

The newsletter for Broner customers, prospective customers, partners and other within the worldwide steel and aluminium industries

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Cost Reduction – Investment to Reduce Costs produces rapid returns - even in a depressed market

There is natural reluctance to invest in new projects, when your plant may be operating at only 50% of capacity, but economic pressures continue to force everyone to focus on costs.

Even in these challenging times, investment to reduce costs has a compelling financial justification.

- If you are producing too many ‘stock’ slabs or pieces;
- if you rely on manual planning & scheduling systems that don’t optimize production, and lead to high inventory levels;
- if you want to reduce re-heating costs by increasing hot charge;
- if you have little or no real-time feedback of what orders have actually been produced;
- or... if you need help to reduce other manufacturing costs,

...Then, there IS a solution that can help you today.

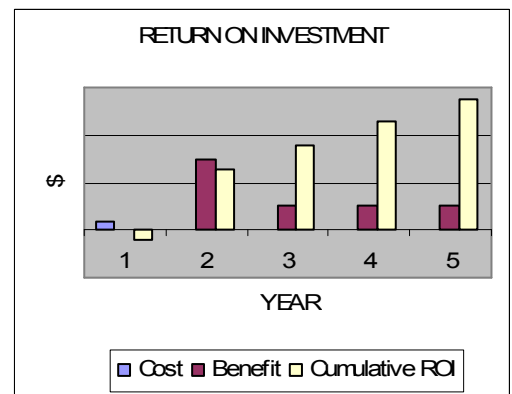
Broner solutions for planning, scheduling and

MES for metals can produce cost savings throughout the manufacturing supply chain.

These savings can be substantial, and typically have a payback of less than 6 months after project completion.

Many projects produce one-time savings of between 5 and 10 times the total investment with annual savings of 2 to 3 times the investment. Many customers see savings of tens of millions of dollars per annum.

David Mushin – Chief Executive Officer



Serov plant selects Broner Metals Solutions to streamline its production processes



Broner has been awarded another contract in Russia, to supply an advanced production management and optimisation solution to “Metallurgical plant named after A.K. Serov” (Serov).

Serov uses extremely complex

production processes, which called for a specialised solution with extensive functionality and the flexibility to meet demanding production requirements.

The solution is to bring the following benefits:

- better response to market demands
- ‘right-on-time’ product delivery
- production process optimisation,
- stock reduction / increase of stock turns
- reduction of plant management costs.

Serov plant selects Broner to streamline production

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The Broner solution will be implemented using a range of standard modules designed for the metals industry, including functionality for MES & production scheduling.

Broner Production Management, Quality Management, Equipment Management and Inventory Management modules are responsible for :

- production tracking (down to individual unit)
- material identification and traceability during process stages,
- metal balance calculation
- quality control
- production data storage and analysis, with extensive reporting capabilities.

process to select the solution vendor as this project is a very important step for our company development and its future business orientation.

We are now more than ever concentrating on catering to the needs of the market. Our choice was mainly determined by the fact that the functionality of Broner solution fully complied with our requirements.”

“Metallurgical plant n/a A.K. Serov” is a part of UMMC (United Mining & Metallurgical Company) and is an integrated iron-and-steel works which has its own raw material base and manufactures more than 200 grades of high quality steel.

These are hot-rolled products of square, round and hexagonal profile; calibrated rolled metal; round rolled products with special surface finish;

round billets; hollow drill steel; high precision hollow rolled bars of high-resistance steel; steel hot-rolled equal-square angles; square hot-rolled blooms; conversion pig iron; granulated blast-furnace slag and commercial ferric sulphate.

“We used a rigorous process to select the solution vendorOur choice was mainly determined by the fact that the functionality of Broner solution fully complied with our requirements.”

*Sergey Lopukhin,
Director of Information and Automation*



Section Rolling Mill ©Metallurgical Plant n.a. AK Serov

Scheduling of production orders will be provided by Broner Production Planner, Material Planner, Production Scheduler and Schedule Editor modules.

These ensure planning and scheduling optimization for a month/ week/ day/ shift horizon on the basis of defined constraints (order execution period, equipment utilization etc.). They enable rapid production planning and scheduling & re-planning and re-scheduling.

The overall solution will be implemented across five shops of Serov plant ,comprising casting shop, arc furnace shop, heavy mill shop, section mill shop and calibration shop.

