers, along with the process models and control systems optimized for these facilities. The mill will be equipped with the ProBAS

systems engineering from SMS Demag and with modern intermediate-circuit converter drive technology.

The works will go into operation in fall 2009. Before being installed locally, the complete automation system will be tested by using the Plug & Work procedure. The pre-optimization of the automation system will ensure short commissioning and a steep run-up curve.

In addition, SMS Demag and Colakoglu Metalurji have agreed upon a long-term cooperation in order to further develop the plant engineering and the automation systems.

(31 lines with max. 55 letters)

SMS group is, under the roof of the holding SMS GmbH, a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. It essentially consists of the two Business Areas SMS Demag and SMS Meer, which jointly form SMS metallurgy. In 2006, some 9,000 employees worldwide generated a turnover of about EUR 2.8 bn.