

QATAR STEEL

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**Qatar Steel Signs
a USD 250 million
Loan Facility
Agreement
with IBQ & UNB**

**Effective
presence in
Exhibitions & Fairs**

**Annual Family Day
draws a large
audience**



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QATAR STEEL

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Dear Readers

The Public Relations is delighted to present you the new issue of Qatar Steel's Magazine - Issue No. 97.

The new issue includes the Company's various events and functions such as the sponsorship of the commemorative book of Qatar Chamber of Commerce 'Four Decades of Economic Development', Qatar Steel Signing a USD 250 Million Loan Facility Agreement with IBQ & UNB, the employees' Family Day and some other topics. It also focuses on the Company's sports activities like football and basketball.

Light is also shed on local and international exhibitions attended by Qatar Steel, and the re-awarding of the ISO Certifications, EMS and QMS.

We hope you will find the new issue interesting and exciting. In the meantime, we welcome your objective suggestions and constructive ideas to improve the magazine.

Thank you.

اليوم الوطني



On the occasion of Qatar National Day, 18th of December
and in remembrance of the historic day in 1878 when
Sheikh Jassim Bin Mohammed Bin Thani, founder of the State of Qatar,
set up the pillars of the modern State of Qatar

We extend our heartfelt congratulations and greetings to

His Highness

**Sheikh Hamad Bin
Khalifa Al-Thani**

Emir of the State of Qatar

His Highness

**Sheikh Tamim Bin Hamad Bin
Khalifa Al-Thani**

Heir Apparent

and to all the honourable people of Qatar.

We hope for more returns of this memorable occasion and
wish that Qatar always enjoys security,
welfare and prosperity under the wise leadership of His Highness the Emir.

The Chairman and Members of the Board of Directors,
Director & General Manager
and all the employees of Qatar Steel.

Qatar Steel Signs a USD 250 Million Loan Facility Agreement with IBQ & UNB

In line with its ambitious vision to be universally recognised as a leading and constantly growing force in the steel industry of the region, and in the light of its excellent business relations with local financial institutions, Qatar Steel, a wholly owned subsidiary of Industries Qatar (IQ), has signed a subordinated loan facility agreement for a medium-term loan facility of USD 250 million (QAR 912.5 million), with a syndicate of two banks - International Bank of Qatar (IBQ) and Union National Bank (UNB). IBQ, the facility agent, will provide USD 150 million (QAR 547.5 million) of the project's cost with UNB funding the remaining balance of USD 100 million (QAR 365 million).

The loan facility agreement was signed on behalf of Qatar Steel by Mr. Ali Bin Hassan Al-Muraikhi, Director and General Manager, Mr. George Nasra, Managing Director of IBQ and Mr. Ala' Abu Mughli, Senior Vice President and Country Head of UNB - Qatar. The signing ceremony was attended by Qatar Steel's managers, and high ranking officials from both banks.

The new subordinated loan will be utilised by Qatar Steel to construct a new state-of-the-art Steel Melt Shop with a 1.1 MTA production capacity. Expansion work on this project has already started and is going on as per schedule.



The expected launch date is the 1st Quarter of 2013, and the targeted markets are local and regional.

Mr. Ali Bin Hassan Al-Muraikhi, Director and General Manager of Qatar Steel expressed his delight at signing this loan facility agreement. "We are very pleased to build strategic partnerships with both IBQ and UNB, and to establish solid co-operation and business relations, and we trust that such a loan facility would enable us to expand our existing plants, and meet our commitments towards our customers", he declared.

Mr. Al-Muraikhi added that the loan facility agreement marks a significant milestone in the expansion plans and aspirations of Qatar Steel, which is a leader in the steel industry, with a current annual production capacity of 2.4 million tons of DRI/HBI, 1.9 million tons of Molten Steel, 1.8 million tons of Reinforced Steel Bars and 0.3 MTPA of Wire Rods.



