

PRESS RELEASE

Düsseldorf, April 17, 2007

Order for SMS Meer GmbH

Hunan Valin Xiangtan Iron & Steel orders wire rod outlet with FRS[®] technology

Hunan Valin Xiangtan Iron & Steel Ltd., China, has placed an order with SMS Meer, Germany, for the supply of a new high-speed wire rod outlet for quality steels.

Within the framework of this order SMS Meer is to supply the complete rolling technology, the cooling technology and the key components of the mechanical equipment. These include CantiLever stands (CL), rotary shears, a six-stand wire rod block, a four-stand FRS[®] block (Flexible Reduction and Sizing) as well as the pinch roll unit and loop laying head. In addition, the mill will employ the CCT[®] (Controlled Cooling Technology) developed by SMS Meer. For the remaining equipment, SMS Meer is to supply the detail engineering.

The wire rod mill has a nominal annual capacity of 450,000 t, with cold upsetting grades accounting for the vast majority of the production. The mill will permit the production of wire rod of all quality steels, and with its compactness and efficiency will be one of the most modern of its kind in the world. Its trendsetting concept allows the temperature-controlled rolling of cold upsetting grades in the whole size range from 5.0 to 25.0 mm with ultrafine microstructure.

The great flexibility of the wire rod outlet is illustrated in particular by the three different rolling paths downline of the existing three-roll block. The first path will be used for the rolling of light gages over the two new CantiLever stands (CL), the new six-stand wire rod block and the new four-stand FRS[®] up to the loop laying head (2 + 6 + 4 concept). On the second path, medium and heavy gages will be rolled on the two CantiLever stands (CL) and the FRS[®] up to the loop laying head (2 + 4 concept). Heavy gages can also pass directly to the loop laying head on the third path.

The CL stands, the wire rod block and the FRS[®] block are equipped with identical rolling modules. Sizes from 5.0 up to 25.0 mm will be finish-rolled from a single pass series on the FRS[®] block. The maximum rolling speed is 120 m/s. A total of three water cooling sections and the 118-m-long LCC[®] (Loop Cooling Conveyor) together with the CCT[®] ensure optimum temperature control of the products.

The mill is scheduled to go into production in January 2008.

(37 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 on the one hand into the Business Areas SMS Demag and SMS Meer under SMS metallurgy and, on the other hand, into the Business Area SMS Plastics Technology. In the year 2005 some 9,250 employees worldwide generated a turnover of about EUR 2.33 bn.