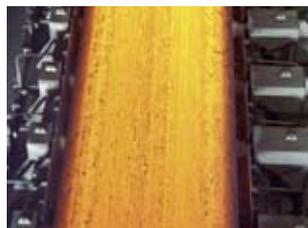
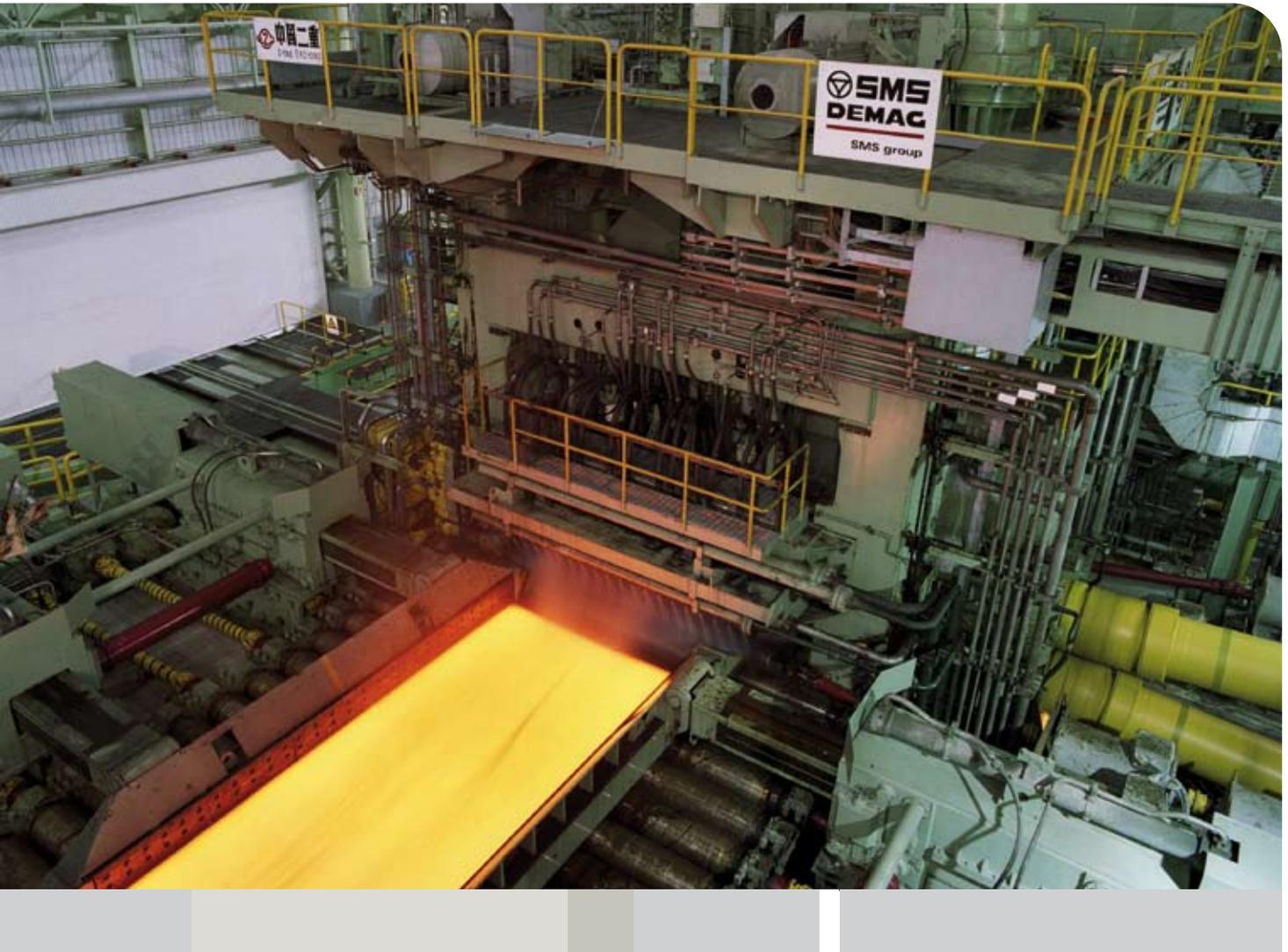




