



قطر ستيل  
QATAR STEEL

# ANNUAL REPORT 2015







حضرة صاحب السمو الشيخ  
**حمد بن خليفة آل ثاني**  
الأمير الوالد

**H.H. Sheikh Hamad Bin Khalifa Al-Thani**  
The Father of Emir



حضرة صاحب السمو الشيخ  
**تميم بن حمد آل ثاني**  
أمير البلاد المقدي

**H.H. Sheikh Tamim Bin Hamad Al-Thani**  
Emir of the State of Qatar



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**QATAR STEEL**

## ANNUAL REPORT 2015

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WE MAKE STEEL MATTER



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QATAR STEEL

## CHAIRMAN'S MESSAGE



The year 2015 was a challenging year for Qatar Steel. The global steel industry was reeling under the impact of rising steel exports from China due to large surplus capacities and a slowing domestic demand, in addition to the weak demand conditions, which was largely due to falling fixed asset investments across countries caused by sharp drop in oil prices and the fiscal adjustments.

As a primary integrated steel producer in Qatar, we are entirely committed to sustainable development framework, which is aligned with Qatar's National Vision 2030, for the development process in all fields; human, social, economic and environmental.

Qatar Steel achieved significant improvements last year in almost all areas; production process, product quality, HSE standards, reduction of carbon and CO2 emissions as well as in recycling of process wastes as per global standards.

Thanks to our dedicated manpower for all these achievements. I do believe that Qatar Steel's strength lies in its sincere employees who are proven to be the company's real assets, that we can rely on to execute Qatar Steel business goals and strategies in various areas of the business and in a challenging market environment .

Strongly supported by a robust, sustainable and reliable domestic steel industry, we shall continue to provide our customers with the high quality value-added steel products they need, and the best services they expect.

**SAAD RASHID MOHD AL-MUHANNADI**  
Chairman





## MD & GM MESSAGE



I am pleased to present our Annual performance Report of Qatar Steel for the year 2015 highlighting the key financial activities and results and enlightening the company's achievements and successes.

The year 2015 marked an excellent performance for Qatar Steel in many areas, where we achieved positive results. We maintained our competitive position being a low cost producer within the region by optimizing costs in all areas.

Due to the market conditions and lower prices in 2015, our net profits amounted to 872 Qatari million Riyals, which was 31% lower than the previous year. However, our sales in 2015 increased to KMT 2780 from KMT 2633 in 2014. Also our production volume of DRI/HBI was increased from KMT 2547 in 2014 up to 2631 in 2015, while the production of crude steel (billets) slightly decreased from KMT 2867 in 2014 down to 2594 in 2015. As for rebars, we produced KMT 2162 comparing to 2123 in the previous year. The coil (wire & rebars in coil) recorded KMT 163 comparing to KMT 150 in 2014.

Besides setting high performance standards in operations, we are fully committed to the safety of our employees. Our dedicated HSE team work very closely with the business units to achieve excellence in all matters relating to ensure that safety always comes first.

We do believe that a safe working environment is the key to sustain productive environment. Therefore, we initiated a more robust training program focusing on what is required to make the workplace safer.

On the commercial and marketing front, Qatar Steel continued to consolidate its competitive position in the local and regional markets within GCC, maintaining high quality products and services and further enhancing the business relations with accredited partners. Furthermore, in the context of business development and retention, customer relationship management was strengthened to meet their expectations and instill loyalty.

Finally, we shall remain committed to improving the efficiencies in our operations and differentiating ourselves in the market place, so as to build a stronger and sustainable future for our country.

**ALI BIN HASSAN AL-MURAIKHI**  
Managing Director & General Manager

# BOARD OF DIRECTORS



**Mr. Saad Rashid Mohd Al-Muhannadi**  
Chairman



**Mr. Abdulla Ghaith Al-Kuwari**  
Vice Chairman



**Ali Bin Hassan Al-Muraikhi**  
Managing Director & General Manager



**Mr. Abdulla Mohamed Al-Mahmoud**  
Director



**Sh. Saoud Bin AbdulRahman Al-Thani**  
Director



**Ibrahim Akber Ali Al- Mulla**  
Director



**Mr. Rashid Ali Al-Dosari**  
Director

# MANAGEMENT TEAM



**Ali Bin Hassan Al-Muraikhi**  
Managing Director & General Manager



**Mohammed Tahir Al-Hammadi**  
Projects Division Manager



**Saad Rashid Al-Mohannadi**  
Supply Chain Division Manager



**Yousef Abdulla Q. Al-Emadi**  
Production Division Manager



**Kefah Mustafa Al-Mulla**  
Administration Division Manager



**Ahmed A. Aziz A. Al-Ansari**  
Commercial Division Manager



**Salah Ibrahim Babiker Karga**  
Finance Division Manager



**Dr. Abdellatif Laasraoui**  
Strategy & Business Development  
Division Manager



**Natarajan Gopal**  
Strategic Planning Manager

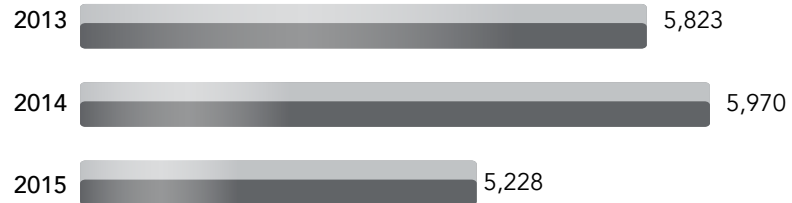


**Mr. Gamal Abdelgadir**  
Legal Manager

## FINANCIAL HIGHLIGHTS - (Consolidated)

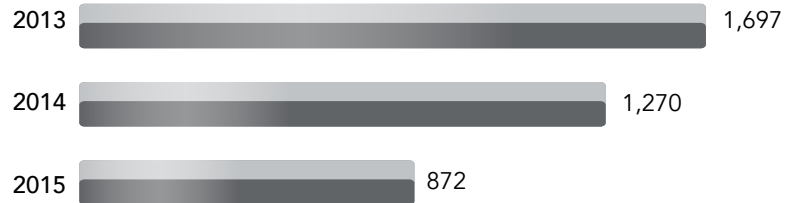
	Unit	2013	2014	2015
Revenue	QR Million	5,823	5,970	5,228
Net Profit	QR Million	1,697	1,270	872
Net Profit % of Revenue	%	29	21	17
Sales Volume	KMT	2,424	2,633	2,780
Production Volume				
DRI/HBI	KMT	2,385	2,547	2,631
Crude Steel (Billets)	KMT	2,236	2,867	2,594
Rebar	KMT	2,044	2,123	2,162
Coil (Wire Rod and Rebars in Coils)	KMT	156	150	163
Total Capital Employed	QR Million	9,298	8,280	8,156
Return on Capital Employed	%	19	17	11
Shareholder's Funds	QR Million	7,434	7,685	7,323
Return on Shareholder's Funds	%	23	17	12
Retained Earnings	QR Million	6,633	6,753	6,475
Earnings per Share	QR	57	42	29
Debt-to - Equity Ratio	%	27	22	15
Dividend paid % of Net Profit	%	94	79	115