Board Meeting No. 155

Qatar Steel held its Board Meeting No. 155 on Monday, 31 October 2011 at its Doha premises.

The meeting was chaired by HE Yousef Hussain Kamal, Minister of Economy & Finance and Chairman of Qatar Steel, with the attendance of HE Dr. Mohamed Bin Saleh Al-Sada, Minister of Energy and Industry, and Vice Chairman of Qatar Steel as well as Board of Directors and Mr. Ali Bin Hassan Al-Muraikhi, Director and General Manager and all Division Managers.

HE the Chairman welcomed the Board of Directors and the Company's Division & Department Managers. The Board then discussed several important issues related to the Company's activities in the past period, and they also reviewed the future projects.



Celebrating the Graduation of 50 Saudi Trainees

On 5th October 2011, Qatar Steel Company celebrated the graduation of the first batch of trainees employed by the Saudi company 'South Steel'. The training course lasted for six months.

The ceremony was attended by His Excellency Mr. Ahmed Bin Ali Al-Qahtani, Ambassador of the Kingdom of Saudi Arabia in Qatar, Mr. Ali Bin Hassan Al-Muraikhi, Director and General Manager of Qatar Steel, and Eng. Mohamed Fayez Darjam, Vice Chairman of South Steel Company in the Kingdom of Saudi Arabia. Managers of divisions and departments in Qatar Steel, dignitaries and senior officials from both companies also attended the event.

On this occasion, Mr. Ali Bin Hassan Al-Muraikhi, Director and General Manager of Qatar Steel delivered a speech welcoming the attendees, and congratulating the graduated trainees. He expressed his pleasure at celebrating the successful completion of the intensive theoretical and field training programme set by Qatar Steel for the first batch of trainees employed by South Steel.

He said that Qatar Steel will be soon receiving the second batch of 50 Saudi trainees from the same company, who are planned to join the next training programme.

Mr. Al-Muraikhi expressed his delight on the existing strategic partnership between Qatar Steel and the Saudi 'South Steel', as well as on the close collaboration with them in the field of steel.

"Such a partnership, no doubt, reflects the depth of the strong brotherly relations between our two countries, Qatar and Saudi Arabia", he added.

"Qatar Steel, which owns a 30% stake in South Steel, has pledged to provide all technical support to this company, and the well-integrated training programme organised for their young employees comes in this context, with a view to help them obtain the required qualifications and acquire the necessary skills and expertise, and to be ultimately able to cope with any anticipated challenges, as they will take the responsibility in the future to operate and develop their South Steel factory", Mr. Al-Muraikhi added.

It is worth mentioning that Qatar Steel has played a vital role in providing technical and administrative training courses to employees working in various steel plants in Saudi Arabia, Iran and Egypt.

The Company has trained approximately 156 trainees, from 1979 to 1983, who were mostly engineers, administrators and technicians working at SABIC Steel.

Mr. Al-Muraikhi expressed his confidence that the Saudi trainees will definitely contribute to the success of South Steel Company, and urged them to work as one team. He reminded them to abide by the safety laws as their first priority, and to take 'safety first' as their slogan and goal, when doing any work at site.

Eng. Mohamed Fayez Darjam, Vice Chairman of South Steel Company (SSC), and Director of the Saudi-Qatari Business Council said that having Qatar Steel Company as a strategic partner is a great qualitative leap for SSC. He spoke highly of the technical, marketing and administrative expertise that Qatar Steel enjoys. He went on to say that Qatar Steel will provide the raw materials required and all the necessary support to SSC. "Our partnership with Qatar Steel is an ideal example of the industrial integration that exists among the GCC companies." he added.

Eng. Darjam extended his gratitude and thanks to the Management and Directors of Qatar Steel for the training provided to the promising young Saudis, which was aimed at qualifying them to run the South Steel factory. He also thanked the Human Resources Development Fund for supporting the training programme, and for the constructive co-operation provided towards rehabilitating the national cadres in the Company.