Sergey Lopukhin, Director of Information and Automation at Serov, said, “We used a rigorous

TISCO extends Broner Melt Shop Scheduling solutions

Broner is to extend the scope of the existing Melt Shop Scheduling and Control solutions for Taiyuan Iron and Steel Ltd (TISCO) to span additional new equipment at the plant in TaiYuan city, ShanXi province, China.

TISCO is currently using Broner Caster Scheduler and Melt Shop Control Centre for scheduling and management of the Melt Shop, and for improved visibility of the production process.

These modules are helping the company to increase adherence to plans and achieve greater

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production visibility, reduce delivery times and improve the reliability of delivery dates.

The new project was initiated in order to extend the capacity of the current Broner modules to manage the increased complexity of production process caused by the new equipment.

The existing solution will be extended to take into account the new BOF converter, the ladle furnace and double-strand caster machine, which are expected to be in full production by 2010.

'We are pleased with the initial results produced

by Caster Scheduler and Melt Shop Control Centre and have the experience of their implementation so we are 100 percent confident in a successful outcome of this project', said Nie Jing-feng, TISCO Project Manager.

Taiyuan Iron and Steel Ltd is a leading Chinese manufacturer of stainless and carbon steel with annual production capacity of 10 million tons with steel output of 6.26 million tons in 2006. It produces sheets, coils, plates, rods, bars, tubes and pipes.

*We are pleased with the initial results produced by Caster Scheduler and Melt Shop Control Centre .
Nie Jingfeng, TISCO*

New Production Scheduler enhancements deliver continuing results for Corus Strip Products UK

Broner has successfully implemented the Production Scheduler Enhancements project for Corus Strip Products in Llanwern, UK.

New enhancements were developed in order to respond to opportunities identified in the process of implementing Production Scheduler (PS) at Corus, and will further improve scheduling capabilities. Some of the new functions included in Phase 1:

- 'Feeder groups', which enables the use of non-first choice material to fill gaps in the schedule
- 'Minimum batching', which allows the specification of a rule which will try to complete a minimum batch of material limited by user-defined characteristics once started, and high-light a sharing violation if that's not possible
- 'Violation limits', which enables the definition of violations
- Improved scheduling information around specific areas of production.



Coil Inspection © Corus Strip Products

Production Scheduler, significant improvements in the scheduling process were achieved. For instance, the 'feeder group' function helped prevent an average of 50% of schedule violations.

The second phase of the PS enhancement project added extra capabilities to Production Scheduler:

- Improved scheduling information, particularly around coils scheduling
- 'Conserve and Consume' functionality, which allows users to define a scheduling strategy for using material which is in short supply and needed for more than one position in the schedule.

Shirley Solomon, Project Executive at Corus Strip Products, stated that the Phase 1 functionality together with support of the Project team, namely Gareth Philips, Project Manager and Andrew Leonard, Planning Manager,

is helping the plant to generate more automated and accurate schedules, with a reduced amount of editing, which removes the potential for errors and inconsistencies.

Corus is an international company, providing steel and aluminium products and services to custom-

*..... helping the plant to generate more automated and accurate schedules, with a reduced amount of editing, which removes the potential for errors and inconsistencies
- Shirley Solomon, CORUS*

When Corus first started using the new improved

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New Production Scheduler enhancements deliver continuing results for Corus Strip Products UK

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ers worldwide.

With an annual turnover of over £9 billion, the company is comprised of three Divisions, Strip Products, Long Products and Distribution & Building Systems.

Corus Strip Products UK is part of the Strip Products Division and produces Hot rolled steel strip and cold rolled and metallic coated steel.

Corus is a subsidiary of Tata Steel, the world's fifth largest and second most global steel producer.

With a combined presence in nearly 50 countries, Tata Steel has 84,000 employees across five continents and crude steel production of 27 million tonnes in 2007.



© Corus Strip Products

ISA-95: a Standard for MES

ISA-95 is an evolving standard produced by the International Society for Automation (ISA) with the objective to formalise the interfaces between Enterprise systems and Control activities.

Applications that are developed with an understanding of the ISA-95 standard will be easier to integrate with Enterprise systems, Manufacturing Process systems and with other MES applications.

Specifically, the standard provides a standard terminology and a consistent set of concepts and models for integrating control systems with enterprise systems that will improve communications between all parties involved.