### Revenues - QR Million



The reduction in Revenue by 12% in 2015 is mainly due to drop in prices of all products between the ranges of 16% to 26% as compared to 2014.

### Net Profit - QR Million

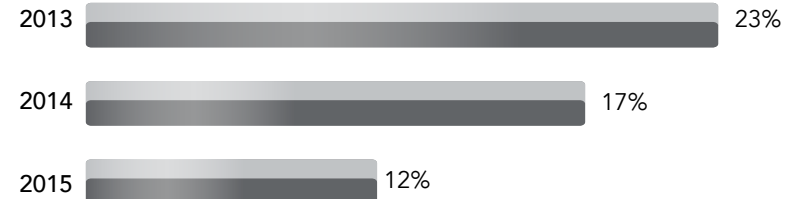


Net Profit for the year 2015 is lower by 31% mainly due to drop in selling prices of all the products between the ranges of 16% to 26% as compared to 2014





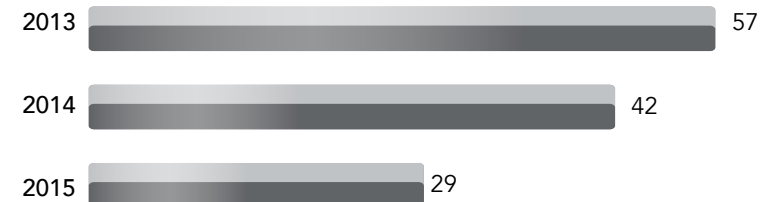
### Return on Shareholder's Funds - %



*In 2015, the Return on Shareholder's Funds has reduced by 5% due to drop in Net Profit by 31%.*

*(Return on Shareholder's Funds-%=Net Profit/Shareholder's Fund)*

### Earnings per Share - QR



*Earnings per share in 2015 has dropped by QR 13 per share is due to reduction in Net Profit by 31%.*

# AFFILIATES (Book Value)

QR Million

Name of the Company	Shareholding	2013	2014	2015
Qatar Metals Coating Company W.L.L.	50%	26	24	17
SOLB Steel Company (Formerly South Steel Company W.L.L.)	31.03%	197	209	193
Foulath Holding B.S.C. ( C )* (Formerly Gulf United Steel Holding Company (Foulath) BSC Closed)	25%	1,246	1,246	1,186
Qatar Steel International	50%	3	4	-
<b>Total</b>		<b>1,472</b>	<b>1,483</b>	<b>1,396</b>

\* Foulath Holding B.S.C (C) is a Bahraini holding company for a group of commercial/industrial companies that are engaged in the manufacture and sale of Iron ore pellets, Stainless Steel flat products, Medium & Heavy beams and Structural Steel Sections. Prior to 2015, Qatar Steel intended to dispose this investment, whereby the management approved and commenced an active plan to dispose the investment. During the year it was determined that the criteria required for the classification of an associate as held for sale is no longer met and therefore, this investment has been reclassified from held for sale assets under IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" to investment in an associate under IAS 28 "Investments in Associates".

## Investment in Affiliates - QR Million



In 2015, value of Investments in Affiliates is lower by 6% due to poor performance of Associate Companies.

# QATAR STEEL COMPANY

## 1- OVERVIEW

### a. QATAR STEEL COMPANY Q.S.C.

Qatar Steel Company was formed in 1974 as the first integrated steel plant in the Arabian Gulf. Commercial production commenced in 1978 with the company becoming wholly owned by Industries Qatar (IQ) in 2003.

Today, Qatar Steel is widely recognized as a foremost leader in the steel industry, extending its pioneering commitment from an expansive mill site located in the heart of the progressive Mesaieed Industrial City - 45 kilometers south of the nation's capital, Doha.

Inspired 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 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 the products and service offerings. Central to this achievement has been the drive to exceed customers' expectations.

The plant with its office occupies an area of 1,354,601 square meters, adjacent to which is a further 375,000 square meters plot reserved for future development and expansion. The total employee-base of over 2,000 spans 12 different nationalities and the mill runs on a 3-shift system.