His Excellency Mr. Ahmed Bin Ali Al Qahtani, the Ambassador of the Kingdom of Saudi Arabia in Qatar, expressed his pride of the Saudi trainees, who during their training period have set a good example and model for the Saudi citizens, as distinguished, diligent and hard working individuals with high moral sense. HE also expressed his hope that these young people would contribute towards the development and progress of their country.

The Saudi Ambassador commended the existing co-operation and constructive dialogue between the companies and factories in Saudi Arabia and Qatar, which will definitely lead the integration among the GCC countries, and enhance the GCC economy. As for the economic co-operation between Saudi Arabia and Qatar, HE said that it is currently witnessing a steady growth in the volume of trading and in the volume of mutual investments, and that the Kingdom's economy is considered as one of the largest economies in the Arab world in terms of size. The Kingdom has the largest economic base, and the largest commercial sector, and the largest financial market in the Arab world. The Saudi economy is considered to be one of the 19 largest economies in terms of size and potential. Besides, the Kingdom has joined the group of twenty giants in the world.

Regarding the State of Qatar, HE said that Qatar is the top country in the field of liquefied gas, and it is witnessing a rapid growth in all sectors of the economy.

He expressed his delight on the co-operation and integration existing among the GCC countries. He commented that this would bring more success in those countries and thereby achieve the objectives of the industrial and commercial enterprises in these countries.



Effective Presence in Exhibitions & Fairs

Project Qatar 2011

Qatar Steel participated in PROJECT QATAR EXHIBITION 2011 which was held at Doha Exhibition Centre from 2 to 5 May, 2011. Qatar Steel was a proud exhibitor in the event.

The Exhibition brought together leading players from the fast-paced global construction world and was attended by leading and high-ranking Qatari public sector officials who provided valuable insight and explained the innumerable benefits foreign investors enjoy while doing business in Qatar.



Oman & Saudi Arabia Exhibitions

Qatar Steel participated in two overseas exhibitions:

INFRAOMAN (20-22 September 2011) - Organised by Al Nimr Expo, it was the first-ever international exhibition on infrastructure & industrial projects to be held at Oman International Exhibition Center, Sultanate of Oman. Qatar Steel was the proud Gold Sponsor of the event.

Saudi Build (16-19 October 2011) - The 23rd International Construction Technology and Building Materials Exhibition provided contractors, real estate developers and building owners with a full range of building solutions. Saudi Build is the largest business construction fair in the Kingdom.



Infra Oman (20-22 September 2011)



Saudi Build (16-19 October 2011)

Qatar Steel Launches Al-Wakra Beach Cleaning Drive

In support of the community's environmental activities, Qatar Steel organised a beach cleaning drive in Al-Wakra, in co-operation with Al Wakra Municipality, on 19 November 2011.

About 150 employees from the Company volunteered to participate in this event, which was held under the slogan 'preserving the environment is one of our most important goals'.

Al Qadisiya Model Local Primary School for Boys joined Qatar Steel in this drive, with about 50 volunteers.

Qatar Steel's environmental policy aims at preserving the environment and maintaining its cleanliness. As a rule, it communicates with various environmental bodies and authorities, to develop an environmental awareness culture in the society, and to warn all the individuals of the dangers of waste dumps in the coastal areas.

Shuttle buses were arranged by the Company to transport volunteers to the shore site in Al-Wakra. Volunteers were provided with cleaning tools and equipment such as gloves, garbage bags and hats. Drinking water and snacks were also served to the volunteers.

The Public Relations & Communications Department supervised the event, which included some activities related to environment, such as awareness presentations, distributing leaflets that educate the public about the dangers of throwing waste in the sea and its adverse effects on the fish and marine life in general, and also the distortions they cause to the whole environment.

Different waste including wooden, plastic and glass items were collected and removed. Souvenirs were distributed to the school volunteers and other children in appreciation of their participation in the cleaning drive.