SMS group

Intelligent Parts Management



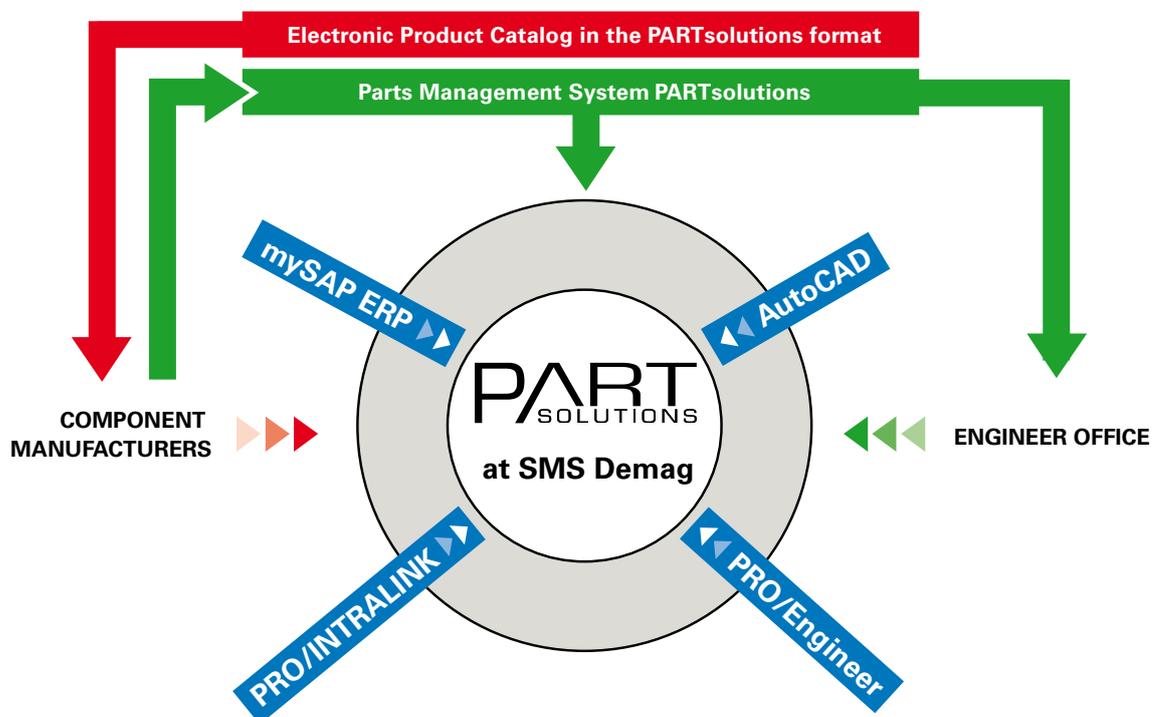
The PROJECT

SMS Demag AG has integrated CADENAS' parts management system PARTsolutions with the CAD interfaces for AutoCAD and Pro/ENGINEER as well as with process interfaces for Pro/INTRALINK and mySAP ERP.

The companywide productive introduction in engineering and at the non-CAD workspaces is planned for December 2006. Starting at this time all employees of SMS Demag AG at locations in Düsseldorf, Hilchenbach, Hilden and Jünkerath will be tied to that system.

The parts management system PARTsolutions is an essential constituent for future process controlling and supplier integration in engineering and purchasing. A criterion of the supplier selection for the assessment of technical process support will be the availability of additionally purchased products in the PARTsolutions format.

Beginning in December 2006, all suppliers of catalog parts are requested to make all product data available in the necessary PARTsolutions format.



Necessity of restructuring the **SUPPLIER SELECTION AND PURCHASING PROCESS**

The introduction of PARTsolutions, and the requirement to keep component catalogs integrated in PARTsolutions, is an important step toward process optimization for SMS Demag.

Due to the multitude of different suppliers, the appropriation of data must occur centralized, which, among other things, guarantees an ideal management of the parts at all locations of SMS Demag.

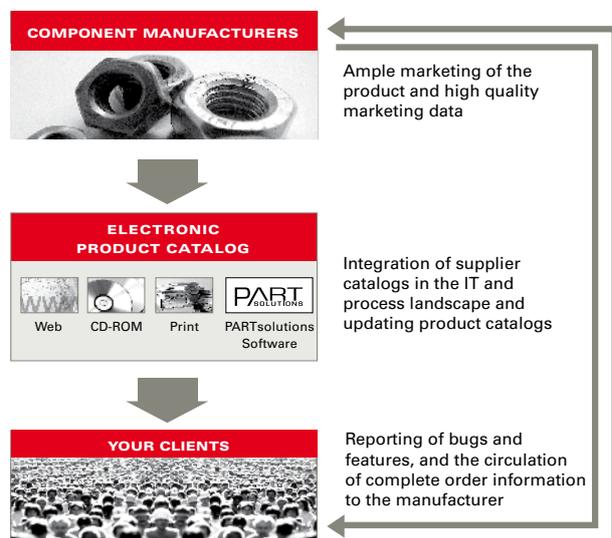
The time and effort put into the data transfer or data updating can be drastically reduced with PARTsolutions. SMS Demag engineers need the product data in different 2-D and 3-D CAD formats. Important is additional information, such as the kinematics terms, part list information, etc., in order to optimize the method of ordering.