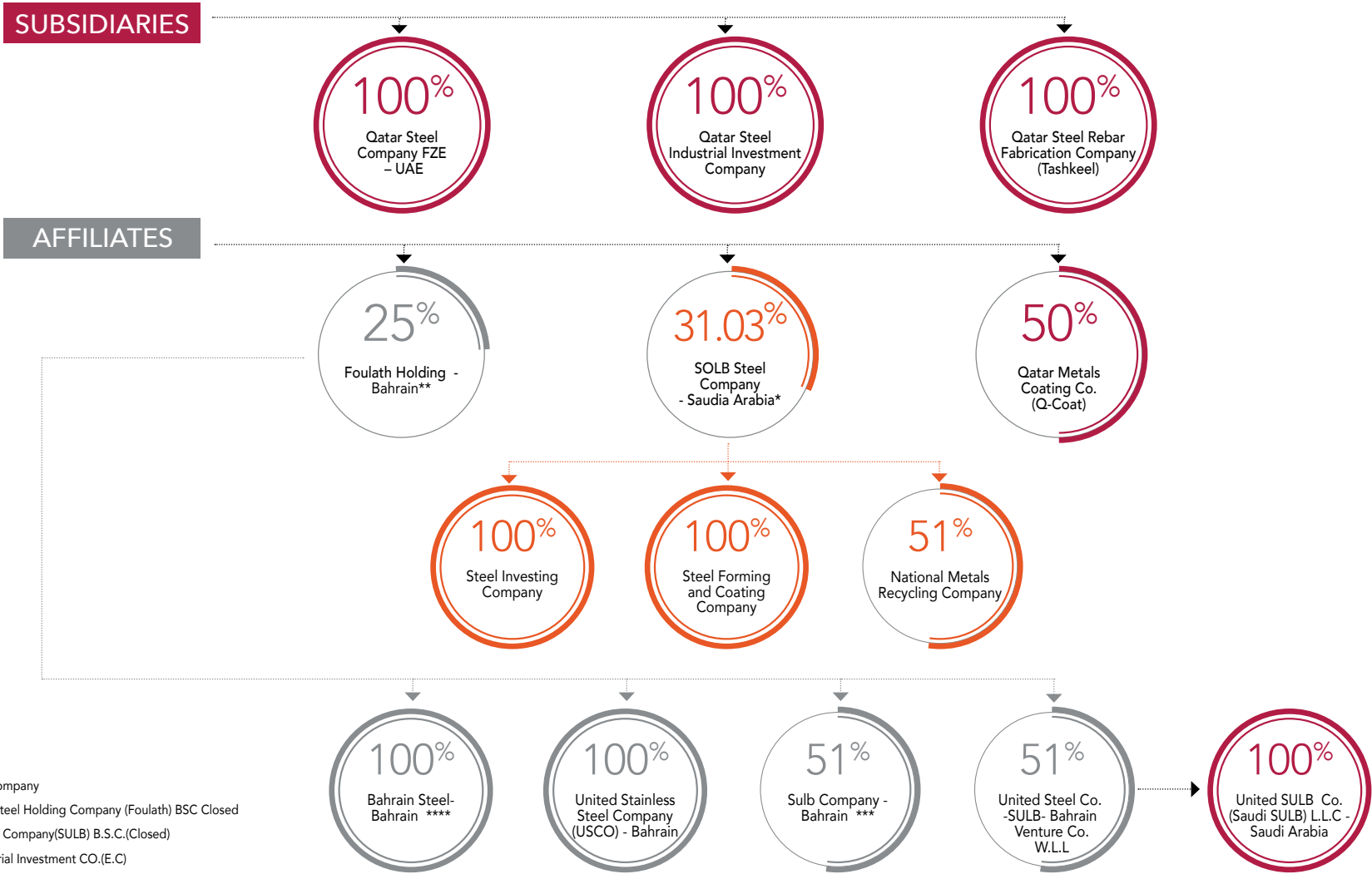


### b. QATAR STEEL COMPANY FZE-UAE

The subsidiary was established in August 2003 (wholly owned by Qatar Steel) to meet the growing demand for high-quality steel wire-rod products within the GCC as well as in international markets and growing import demand for re-bars in the UAE market. The company operates two primary facilities at its 60,000 Sq. meter with State-of-the-art Wire Rod Mill with an installed capacity of 240,000 metric tons [MT] per annum and the advanced Rebar Mill installed with a capacity of 300,000 MT per annum.



### C. SUBSIDIARIES & AFFILIATES




\* Formerly South Steel Company  
 \*\* Formerly Gulf United Steel Holding Company (Foulath) BSC Closed  
 \*\*\* Formerly United Steel Company(SULB) B.S.C.(Closed)  
 \*\*\*\* Formerly Gulf Industrial Investment CO.(E.C)

## 2- VISION, MISSION, VALUES & PURPOSE



# VISION, MISSION, VALUES PURPOSE

At Qatar Steel we are highly inspired by Vision, Mission, Values and Purpose which set the stage to show our commitment towards meeting our stakeholders' expectations & corporate goals.



We endeavor to be universally recognized as a leading and constantly growing force in the steel industry of the region, to be admired for our business culture, for building value for our shareholders and customers, and for bringing inspiration to our people.

We will continue to be the first name in the region's steel industry by harnessing our assets and resources to achieve profitable growth, operational and organizational excellence, and good corporate citizenship.

The drivers of our ambition are:

- Trustworthy
- Reliable
- Dynamic
- Creative
- Perceptive

- To reach a league where we will matter beyond normal commercial objectives
- To become the standard for quality enterprise and to exude a winning attitude in order to make a difference in our environment.

## HEALTH, SAFETY & ENVIRONMENT (HSE)



Qatar Steel's focus on Health, Safety and Environment is a cornerstone in its best practice policy. HSE performance is closely linked with progress potentials as no progress can even be conceived unless the safety of employees and assets is maintained and guaranteed.

A safe working environment is the key to industrial success, and investing in safety is the way forward and we will always have our employee's safety at the forefront of our business plans.

Qatar Steel has put great emphasis on safety to achieve excellence in all matters relating to Health, Safety and Environment.

In 2015, Qatar Steel made significant safety improvements at all plants with a well-established safety management in place. These improvements include the provision of necessary training, guidelines, procedures, regulations, motivation awards, and HSE support to all employees.

**Qatar Steel has gone ahead with key initiatives such as:**

### **Training**

To enhance the knowledge of our employees, Qatar Steel initiated a robust training program. Attention was paid to high-risk activities and in 2015, 858 personnel were trained.

### **Reward & recognition**

To engage employees and contractors alike, Qatar Steel have a range of rewards and recognition programs which encourage outstanding HSE behaviors and promote a continuous drive to safety excellence.

Focusing on motivation of our employees and contractors including Safety Slogan competition with cash reward, housekeeping awards, yearly safety performance award with cash reward and trophies, safety representative's appreciation awards are some of these prime programs.

### **World Steel Association**

As Qatar Steel is a member of the World Steel Association, we have benchmarked against (WSA) criteria, which is a fundamental process in areas related to HSE. To demonstrate this, Qatar Steel initiated a yearly HSE day. The program comprises many initiatives such as Road Traffic Safety, Health Checkups carried out by Qatar Red Crescent, First Aid, and Defensive Driving, to name a few.

### **Safety Monitoring**

Qatar Steel provides induction-training sessions to all contractors and visitors available in two languages (Arabic & English) due to many nationalities. - Engaging the contractors at an early stage accelerates the drive to safety excellence.

### **Engagement**

Qatar Steel carries out many workplace inspections with various levels of executives from senior plant managers to department safety representatives. Going out on site and identifying workplace hazards and having a discussion with frontline employees regarding HSE gives a positive impact on the understanding of HSE related issues.