On this occasion, Mr. Ahmed Abdul Aziz Al-Ansari, Commercial Division Manager said, "This campaign



is part of the Country's official environmental policy that seeks to protect the marine environment and the cleanliness of beaches in Qatar. Such a drive aims at combining all efforts to maintain the beauty of our shores and to keep them clean from any harmful waste that might damage the marine life or have an adverse impact on the environment."

Mr. Saeed Mohammed Al Roomi, Public Relations & Communications Manager at Qatar Steel expressed his pleasure in organising this drive, and thanked the employees for their quick response to take part in this activity, which demonstrates their interest and awareness about environment protection. He hoped that such drives would continue to urge the community to contribute to environment protection. He called upon all educational institutions to spread environmental education in schools in order to raise environmental awareness among our children, promote awareness of environmental issues, and strengthen their spirit of social responsibility and the necessity to apply and respect all environmental laws.



Corporate Social Responsibility (CSR) Helping Hand to People with Special Needs

As part of its corporate social responsibility, Qatar Steel offered a financial contribution to Qatar Society for Rehabilitation of People with Special Needs (QSRSN).

This initiative is meant to support the learning activities of people with special needs. Qatar Steel is always committed to support all the local social and charitable organisations and societies.

Mr. Amir Al Mulla, Executive Director of Qatar Society for Rehabilitation of People with Special Needs thanked the management of Qatar Steel for their continual support.

A memento was presented by Mr. Rabia Al-Kaabi, Vice Chairman of QSRSN to Mr. Kefah Al-Mulla, Administration Division Manager of Qatar Steel.



Qatar Steel Honoured on World Blood Day

The World Health Organisation (WHO) chose 14 June 2011 as the day to recognise the companies and the people who save lives and improve the health of others by donating blood. Among the key contributors to the World Blood Donor Day was Qatar Steel.

Present at the ceremony was HE Mr. Khaled Al-Qahtani, Minister of Health and General Secretary of the Supreme Health Council and high ranking officials from Hamad Hospital. Qatar Steel was represented by Mr. Ahmad Mohamed Al-Sa'di, Marketing Department Manager, and Mr. Mohamed Rashid Sebeih, PR Representative.

On behalf of Qatar Steel, Mr. Sebeih received the certificate of appreciation. He expressed his delight on this occasion, and wished all success to the Blood Donation Division at Hamad Hospital in their humane drive and noble initiatives.



Finance Department Restructures its Organisational Set-up

As part of the ongoing process for improvement, the Finance Department has been restructured in order to streamline and improve the efficiency of processing financial transactions.

Through the new structure, the Department successfully achieved the following landmarks:

Development of financial policies and procedures with the assistance of Ernst & Young in order to have solid financial controls in the organisation.

Development of a well-structured management reporting package to provide the right information to the right management level at the right time. The package does not only report the historical data but sets out a pathway for the future financial forecast.

In co-ordination with the IT Department, major enhancements were made to the Oracle ERP system. As a result, the monthly closing date of the books of accounts was pushed ahead to around 4 to 5 days after the end of the month. This has helped us to

