

PRESS RELEASE

Düsseldorf, November 22, 2007

Order for SMS Demag AG

Handan Iron and Steel orders a shearing line

Handan Iron and Steel Group Co. Ltd., Handan, China, has awarded to SMS Demag, a company of the SMS group, Germany, an order to supply a heavy shearing line.

The feedstock will be hot-strip coils with a strip width of 800 to 2,130 mm and a strip gage of 5 to maximum 25.4 mm. After a delivery time of 22 months, the mill, designed for an annual production of 450,000 t, will produce leveled hot-strip plates of 2 to maximum 16 m in all of the above-mentioned strip widths and gages. The cutting speed is about 40 m/min.

Optimum plate flatness with only a minimum of residual stresses is achieved through the use of the two precision levelers together with the leveling model developed by SMS Demag. The quality of the final product is equivalent to that of heavy plate with very good further-processing properties for high-pressure vessel construction, shipyard and bridge construction and pipeline manufacture.

The supply scope comprises the flying shear as well as the electrical and automation systems.

(19 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 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.