An individual appropriation of data for individual suppliers can no longer be provided for starting 2007.

SMS Demag is certain to have taken the right step with PARTsolutions and now hopes for the support of the suppliers to integrate product catalogs into PARTsolutions as soon as possible. SMS Demag is aware that this results in an important improvement for suppliers.

In order to keep the work for suppliers at a minimum, SMS Demag worked out an optimal concept with CADENAS.

System of the appropriation of data via an **ELECTRONIC PRODUCT CATALOG**



The selection for the input of specific products results in **CONSTRUCTION, ASSEMBLY AND PURCHASING**

The suppliers approved by SMS Demag are released from the strategic acquisition of the SMS Group via the PARTsolutions catalog system.

A company license connects all employees at the locations Düsseldorf, Hilchenbach, Hilden and Jünkerath to the system –from both the commercial and technical branches. The assortment of supplier parts reaches several hundred engineers worldwide on a daily basis at the SMS Demag AG. They search and find the parts via PARTsolutions. Suppliers, which are not included in this, are ignored.

SELECTION AND ASSESSMENT OF SUPPLIERS in purchasing!

NEW PROCESS WAYS AT SMS DEMAG

The parts management system PARTsolutions is an essential component for future process control and supplier integration in engineering and purchasing.

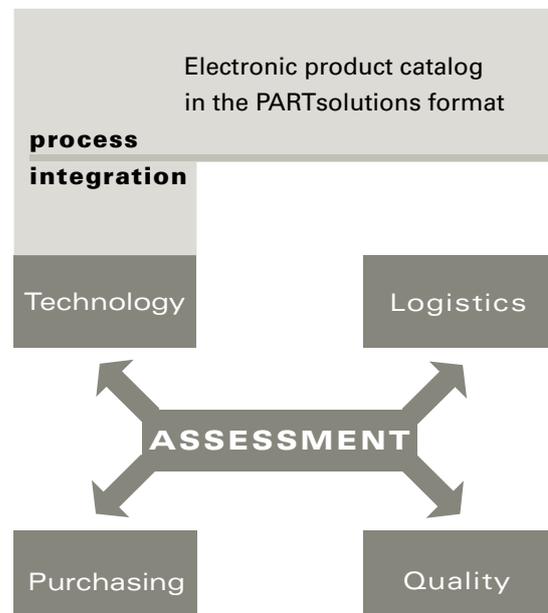
Countless suppliers already make their products available via an electronic product catalog using PARTsolutions. This not only results in benefiting SMS Demag, but also 100,000 other users who work in different machine and plant manufacturing enterprises.

PURCHASING POLITICS

The goal of SMS Demag is to work together with all suppliers in a fair and trustworthy manner, and to be a reliable partner for them. In order to secure the clients' demand for economic products of high quality, SMS Demag is constantly looking for qualified and efficient suppliers. The decision to enter into new relations with suppliers is based on, among other things, the cautious inspection of the product quality offered, prices and delivery times and the availability of CAD product data in PARTsolutions. Important prerequisites for the cooperation with SMS Demag are given by those suppliers that offer a certified quality system.

Continuous quality improvement is part of the basic understanding of SMS Demag. Together with these suppliers, SMS Demag searches for new concepts and trendsetting technologies considering their responsibility towards the environment and society.

In line with the assessment of the suppliers, the availability of the products purchased by SMS Demag in the PARTsolutions format is a criterion for the consideration of the technical process support.



The way to the PARTSOLUTIONS FORMAT

In order to integrate product data into PARTSOLUTIONS, an electronic product catalog in the PARTSOLUTIONS format is needed. SMS Demag and CADENAS agreed upon extensive special conditions specifically for the suppliers. This enables the demand for the PARTSOLUTIONS format to be realized by the economic angle as well.

