

Phone: +49 211 881-4449  
Fax: +49 211 881-774449  
Mobile: +49 151 40226502  
E-Mail: [thilo.sagermann@sms-group.com](mailto:thilo.sagermann@sms-group.com)  
Thilo Sagermann

**PRESS RELEASE**

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Big River Steel representatives visit SMS group in Hilchenbach

**Management is impressed by manufacturing and simulations of plant components**

The SMS group ([www.sms-group.com](http://www.sms-group.com)) is currently building an integrated, environment-friendly plant complex for high-grade steel products and specialty steels in the U.S.A. on the site of recently founded steel producer Big River Steel. The annual capacity of the works will initially amount to 1.5 million tons, with the provision to be increased to three million tons in a second construction phase. Altogether, Big River Steel will be investing around 1.3 billion US dollars in the new works located in the U.S. state of Arkansas.

While at the huge construction site in the U.S.A. the new steelworks is taking up concrete shape, a delegation of representatives of the plant operator, investors and future customers of Big River Steel already produced the works' first steel during a visit to the SMS group in Germany – admittedly as part of a plant simulation. In the SMS Test Center, experts of the SMS group have set up major components of the automation systems, complete with fully functional control cabinets, computers, control desks and the steelworks' software. This allows them to thoroughly test these components in near-reality simulations and train the operators well ahead of the installation on site. This innovative procedure – which the SMS group calls Plug & Work - will later on markedly reduce the time to start of production.

Daniel J. Murray, Board Member of Big River Steel, was impressed: "It is most fascinating to experience the functions and capabilities of

our new steelworks right at this present moment. We are now even more convinced that this modern works will set new standards in the U.S.A.”

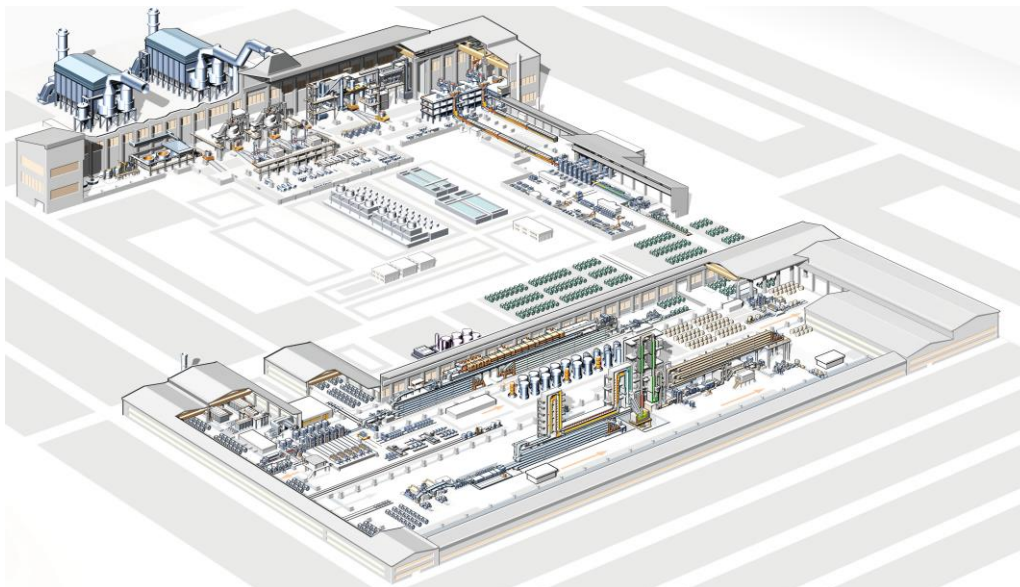
Besides the Test Center, the delegation also visited the SMS group’s manufacturing facilities in Hilchenbach, where the quality-critical components for this large-scale project are being manufactured. Giant, high-precision mill housings, recoilers laid out for winding tons of steel strip, the modern laser welding machine designed for joining steel strips of latest grades prior to being processed in continuous lines, etc. – the delegation members had the opportunity to inspected a great many plant components all of which will shortly be commencing their journey to the new steelworks of Big River Steel in Arkansas, U.S.A.

The term “steelworks” actually does not capture the full dimension of this project, which is being set up on an area covering more than 3.25 km<sup>2</sup>. It would be more apt to call it an integrated plant complex, which the SMS group will equip completely with proprietary plant technology and all associated electrical and automation systems. All units – from the melting plant to the finished steel strip, including all drive and hydraulic components, the entire electrical equipment and the complex automation systems – are made by the SMS group. Two highlights of the new works will be the high quality of the steel grades it will produce and the fact that it will be one of the most eco-friendly works of its kind in the U.S.A. thanks to its energy- and resource-saving production processes.

Also the products made by Big River Steel will contribute to a sustainable future. The product range includes strips made of silicon steels, which may be used in generators and transformers where they enhance the efficiency of the equipment. Also high-strength AHSS grades (Advanced High Strength Steels) can be produced. These steels are suitable for lightweight automotive engineering, thus minimizing fuel consumption. A third segment are high-strength tube grades for oil and gas field pipelines and for transport pipelines. In the U.S.A. there is a high demand for almost all of these specialty steels. This demand is currently still being covered by imports.

The SMS group's supply scope for the first construction phase comprises a 150-ton electric arc furnace, in which steel scrap will be melted down in an energy-efficient process to produce heats of good-quality steel, as well as secondary-metallurgy facilities for refining these heats into specialty steels. In a downstream CSP<sup>®</sup> (Compact Strip Production) plant, the liquid steel will be continuously cast and directly rolled in an integrated six-stand rolling mill. As the steel does not cool down while being processed, this plant concept saves approximately 40 percent of the energy used by conventional technology. Designed for a strip width of 1,930 millimeters, this plant will be the widest of its kind in the world. Downstream of the CSP<sup>®</sup> plant, further facilities for strip processing, cold rolling, annealing and anticorrosive hot-dip galvanizing will be arranged. Together with the plant operator Big River Steel, SMS designed a plant configuration allowing the implementation of various production routes and thus a wide range of different products. At Big River Steel, SMS will install extraction, filter and recovery system of the latest generation along the entire metallurgical process chain, making this works a shining example for future, clean steel production in the U.S.A.

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Layout of the Big River Steel Project in Arkansas, U.S.A.



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The SMS group is, under the roof of SMS Holding GmbH, a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. Its 13,800 employees generate sales of over EUR 3,5 bn.