### **Measuring performance**

Qatar Steel uses an incident tracking system that has many in built features to analyze and assess current trends and plan for future improvements.



# SUSTAINABILITY

Sustainability is a critical component of Qatar Steel's business strategy. Our sustainability framework addresses economic, social and environmental performances for maximizing our stakeholder's value. Through constant innovation, new technologies and processes, we achieved significant improvements in productivity, product quality, HSE standards, reduction of carbon and GHG emissions and in recycling of production wastes comparable to global standards.

We are proactive in meeting customer needs in products and services. We are committed to the well-being of our employees as they are our greatest assets. The company management fully supports Qatarization initiatives and local community services.

As primary integrated steel producer in Qatar, we are well aligned to Qatar's National Development Strategies, Qatar National Vision 2030 and Qatar's sustainability initiatives.

Our sustainability approach and performances the period 2009-2014 were well outlined in four sustainability reports released till 2014.

Acknowledging that better performance comes from stronger strategic commitment, we have worked in to integrate sustainability priorities our Corporate Strategy and into balanced scorecard.

We recognize that transparency is crucial to the fostering of trust in our performance. That is why in 2015 we improved our materiality analysis which has helped us to identify sustainability areas on which to focus our reporting and accountability. We will continue to report publicly through our sustainability report and to actively participate in the Qatar Energy and Industry Sector Sustainability (QEISS) Programme, harnessing our past achievements to improve our sustainability performance in the future.

Recycling, reuse and resource conservation are at the core of our sustainability efforts. Qatar Steel will continue to pursue efforts to harness synergy with industries in Qatar for reuse of process waste and by-products generated at their end by replacing them suitably in steel making process. One big effort towards this was recycling of process waste (from Qatar Steel operations) for replacing costly raw materials. The newly commissioned briquetting plant commenced production in September 2015 and currently operating 10-14 hrs/day. We have plans to replace other consumables such as carbon, fluorspar etc.

Looking ahead, Qatar Steel has developed a Sustainability Roadmap which will provide further clarity of its five-year sustainability objectives and targets, as well as the action plans necessary to achieve those targets.

# GROWTH STRATEGY

Qatar Steel pursues its growth strategy of upgrades and new expansions in order to meet the growing steel demand in Qatar and to consolidate its competitive position in the regional markets within GCC. We strive to grow by leveraging available and cheap natural resources, acquiring new technology and product diversification through partnerships and acquisitions. We look for strategic investments by way of acquisitions and joint ventures in iron ore and steel related production facilities to secure basic raw materials for production and to seize market opportunities for down-stream products.

In 2015, the strategic priorities for the company had changed. Global economy down with Chinese real GDP growth trending down to 6.9%, the global steel markets have been badly affected with supply glut and steel prices dropping by around 35 to 40% in one year. Due to appallingly low brent crude prices, fiscal deficits have emerged among oil exporting countries including KSA and GCC in general are moving towards new revenue streams.

Under these circumstances, to stay competitive, we have gone ahead with full-fledged cost optimization program with committed reductions in Operations. A continuous improvement team and committees have been formed for implementation and monitoring.

In the latest consolidated Business Plan 2016-2020, no new expansion project or any new investment has been reported except upgrading of the two DR plants in Mesaieed facilities that will provide additional capacity of around 0.250 million tons per annum by 2020. The Business Plan covers our existing business from the operating units in Qatar and Dubai and strategic investments covering Q-Coat and SOLB Steel.



## STRATEGIC INVESTMENTS & JOINT VENTURES

### **SOLB STEEL COMPANY (Formerly South Steel Co.)**

Qatar Steel owns 31.03% of SOLB Steel Company, commenced commercial operations of a 1.0 mtpa Steel Melt Shop and a 0.5 mtpa Rolling Mill in January 2013. The second rolling mill of 0.5 mtpa started production after successful commissioning in July 2014. During 2015, the Steel Melt Shop and Rolling Mills were operating at average capacity levels of 53% and 75%, respectively.



### **INVESTMENTS IN FOULATH HOLDING B.S.C (Formerly Gulf United Steel Holding Company B.S.C)**

Foulath is a Bahraini closed Joint Stock Company established in June 2008, primarily focused on investing in the growth of steel industry in the Gulf Cooperation Council (GCC) Countries and Middle East and North African (MENA) region. Qatar Steel owns 25% of Foulath. The group comprises the following companies:

### **BAHRAIN STEEL B.S.C (Formerly Gulf Industrial Investment Company):**

Established in 1984 and fully owned by Foulath, is a leading producer of Iron Ore Pellets in GCC with total capacity of 11 mtpa. It is one of the three major merchant pelletizing producers in the world. The Plants are operating at below capacity and expected to improve performance from 2016 onwards as the major supplier (Minas Rio) started supplying the best quality of pellet feed with high iron ore content.







**UNITED STAINLESS STEEL COMPANY B.S.C (USCO):**

Fully owned by Foulath and started operations in 2008 to produce cold rolled stainless steel coils and sheet with capacity of 90,000 TPA. Due to ongoing challenges in the stainless steel business USCO's operations have been idled since December 2011.



**SULB COMPANY B.S.C (Formerly United Steel Company):**

It is a Joint Venture between Foulath (51%) and Yamato Kogyo Japan (49%). Their Operations started in 4th Quarter of 2012. The facilities comprise Direct Reduction Iron Plant with a nameplate capacity of 1.5 mtpa, Steel Melt Shop 1.0 mtpa and Section Rolling Mill (Medium & Heavy Sections) 0.6 mtpa. During 2015, the DR plant, SMS and SECTION Mill operated at 82% , 85% and 65% capacity levels respectively.



**UNITED SULB COMPANY (SAUDI SULB) L.L.C:**

Foulath acquired a medium and light section mill in Saudi Arabia in September 2011 with production capacity of 0.45 mtpa; during 2015 the plant produced 281 KT medium and light sections.