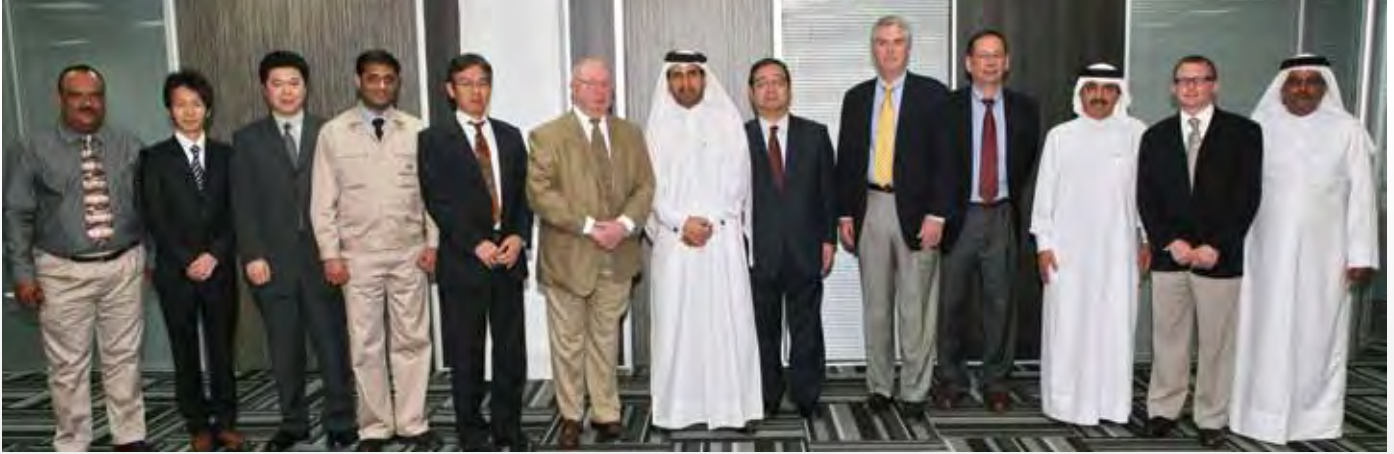
report to our shareholder, Industries Qatar (IQ), on time with no single failure in meeting the target dates set by IQ. In addition, the data in the system is now more reliable and all the ledgers have been reconciled.

The Department is close to finalising a contract with a consultant to implement the Hyperion Planning and Budgeting software. This is expected to fundamentally change the budgeting process and will provide a strong reporting tool to set the basis for the Finance Dash Board.



THE FINANCE DEPARTMENT'S WORKFORCE AS OF JUNE 2011

Midrex & Kobe Steel Delegation Visit Qatar Steel



A high level delegation from Midrex, US & Kobe Steel, Japan recently visited Qatar Steel. Mr. Ali Bin Hassan Al-Muraikhi, Director and General Manager of Qatar Steel, along with the Division and Department Managers welcomed the visitors.

The Meeting mainly focused on enhancing the long term business relationship, assisting Qatar Steel's Direct Reduction Plants, improving the plant availability and studying any future debottlenecking of both DR-1&2.

Qatar Steel operates two Direct Reduction Modules, which were engineered & commissioned by the Midrex, Kobe Steel consortium - one in 1978 and the other in 2007.

Mr. Al-Muraikhi thanked the guests and wished that the co-operation between Qatar Steel, Midrex and Kobe could be further enhanced and developed in the future.

Farewell to Mr. Raveendranathan - HRD

Mr. Ravi of the Human Resources Department is leaving Qatar Steel for good after 30 years of service.

In recognition of his long term service, Mr. Ali Bin Hassan Al-Muraikhi, Director and General Manager of Qatar Steel honoured Mr. Ravi, and thanked him for his devotion and loyalty over the years, wishing him all happiness and success in his future life.



Chairman's Football Cup 2011



Qatar Steel participated along with numerous other oil and gas companies working in MIC in the 2011 Chairman's Football Cup. The Football Tournament was held under the patronage of HE Dr. Mohamed Bin Saleh Al-Sada, Minister of Energy and Industry, from 17 April to 15 May, 2011 at Ghazal Sports Club in Doha.

The Qatar Steel Football Team composed of 25 highly skilled players inside the green rectangle. The team won the admiration of the audience as it won its first match against the QAPCO football team 1-0, but in the second match the Qatar Steel team was defeated by the RasGas football team.



The match that was held the day after was great news for Qatar Steel as its team won the match against the MIC football team 4-3. This launched the team into the quarterfinals of the tournament.

It is worth mentioning that this was the first time the Qatar Steel team participated in this annual tournament.



At the end of 2011 Chairman's Cup tournament, HE Dr. Al-Sada and Mr. Ali Bin Hassan Al-Muraikhi, Director and General Manager of Qatar Steel honoured the best goal keeper and the best footballer and awarded them the prizes.