VARIANT 1:

Rent a catalog creation software
eCATALOGsolutions/developer assemblies

- Free single-user license for 6 months followed by 2,000€ / every 6 months
- Schooling/training at CADENAS in Augsburg or Essen, as well as in-house by appointment

VARIANT 2:

Purchase a catalog creation software
eCATALOGsolutions/developer assemblies

- Single-user license 4,000 € (instead of 7,500 €) plus 20% annual maintenance
- Schooling/training at CADENAS in Augsburg or Essen, as well as in-house by appointment

VARIANT 3:

Catalog creation as rendition of services through CADENAS

- One-time only specification workshop for the catalog creation: 750 € including arrival (instead of 1,200 €)
- 10% project discount on services after effort



*Paths are created
by walking them.*

Franz Kafka

PROFIT

from a long-term partnership

WITH SMS DEMAG

ADVANTAGES FOR SUPPLIERS

1. Market presence with electronic product data with 100,000 other users that already use PARTsolutions. PARTsolutions is a worldwide standard in machine and plant manufacturing with 100,000 sold licenses.
2. Market penetration through the provision of electronic product data via CAD online portals. 2,800,000 users of components are reached here.
3. Optimizing customer service, especially concerning the high quality of the CAD and engineering data and the comfortable provision of information.
4. Use of the electronic product catalog as a basis for all other media, including CD-Rom, Internet, e-shop and Print.
5. SMS Demag creates parts lists, production and purchase drawings from the engineering data. Suppliers receive complete and detailed orders.
6. A central report database ensures that all parts noted as erroneous by you are blocked for redesign for all PARTsolutions users.

ADVANTAGES FOR SMS DEMAG

1. All necessary supplier catalogs are made available via PARTsolutions. The selection of outsourced parts and standard components is decided upon by means of the therein available catalogs.
2. High quality provision of 2-D and 3-D CAD data. Only this way can standard technologies such as Digital Mockup (DMU), kinematic analyses, etc., be used.
3. MultiCAD competence of the product data from PARTsolutions is guaranteed for all CAD systems.
4. Continuous updating of the parts via the CADENAS software technology.
5. Product catalogs integrated in PARTsolutions are connected to Pro/INTRALINK and mySAP, so that information such as stock availability, the release of parts, etc. is visible.
6. Connection of external engineering service providers to PARTsolutions. All those participating in processing use one and the same source for obtaining the catalog.

SMS DEMAG AND CADENAS – A strong team

SMS DEMAG - Leading edge technology for highest profitability

For over 200 years, SMS Demag designs, constructs and builds machines and equipment for the metallurgical plant and rolling mill industry throughout the world. The marketing program encompasses equipment for the entire process chain – from steel mill, continuous casting and rolling mill technology to finishing lines for hot and cold strips. The concepts and equipment convince through the leading technology and economics as well as through quality and reliability. In the year 2005, about 9,250 employees worldwide produced ca. 2.33 bn. euro turnover.

In the year 2005 the headquarters in Düsseldorf, Hilchenbach, Hilden and Jünkerath purchased goods and services for more than 500 million euro. This included components, production material, equipment, capital goods and services for worldwide destinations.

Setting Standards – **CADENAS**

CADENAS' focal point lies in the areas of process optimization with parts management and parts consolidation and optimizing of marketing strategies with the creation and marketing of electronic product catalogs.

Between parts manufacturers on the one hand, and the manufacturing industry on the other, CADENAS acts as a link between the two: parts manufacturers are supported by CADENAS software to create, manage, and market electronic product catalogs.

The electronic product catalogs of the machine and plant manufacturing industry are made available to the component manufacturer by connecting the intelligent parts management system "PARTsolutions" to the management processes. Aside from the provision of parts in PARTsolutions the system takes over the management of all parts data to be found in the company in cooperation with PDM and ERP systems.



CONTACT:

SMS DEMAG AG, HILCHENBACH

Hubertus Fischer: +49/02733/29-31 19

hubertus.fischer@sms-demag.com

www.sms-demag.com

CADENAS SOLUTIONS GMBH, ESSEN

Markus Poppinghuys: +49/0201/439 68-47

m.poppinghuys@cadenas.de

www.cadenas.de

MEETING your **EXPECTATIONS**

SMS DEMAG AG

Wiesenstraße 30
57271 Hilchenbach

Tel: +49 (0) 2733 29-3119
Fax: +49 (0) 2733 29-3124
E-Mail: hubertus.fischer@sms-demag.com
<http://www.sms-demag.com>