# OPERATIONAL OVERVIEW

## 1 - SALES & MARKETING (Consolidated)

PRODUCTS (KMT)	2013	2014	2015
DRI/HBI	176	91	191
BILLETS	-	361	206
REBAR	2,109	2,056	2,251
COIL (WIRE ROD & REBARS IN COILS)	139	125	132
<b>TOTAL</b>	<b>2,424</b>	<b>2,633</b>	<b>2,780</b>

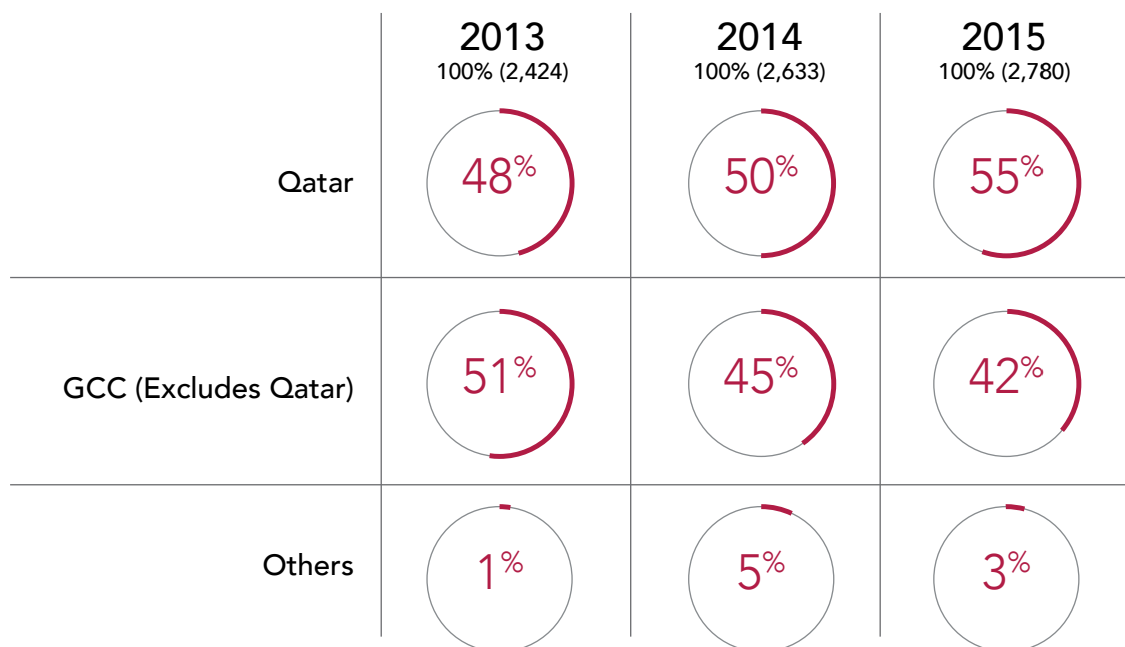
### Sales Volume - KMT



*Sales volume for the year 2015 is higher by 6% as compared to previous year mainly due to higher sales of Rebar and HBI/DRI.*

COUNTRY (KMT)	2013	2014	2015
QATAR	1,162	1,305	1,543
GCC (Excludes Qatar)	1,241	1,191	1,155
OTHERS	21	137	82
<b>TOTAL</b>	<b>2,424</b>	<b>2,633</b>	<b>2,780</b>

### Sales Volume - %



## STEEL INDUSTRY IN 2015 (GLOBAL & REGIONAL)

Global steel industry remained weak in 2015 due to weak world economy. Global economic GDP growth in Y2015 was 3.1% down from 3.4% in Y2014. Global steel demand dropped in Y2015 (-1.7% YOY), due to sharp drop in demand in China. Finished Steel prices have fallen in Y2015 to levels seen decade back. The slowing steel demand had impacted raw material prices. Iron ore and scrap prices have plummeted as demand slowed in China and Turkey.

Regionally, the demand on rebar in the Arabian Gulf, showed improvement supported by positive governments' trend to increase budgets. However, during mid of the year as crude oil prices began to retreat sharply, governments began to take measures to cut costs. Regional Steel prices were under severe pressure in Y2015 in line with weak global steel prices and sentiments.

In Qatar, market demand and sentiments turned positive in early 2015 on the certainty of holding the FIFA world cup 2022 event in Qatar.

In Q1 2015, Rebar demand picked up as Q-Rail and Ashghal infrastructure projects entered into active phase of construction.

Private construction projects also become active. Accordingly, Qatar Steel domestic sales picked up remarkably. Strong growth was recorded in Q2'15, given the high construction activity during that period.

The awarding of Water Mega Reservoir Project in April 2015 further enhanced the market sentiment. In Q3' 15, and as summer season took effect, domestic demand slowed down. However, Qatar Steel sales remained relatively strong and were more than the same quarter of 2014. In Q4'15, Qatar Steel sales recorded the highest level in the year as the construction of Water Mega Reservoir Project took pace and became more active.

Overall, Qatar Steel Rebar Sales volume in Domestic and Export Markets in Y2015 grew 9% YOY supported by sharp increase in Domestic Market Sales.

## CUSTOMER FOCUS

With an objective to enhance visibility, foster customer loyalty and outperform market competitions in the region, a series of customer-focused brand building activities was initiated to reinforce the brand promises across the region and to add value of the brand.