Mr. Al-Muraikhi wished Qatar Steel's Football Team a very bright future!

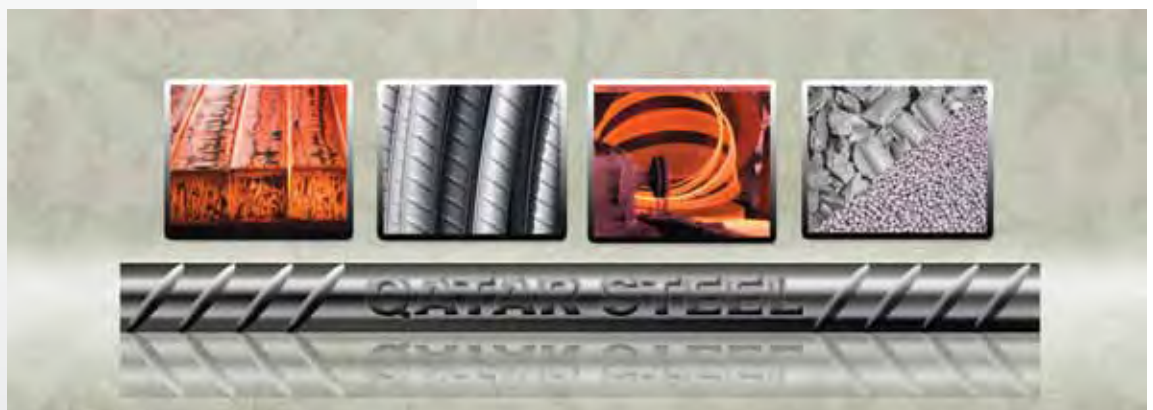


Two ISO Certificates Re-awarded to Qatar Steel

Following the ABS Quality Evaluations, Qatar Steel has been re-awarded two ISO certifications – Environment Management System (EMS) & Quality Management System (QMS) – for the company’s conformance and compliance with ISO requirements.



ISO 14001:2004
 for Environment
 Management System (EMS)



ISO 9001:2008
 for Quality Management
 System (QMS)

Our Basketball Team Wins the 1st Runner-Up Trophy



The Qatar Steel Basketball Team was awarded the 1st Runner-up Trophy at the 4th Basketball Tournament, which was held from 4th February 2011 to 6th May 2011, following an exciting championship match held on 6th May 2011 at Al Ahli Club.

Even though our team did not take the championship crown this time, we are very confident that the performances displayed by our brilliant players have carved a name for Qatar Steel in the Qatar Basketball League of the State of Qatar. In addition, it enhanced our brand image and helped us realise our corporate social responsibility objectives.

A large crowd watched the final match and supported our team. Without our departments' efforts in sponsoring the team, this glory would not have been realised.

Many congratulations to our Qatar Steel Basketball Team. On this occasion, we extend our deepest gratitude to the top management of Qatar Steel for their support and encouragement.



Annual Family Day Draws a Large Audience

Qatar Steel organised its annual Family Day for its employees and their families on 19th May 2011. The event was held at Marah Land in Al Wakra Park.

Qatar Steel's 33rd Annual Family Day was part of the company's activities aimed at enhancing ties and relationships among the employees of all divisions and departments, in a fun-filled friendly environment, away from the formalities of work, thereby creating an environment that balances work and leisure, and is based on trust and co-operation between the officials and the employees.

At the park, the audience enjoyed the interesting performances and fun shows that were presented on the stage specially set up for this event. The show included some quiz, games and contests for children.

The event also included several functions and other fun activities which impressed the audience and created an environment of joy and happiness. The entire event had a very positive impact on rejuvenating the employees and bringing them together as friends and one large family.

Qatar Steel's Management seized the annual Family Day to express its sincere thanks and appreciation to its employees and recognised their high-level professional performance and persistent keenness to promote and enhance the profile of the Company and contribute to its continual progress.



