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## **PRESS RELEASE**

### **SIEMENS SWITCHGEAR DEAL TO BOOST POWER EFFICIENCY AT QATAR PETROCHEMICAL COMPANY**

- Switchgears to boost reliability of QAPCO's power supply and transmission
- Turnkey project includes implementation of power management software
- Siemens will supply on an engineering, procurement and construction basis

Siemens, the global powerhouse in electronics and electrical engineering operating in the energy, infrastructure, industry and healthcare sectors, has signed an agreement with Qatar Petrochemical Company (QAPCO) for the supply and installation of new switchgear and integrated power management hardware and software at the firm's facility in Mesaieed.

The contract, which is on a turnkey basis, will see Siemens provide 33Kv gas-insulated switchgear, and 11kV and 3.3kV air-insulated switchgear to the QAPCO facility's substation, replacing existing installations with more compact, higher-rated technology and boosting the reliability of the network's power distribution.

Document Reference: QAPCO/PR/130321 Eng.DOCX  
Release Date: March 21, 2013  
Page: 2 of 3

Siemens will also deliver a state-of-the-art power distribution and control system for the plant's entire electrical network, providing the facility with intelligent and centralized power management.

"Siemens has been a reliable and trusted partner to QAPCO since the early 1980s, and this latest contract award is an excellent demonstration of the extensive capabilities of Siemens, integrating different technologies from across the company's energy portfolio," said Dietmar Siersdorfer, CEO, Energy, Siemens Middle East.

"The turnkey supply of innovative and reliable power transmission equipment combined with advanced power management software and hardware perfectly illustrates how Siemens can utilize its diverse portfolio and strong local expertise to operate as a complete engineering, procurement and construction (EPC) contractor for Middle Eastern customers."

The contract with QAPCO follows the recent announcement that Siemens will construct, on an EPC basis, a turnkey high-voltage substation including the control and monitoring system, for Qatar Steel at the company's Mesaieed Industrial City complex, modernising the facility's power supply.

"Qatar is continuing to invest heavily in the development of its industrial sector, and Siemens is pleased to support this growth by providing the innovative technology and solutions required to build a diversified and sustainable economy, in line with country's 2030 vision," said Bernhard Fonseka, CEO, Siemens WLL in Qatar.

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## 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

**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 • **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 multiple [Closing market capitalisation / Net Profit] • **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 QAPCO

Qatar Petrochemical Company Limited QSC ("QAPCO") was incorporated in 1974 as a joint venture, and is currently owned by IQ (80%) and TOTAL Petrochemicals (France) [20%]. QAPCO has three joint ventures, Qatofin Company Limited QSC ("Qatofin"), Qatar Vinyl Company Limited QSC ("QVC") and Qatar Plastic Products Company WLL.

**Products:** Qapco's petrochemical products are:

- **Ethylene:** Ethylene is used as a feedstock for a wide range of chemicals. Approximately 50% of ethylene produced by QAPCO is utilised in the LDPE production process. A further 25% is utilised by QVC in the production of ethylene dichloride, vinyl chloride monomer and caustic soda. The remainder is exported to a number of Asian countries. When production reaches full utilisation at RLOC, about 70% of the ethylene share of Qatofin would be utilized towards LLDPE production and the remaining 30% will be exported. Once the QAPCO LDPE-3 plant comes into operation in 2012, the excess ethylene balance would be utilized towards LDPE production and thus there will not be any further export of ethylene, thereafter.
- **Low-Density Polyethylene (LDPE):** Various grades of LDPE, which is suitable for a wide range of thermoplastics processing techniques with applications such as films, pipes, cables and wires and other moulded products, is marketed under the Lotrène brand. It is exported to over 85 countries throughout the world.
- **Sulphur:** High quality sulphur is generated as a by-product from the ethylene process and is mostly exported to the Indian sub-continent and China.
- **Pyrolysis Gasoline:** The limited quantities of pyrolysis gasoline produced by QAPCO are used by associated local companies as a feedstock.
- **Mixed LPG, C3/C4:** The minimal quantities of mixed LPG generated are used locally to produce propane and butane.