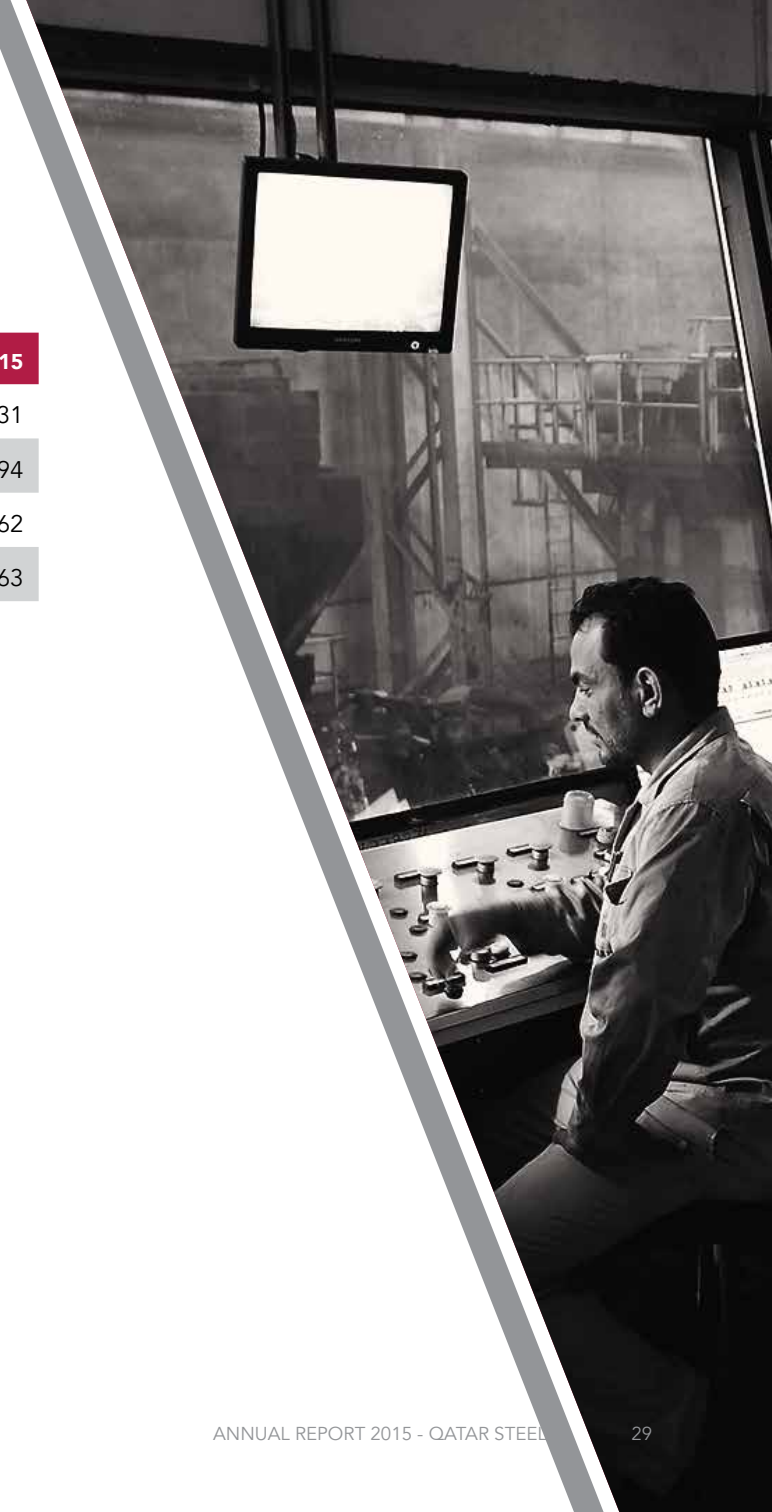
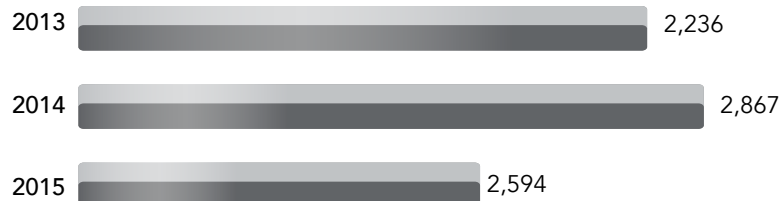
Guided by a clear drafted customer focused communications strategy to provide leadership brand image, Qatar Steel remained visible in Al Jazeera television sponsoring 'People and Economy' program, participated in the leading exhibitions (i.e., Project Qatar, Big 5 Saudi and Big 5 Dubai) and sponsoring high powered business conferences organized by MEED, Metal Bulletin, etc. to name a few. 12th Annual Trader's Gathering was a remarkable success.

In nutshell, Qatar Steel brand was thoughtfully managed, which strengthened the company's competitive advantages in the region and that delivered a vital value to trade partners and associates, as well.

## 2-PRODUCTION (Consolidated)

PRODUCTS (KMT)	2013	2014	2015
DRI/HBI	2,385	2,547	2,631
CRUDE STEEL (BILLETS)	2,236	2,867	2,594
REBAR	2,044	2,123	2,162
COIL (WIRE ROD & REBARS IN COILS)	156	150	163

### Crude Steel (Billets- KMT)



## QATAR STEEL COMPANY Q. S. C.

Qatar Steel implemented several process improvement and modification projects at different plants to improve productivity, enhance process control and stabilize product quality.

### Some of the key Process improvement initiatives completed in 2015 are as follows:

#### Direct Reduction Plant

- Installation of weighing scales at Remet conveyor and Silo discharge conveyor.
- Installation of Gas detection system in Analyzer room.
- Automation of selected control loops.
- Installation of new paging system.
- New dust collection pick-up points installation.
- Installation of new Plant air compressor.

#### Steel Making Facilities

- New facility (EF/CC5) achieved 1,113,528 ton molten steel where design capacity is 1,040,000 ton
- EF4 addition DRI feeding hopper (in –house modification) successfully commissioned which enhance the productivity.
- All CCM's (3,4 &5) achieved highest casting time in single tundish (70, 135 & 141) hrs and highest TD refractory life (88, 166 & 191) heats / TD.
- Successfully commissioned LD shroud at CC3 (in –house modification) on Dec. 2015 to enhance TD life and improve billet quality.
- Achieved lowest average refractory consumption for steel making shop 9.1 KG / Ton.
- Achieved highest average LD purging cone life 34.48 heats / cone.
- Achieved highest LD purging cone life 108 heats / cone.

#### Rolling Mill

- Improvement in Time utilization factor in both mills. : RM1: 90.4% in 2015 against 89.2% in 2014 - RM2: 93.3% in 2015 as against 92.6% in 2014
- Improvement in material yield in both mills. : RM1: 97.69% in 2015 against 97.37% in 2014 - RM2: 99.26% in 2015 as against 99.25% in 2014
- RM1; revamping of the Roughing Mill Train Stand Motors from fixed speed to variable speed control system which shall improve the mill stability and increase its annual productivity by about 4%.
- RM1; unification of the billet weight of most of rebar sizes for more flexibility of size changing to cope with the dynamicity of market's demand without any Yield loss and productivity increasing as well.
- RM2; Enhancement of the quenching efficiency through reorientation of the Thermix System to be closer to the Key Stand.
- RM2; conducting a successful trail of a new rebar standard grade ASTM-GR-80.

## **IMPROVEMENTS IN MAINTENANCE PRACTICES AND ASSET MANAGEMENT.**

Qatar Steel made a paradigm to shift condition monitoring as predictive maintenance strategy. This fiscal year we further strengthened the condition based maintenance by implementing Dissolved Gas Analysis for all critical Transformers and introducing the Thermography all electrical switch gear and other critical components. This will enhance plant reliability & overall productivity and human safety.

