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PRESS RELEASE

Qatar Steel signs Off-take agreement with Muntajat

DOHA, QATAR 6/02/2018: Industries Qatar ("IQ" or "the group"; QE: IQCD), one of the region's industrial giants with interests in the production of a wide range of petrochemical, fertiliser and steel products, has announced the signing of an off-take agreement between Muntajat and Qatar Steel to migrate the marketing, sales and distribution activities of Qatar Steel's entire production to Muntajat.

This agreement comes as part of Industries Qatar's efforts to maximize its shareholders' value and strengthen the national economy through its continuing initiatives of commercial and cost optimization, and expand the strong capabilities of national entities.

The migration arrangements have commenced and are scheduled to be completed by the beginning of the second half of 2018. At that stage, Muntajat will formally take over the marketing, selling and distribution activities of Qatar Steel's entire production.

This new arrangement capitalizes on the strengths of both companies. Qatar Steel will continue to focus on steel production and to enhance its operational and financial performance through efficiency improvement, cost reduction and other operational synergies. Muntajat will apply its knowledge and accumulated know-how in global marketing to reach a wider customer base for Qatar Steel's products internationally, which will in turn augment Qatar Steel's ability to achieve higher netbacks in newly penetrated markets. Having the aforementioned agreement in place will further improve Qatar Steel's performance by decreasing the transportation and shipping costs as well as provide more innovative and efficient logistic capabilities. .

This agreement will make Muntajat the sole marketer and distributor of Industries Qatar's finished products, which will increase the ability to achieve synergies at a group level through being more efficient in both import and export shipping activities, thus providing for further cost reduction.

Muntajat (Qatar Chemical and Petrochemical Marketing and Distribution Company Q.J.S.C.), is a state-owned company established in 2012 to serve as the exclusive marketer, distributor and seller of over 13.6 million metric tons of chemical and petrochemical products. With a global marketing network of offices around the world, a diversified portfolio of high quality polymer, chemical and fertiliser products from renowned producers in the industry and a network servicing more than 3,000 customers in 135 countries; Muntajat delivers value to Qatar's downstream industries, capitalising on its unique business model, economies of scale, capturing new opportunities, expanding the reach of its trusted brand globally and providing world class customer service.

Originally incorporated in 1974, Qatar Steel Company is fully-owned by IQ and has several investments in the steel industry including, the subsidiary, Qatar Steel Company FZE, and three associates, Foulath Holding B.S.C., Qatar Metals Coating Company W.L.L and SOLB Steel Company. Qatar Steel is engaged in the production of intermediary steel products such as DRI / HBI and Billets and final steel products such as re-bars, wire-rod and rebar in coil.

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For more information about this press release, email iq@qp.com.qa or visit www.iq.com.qa

DISCLAIMER

GENERAL NOTES

Industries Qatar's accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Industries Qatar's share. Values expressed in QR billions and percentages have been rounded to 1 decimal point. All other values have been rounded to the nearest whole number. Values expressed in US $'s have been translated at the rate of US $1 = QR3.64.

DEFINITIONS

Adjusted Free Cash Flow: Cash Flow From Operations - Total CAPEX - Dividends • **CAGR:** 5-Year *Compound Annual Growth Rate* (from 2010 actuals) • **Cash Realisation Ratio:** Cash Flow From Operations / Net Profit x 100 • **Debt to Equity:** (Current Debt + Long-Term Debt) / Equity x 100 • **Dividend Yield:** Total Cash Dividend / Closing Market Capitalisation x 100 • **DRI:** *Direct Reduced Iron* • **EBITDA:** *Earnings Before Interest, Tax, Depreciation and Amortisation* calculated as (Net Profit + Interest Expense + Depreciation + Amortisation - QR1.2bn government grant received in 2009) • **EPS:** *Earnings per Share* (Net Profit / Number of Ordinary Shares outstanding at the year end) • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **HBI:** *Hot Briquetted Iron* • **Interest Cover:** (Earnings before Interest Expense + Tax) / Interest Expense • **LDPE:** *Low Density Poly Ethylene* • **LLDPE:** *Linear Low Density Poly Ethylene* • **mmBTU:** *Million British Thermal Units* • **MT / PA:** *Metric Tons Per Annum* • **MTBE:** *Methyl Tertiary Butyl Ether* • **Net Debt:** Current Debt + Long-Term Debt - Cash & Cash Equivalents • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** *Price to Earnings* (Closing market capitalisation / Net Profit) • **RCF:** Funds From Operations - Dividends • **ROA:** *Return On Assets* [EBITDA/ (Total Assets - CWIP - PUD) x 100] • **ROCE:** *Return On Capital Employed* [Net Profit before Interest & Tax / (Total Assets - Current Liabilities) x 100] • **ROE:** *Return On Equity* (Net Profit / Shareholders' Equity x 100) • **Utilisation:** Production Volume / Rated Capacity x 100 [For new facilities, measure includes first full operational quarter only]

ABOUT IQ

Industries Qatar QSC was incorporated as a Qatari joint stock company on April 19, 2003. The business operations of the company comprise the direct holding of shares in the following subsidiary and joint venture companies: (i) Qatar Steel Company QSC ("QS"), a wholly-owned subsidiary, engaged in the manufacture and sale of steel billets and reinforcing bars; (ii) Qatar Petrochemical Company Limited QSC ("QAPCO"), a joint venture owned 80% by IQ, engaged in the production and sale of ethylene, low-density polyethylene ("LDPE"), linear low-density polyethylene ("LLDPE") and sulphur; (iii) Qatar Fertiliser Company SAQ ("QAFCO"), a joint venture owned 75% by IQ, engaged in the manufacture and sale of ammonia and urea; and (iv) Qatar Fuel Additives Company Limited QSC ("QAFAC"), a joint venture owned 50% by IQ, is engaged in the production and export of methanol and methyl-tertiary-butyl-ether ("MTBE").

The operations of the subsidiary and joint ventures remain independently managed by their respective management teams.