ISA-S95 provides a template and guidelines for developing MES processes and workflows for the following MES areas:

- Production Management
- Quality Management
- Inventory Management
- Plant Maintenance

Some of the ISA-95 benefits include:

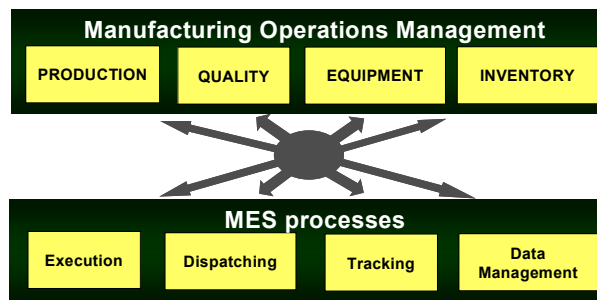
- Simplification and reduced time for the development of MES applications by using standard models and definitions
- Reduced users' times to reach full production

levels for new products

- Enable vendors to supply appropriate tools for implementing integration of control systems to enterprise systems
- Enable users to better identify their needs
- Reduced costs of automating manufacturing processes
- Optimized supply chains
- Reduced engineering efforts life-cycles

Broner MES solutions are designed to be fully compliant with ISA-95 standards. The diagram shows how Broner provides these solutions, with a set of core modules that mirror the ISA-95 definitions

Broner MES solutions are designed to be fully compliant with ISA-95 standards



and provide MES functions for dispatching, execution, tracking and data management that are tailored to the metals industry.

Broner supplies Production Planning & Scheduling solution to Tiantie steelworks in China

Broner has supplied its Production Planning and Scheduling solution to Tianjin Tiantie Metallurgical Group (Tiantie) for their major project in China's Hebei province.

Tiantie produces pig iron and some long prod-

ucts, like merchant bar and narrow strip, but is changing its market focus, and is building a new flat products plant that will eventually replace the existing long products facilities.

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Broner supplies Production Planning & Scheduling solution to Tiantie steelworks in China

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The first phase of this project includes a new steelmaking and hot rolling plant (HRC) in She city, Hebei province, and this will be followed by a cold rolling plant (CRC) at Tianjin, closer to port facilities.

The Broner solution manages and controls the planning and scheduling of the production for the new flat products facilities, and was implemented together with CISDI, Broner’s partner in China.

It includes Broner Material Planner, Production Planner, Caster Scheduler, Hot Mill Scheduler, Schedule Editor and Melt Shop Control Centre modules.

David Mushin, Chief Executive of Broner Metals

Solutions, said, “The Tiantie project highlights our growing business in China and is a result of superior solutions for metals manufacturing together with strong local partnerships.”

Tianjin Tiantie Metallurgical Group Ltd is one of the top 500 state-owned companies in China producing over 4.3 million tons of raw steel annually.

It is headquartered in Tianjin city, while most of its facilities are located in She city in Hebei province.

The new facility in She is a hot-rolling facility with annual production of over 3.8 million tons of steel coils.

*“Tiantie projectis a result of superior solutions for metals manufacturing together with strong local partnerships”
David Mushin*



Broner expands office in Russia in response to growing business volumes

Broner is pleased to announce further expansion of its Moscow office as a result of the growing demand for its solutions and services.



Broner Russia has moved to a bigger office in Moscow in order to accommodate its

growing team of planning, scheduling and MES consultants, which now includes local project managers, business and implementation consultants, and sales managers.

Such expansion occurred as a result of an increased number of new projects and opportunities in Russia and CIS region.

David Mushin, CEO of Broner said, “Regardless of the current economic situation, with many steel

and aluminium companies having to adjust their business processes, customers are still everyone’s number one priority and maintaining a high level of service while adapting to reduced activity levels is a must.

Broner solutions do just that and contribute towards: retaining the customer’s loyalty by improving delivery lead times and on-time delivery; containing costs by reducing inventory and usage of consumables; maximising cashflow by improving on-time delivery and reducing working capital.

We are increasing the number of personnel in Moscow office so our customers can enjoy the benefits of our solutions as soon as possible.”

The new office is at: Office C-1103, Building 8, 4th Dobryninsky, 119049, Moscow, Russia.



Feedback

Please give us your feedback about this newsletter, and what you would like to see in future editions. Please send any comments to the editor: richard.wightman@bronermetals.com



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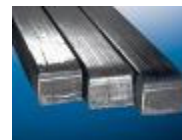
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