**There are major initiatives carried out in the year 2015 and the glimpses are shown production plant units.**

### **Direct Reduction Plants.**

- DR Plant # 2 has been successfully operated for the highest ever achieved yearly operating hours since plant commissioning (8487.15 Hours – 353.63 days – the plant was originally designed to be operated for 8000 hours per year).

The same has its direct impact on achieving the highest recorded annual production of 1,819,433 tons against the design capacity of one million ton per annum.

- DR Plant # 2 upgradating has been planned in Q1-16 for an upgraded capacity of 232 Tons/Hr by modifcaiton in main planned equipment and control system.

### **Steel Making Facilities.**

- In line with Qatar Steel management guidance and commitment towards clean, safe and healthy environment, the tendering process and order placement to upgrade and revamp our EAF # 3 Fume Treatment Plant have been completed, this will ensure high level of conformity to stringent international environmental regulations and legal requirements.
- New magnet crane installed and commissioned in Continuous Casting Short billet bay.
- Online Weighing system introduced in Crane # 4 (Ladle crane) to handle the molten steel in safe manner.

### **Rolling Mills.**

- RM1 Roughing Mill Stands Speed Control modified with the introduction of AC Motors that can provide variable speed from 600 to 750 rpm to accommodate the wear in roll diameter.
- In RM # 2, we contributed to improve the RRR ( Roll Rotating Ratio) up to 93.30% by implementing stringent maintenance programs especially for the mill gear reducers, the dividing shear, and the reheating furnace walking hearth mechanical components. Thus we could able to contribute in achieving a total production of 1,010,045 tons of rebar production for the first time since plant commissioning.



## QATAR STEEL COMPANY FZE-UAE

PRODUCTS	2013	2014	2015
<b>PRODUCTION (KMT)</b>			
REBARS	348	370	378
COILS			
-REBAR IN COILS	52	73	81
-WIRE ROD	104	77	82
<b>TOTAL</b>	<b>504</b>	<b>520</b>	<b>541</b>
<b>SALES (KMT)</b>			
REBARS	353	368	375
COILS			
-REBAR IN COILS	52	73	75
-WIRE ROD	108	74	79
<b>TOTAL</b>	<b>513</b>	<b>515</b>	<b>529</b>

2015 was yet another year of progress despite the challenging economic environment especially in Middle East. Higher production and sales have been achieved in 4 consecutive years since 2012, proving the consistency and steady growth in performance. Total 540,535 MT of overall productions & 528,278 MT of overall deliveries observed in 2015 were the highest achieved.



## Main Achievements in 2015:

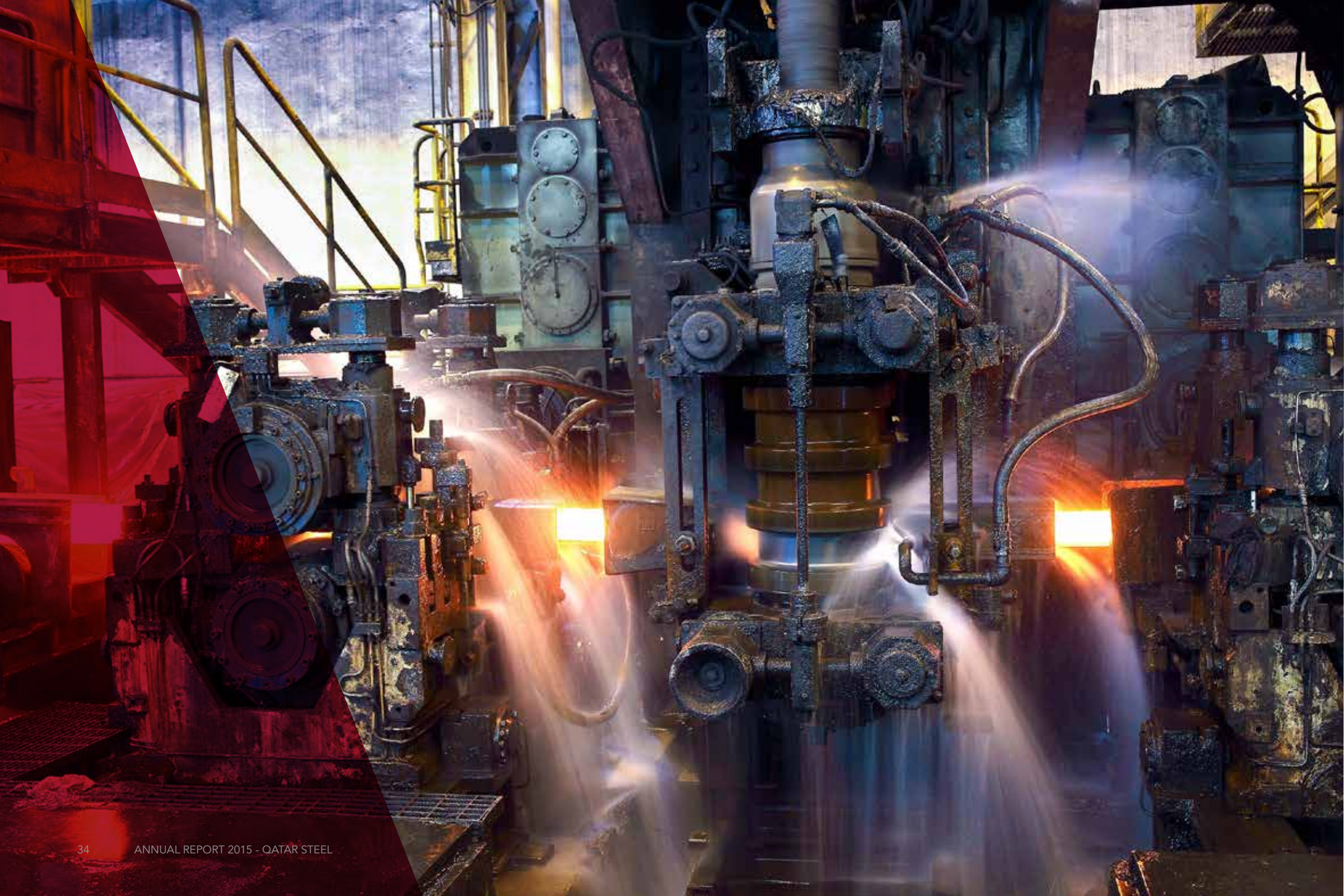
- Achieved 4% growth in overall production, 3% growth in overall sales compared to 2014. 9% growth in coil production and 5% growth in coil sales were remarkable amid the challenging steel market in 2015. Bar production crossed milestone of 2 million tons in RM3.
- WRM & RM3 WTP Cooling towers replaced with new to improve water cooling. Fuel and electricity consumptions reduced and recorded 1% savings in 2015 for RM3.
- Tungsten carbide (TC Rolls) rolls introduced in the finishing stand of D16 production in RM3 and proved very productive, fetching a record production of 1433 MT in Sep 2015; expect to reach 1475 MT per day with continuous improvement.
- In WRM, new wire rod size-13mm- introduced to meet the customer requirement and found successful.
- Risk Management policy has been adopted in line with Qatar Steel requirements.
- Achieved zero environmental & regulatory non-conformances in 2015.