Sponsoring the Commemorative Book 'Four Decades of Economic Development'

Qatar Steel was the Diamond Sponsor of the commemorative book 'Four Decades of Economic Development', which was issued by the Qatar Chamber of Commerce and Industry.

The book was officially launched during a ceremony, held under the auspices of HE Sheikh Khalifa Bin Jasssem Bin Mohamed Al-Thani, Chairman of Qatar Chamber of Commerce and Industry. The ceremony was attended by high ranking officials from both sides, General Managers of public and private sector companies, in addition to a large number of VIPs.

A brief documentary film depicting the economic and industrial achievements and developments in the State of Qatar throughout the last four decades was shown during the event.

The sponsors of the book, including Qatar Steel, were also awarded and recognised for their contribution. Mr. Ahmed Abdulaziz Al Ansari, Qatar Steel's Commercial Division Manager, received the award on behalf of the Company.



Gold Sponsor of Gulf Statistical File '2009–2010'

Qatar Steel announced itself as the Gold Sponsor of the new annual edition of the 'GCC Statistical File 2010' series, which is issued by the Gulf Organization for Industrial Consulting (GOIC). This publication is a reference for financial statements and updated and documented economic and social indicators for the GCC countries.

Qatar Steel is today widely recognised as a leader in the steel industry. It operates an expansive site, including a plant and other facilities, located in the progressive Mesaieed Industrial City. The Company also operates a UAE based subsidiary - Qatar Steel Company FZE.

Inspired by its commitment to meet the growing demand for steel in Qatar as well as the region in general, Qatar Steel has embarked upon a series of initiatives aimed at increasing its production

capacity. State-of-the-art technically advanced expansion projects are being designed to produce world-class products. Over the years, Qatar Steel has successfully forged a remarkable reputation by establishing unrivalled quality, flexibility and reliability in all its products and after-sales service offerings. Due to its proximity to the GCC countries, Qatar Steel is able to satisfy a large part of the region's demands while meeting the local market requirements.



Overview Arab Steel Industry Status & Challenges

There is no doubt that the political conditions undergone by some of the Arab countries during the recent period have left an impact on the Arab Steel industry. In spite of the recent disturbances taking place in some Arab countries, many of them have begun to change the strategy, launch projects and set up plans which will help to improve the living conditions of their citizens. The steel industry is progressing parallelly.

Presently there are many huge and promising projects in the Arab world, which will support the Arab steel industry and push it forward.

The Arab Iron and Steel Union has emphasized upon the necessity for co-ordination and co-operation among the Arab countries in order to achieve a competitive Arab steel industry.

It is worth noting that during 2010 the Arab region had seen a substantial recovery in the demand for steel products, because the economies of the Arab countries were less affected by the global economic crisis.

Statistics of the crude steel production in the Arab countries during 2010 have shown a production amounting to 15,656 million tons, compared to about 13 million tons of crude steel in 2009, up by about 15% over 2009's production.

Demand for finished steel products in the Arab countries during 2010 exceeded 25 million tons of various steel products. The crude steel production in the GCC countries during 2010 amounted to 9,510 million tons. The production volume in the United Arab Emirates amounted to about 1.3 million tons. The crude steel production in Qatar came close to 2 million tons, and Saudi Arabia's production volume exceeded 5 million tons. While Egypt's production amounted to 6.6 million tons, Libya's production was 825,000 tons and Algeria's production was 715,000 tons. The average annual increase of crude steel production in the Arab countries is estimated to be about 7%.

2010 saw a boom in the crude steel production of Arab countries with an increase of more than 21% over the 2009 production.

With the steel industry witnessing a concentration of investment in this important industrial sector in the Arab countries, the steel companies are taking up a leading role in industrial investment. This will contribute towards creating a base that supports sustained economic growth.

Courtesy: Al-Sulb Arabi Magazine