## AWARDS & ACCREDITATIONS

As a result of the company's determination to produce quality products, Qatar Steel has received and is maintaining many prestigious certifications including the following:

- Quality Management System (QMS / ISO 9001)
- Saudi Arabia Standardization Organization (SASO) Certification
- UK CARES Certification (Product)
- DCL (Dubai Central Laboratory) Certification
- KUCAS Certification
- ISO/IEC 17025 (Lab Accreditation Certificate)-DAC (Dubai Accreditation Centre)





# RESEARCH & SUSTAINABILITY

## Key Highlights

### 1. Commissioning of By-Products Briquetting Plant:

Under the Recycling & Sustainability initiative, Qatar Steel successfully commissioned by-Products (DRI Fines, DRI dust, Mill scale, DRI slurry, & oxide fines) Briquetting Plant in Q3 of 2015. Briquettes of different by products with various blend ratios are being produced and consumed in Qatar Steel's furnaces on a daily basis by cold press agglomeration.

### 2. Utilization of EAF Slag in Qatar Construction Industry:

A project has been initiated in 2015 in collaboration with Third Party Research Lab, Ashghal and MOE, in order to improve aggregate sustainability by optimizing the use of steel slag in various construction applications (asphalt, concrete, bound and unbound subbases, and fill applications) in Qatar.

All third party lab scale test which include potential expansion, current radioactivity levels, and possible leachates if any, showed compliance with the Qatar Construction Specification 2014 by replacing up to 40% of the gabbro with steel slag.

### Use of Steel Slag in Construction Sectors:

### 3. New Product Development:

In 2015, R&D department successfully developed rebar conforming ASTM A615 Grade 80 specification to cater Qatar/GCC construction market.

### 4. Sustainability Reporting at Qatar Steel:

Sustainability Management and development are an integrated part of Qatar Steel. It initiated the Sustainability Project in 2010, with many improvements in plant practices and operational efficiencies.

It has successfully acquired "Sustainable Constructional Steel", UK CARES Certificate in year 2011.

Qatar Steel has released four Sustainability reports for year 2011, 2012, 2013, 2014 along with "Qatar Steel Sustainability Road Map" 2015 ~ 2020 with action plan.



By-Products Briquetting Plant



Agglomerated Briquettes



# CORPORATE SOCIAL RESPONSIBILITIES (CSR)



## COMMUNITY INVESTMENTS

In line with its commitment to support important social issues, Qatar Steel sponsored several community activities in 2015, which included the following:

### **Qatar Steel honored by Qatar Red Crescent for sponsoring sixth Disaster Management Camp**

In appreciation of our support and sponsorship of the sixth Disaster Management Camp, held from 1 – 10 April, 2015, by Qatar Red Crescent (QRC) at the Marine Scout Camp in Al Khor, Qatar Steel was honored among other sponsors of the camp. The honoring ceremony was held under the auspices of HE Prime Minister and Minister of Interior, Sheikh Abdullah bin Nasser bin Khalifa Al-Thani.

### **Qatar Steel participates in World Day for Safety & Occupational Health**

In line with its corporate social responsibility, Qatar Steel participated in the celebration held by Ministry of Labor and Social Affairs on the occasion of World Day for Safety and Health at Work and the International Workers Day. The event was held at Doha Industrial Area.

### **Qatar Steel honored by HMC at World Blood Donors' Day**

In recognition of its valuable contributions and support to the blood donation drives launched by Hamad Medical Corporation (HMC), Qatar Steel was honored in the annual ceremony, held on World Blood Donor's Day.

### **Al-Jamilia Primary & Secondary Independent School for Boys Visiting Qatar Steel Plant**

A group of 20 students with some teachers from Al-Jamilia Primary & Secondary Independent School visited Qatar Steel's plant site in Mesaieed Industrial City. The visit aimed at getting a first-hand insight into steel manufacturing.

### **Qatar Steel Sponsors 4th Annual Career Fair for Universities & Work Sectors at Al-Wakra Secondary Independent School**

With a view to provide academic guidance to high school students, and help them choose the right career path, Qatar Steel participated, as an official sponsor, in 4th Annual Career Fair for Universities & Work Sectors, held at Al-Wakra Secondary Independent School.

### **Qatar Steel Participates in QITS's Career Open Day**

In compliance with its Qatarization plan, and as part of its efforts to attract young nationals to join the company, Qatar Steel participated in the Career Open Day, organized by Qatar Independent Technical School (QITS). A great number of local industrial and educational companies and institutions took part in this event.

### **Qatar Steel gives Presentation about job opportunities**

As part of Qatar Steel's Qatarization initiatives, delegates from HR and L&D departments visited Qatar Independent Technical School (QITS) and delivered a presentation, to orient the school's prospective graduates and potential employees who wish to join the company and start their careers.

### **Khalifa Secondary Independent School for Boys Visited Qatar Steel plant in Mesaieed**

Within the framework of the existing cooperation between Qatar Steel and Ministry of Education & Higher Education in Qatar, a group of 20 students and 2 supervisors from Khalifa Secondary Independent School visited Qatar Steel plant site, on 10th Dec, 2015 at Mesaieed Industrial City.

### **GCC Geographical Society PhD Students Visiting Qatar Steel Plant**

A delegate of 35 PhD students from GCC Geographical Society visited Qatar Steel site in Mesaieed Industrial City on 15th Dec. 2015. They were escorted by some officials from Qatar University. The purpose of the visit was to see the company's facilities and get a first-hand insight into steel manufacturing.



