

impact



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ZamilIndustrial

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Dear Colleagues,

Greetings and welcome to the latest issue of *Impact*.

I am happy to inform our readers that Zamil Industrial has had a productive year in 2014 in terms of growth and profits. Overall, the company is reaping the benefits of recent decisions that have enabled us to operate profitably both at home in Saudi Arabia and in overseas markets that have experienced varying degrees of economic growth and recovery.

Flexibility and an increased focus on diversification have led us to offer a wider range of innovative products and services to our current customers and are responsible, in several instances, for the acquisition of new clients and expanded business opportunities.

This successful strategy could not have been implemented without the insight, leadership, commitment and investment of time and talent on behalf of Zamil Industrial management and staff. My thanks go out to all of you, along with a sincere belief that together we can meet the business and economic challenges that present themselves at all our diverse locations by continuing to work hard and remaining true to our company's core values.

In these pages, you will read about recent accomplishments in new business development, loss prevention, new product development and participation in national and global events. You'll learn about several important distinctions awarded to Zamil Industrial management and employees, major certifications attained and our participation in community and charitable functions during the past few months.

I hope that you enjoy reading this issue of *Impact*, and as usual, we appreciate your comments and suggestions for future editions.

Kind Regards,

Abdulla M. Al Zamil
Chief Executive Officer

Zamil Industrial Posts SAR 260.3 Million Net Profits in 2014

Zamil Industrial Investment Company (Zamil Industrial) has announced its consolidated financial results for the period ended 31 December 2014.

Net profits for the fourth quarter of 2014 were SAR 64.9 million (USD 17.3 million), compared with SAR 60.1 million (USD 16.1 million) during the same period in 2013, an increase of 8 percent, and compared with SAR 56.4 million (USD 15 million) posted in the third quarter, an increase of 15.1 percent.

Gross profits for the fourth quarter of 2014 were SAR 385.5 million (USD 102.8 million), compared with gross profits of SAR 375.4 million (USD 100.1 million) for the same period in 2013, an increase of 2.7 percent.

Operating profits during the fourth quarter were SAR 116.9 million (USD 31.2 million), compared with SAR 117.5 million (USD 31.3 million) for the same period in 2013, a decrease of 0.5 percent.

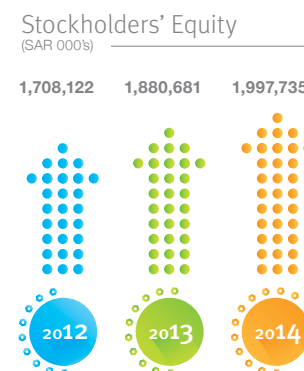
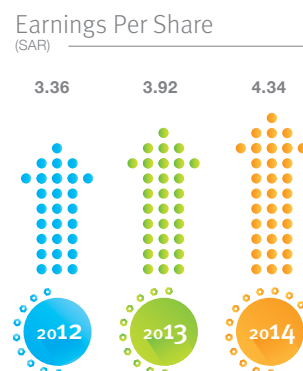
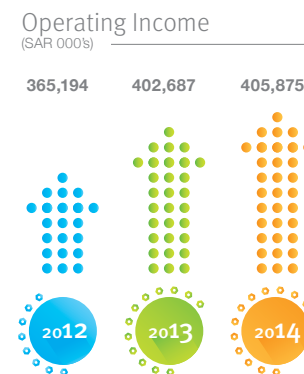
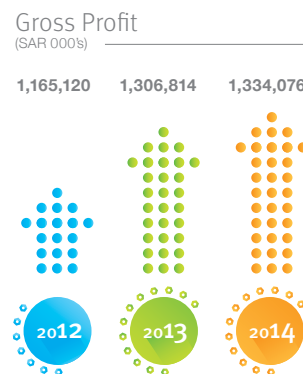
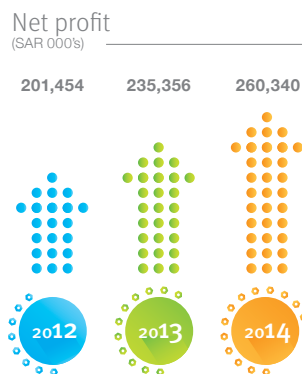
During the twelve months ended 31 December 2014, net profits were SAR 260.3 million (USD 69.4 million), compared with SAR 235.4 million (USD 62.8 million), an increase of 10.6 percent over the same period in 2013.

Gross profits for the twelve months were SAR 1,334.1 million (USD 355.8 million), compared with SAR 1,306.8 million (USD 348.5 million) for the same period in 2013, an increase of 2.1 percent.

Operating profits for the twelve months were SAR 405.9 million (USD 108.2 million), compared with SAR 402.7 million (USD 107.4 million) for the same period in 2013, an increase of 10.3 percent.

Earnings per share grew to SAR 4.34 (USD 1.16), from SAR 3.92 (USD 1.05) during the same period in 2013.

Comparison Charts of 2012 – 2014 Financials (twelve months)



Zamil Steel Vietnam Awarded SAR 15 Million Contract for the Nghi Son Refinery Project in Vietnam

- Zamil Steel Buildings Vietnam Co. Ltd., a subsidiary of Zamil Industrial, was recently awarded a SAR 15 million (USD 4 million) contract for the Nghi Son Refinery project in Vietnam.



The contract's scope of work includes the design, fabrication, supply and erection of 10 pre-engineered buildings, spreading over an area of 23,557 square meters in Nghi Son, Thanh Hoa province, located in the southern region of Hanoi. The company considers this project to be its most significant achievement in contributing to the infrastructure development plan of the Vietnamese government.

The Nghi Son Refinery project is the largest greenfield refinery project to be constructed in Vietnam and one of the largest ongoing infrastructure projects

in Southeast Asia. The Nghi Son Refinery and Petrochemical complex is being developed by a consortium of international companies, including PetroVietnam, Idemitsu Kosan, Kuwait Petroleum International and Mitsui Chemicals.

The 400-hectare project, which is expected to cost USD 6.2 billion, will have a designed capacity of 200,000 barrels per day (bpd) of crude oil with the possibility to increase this capacity to 400,000 bpd. Construction began in October 2013, and the project is expected to enter commercial operation by early 2017.

Zamil Steel Vietnam was established in 1997 as a joint venture between Zamil Industrial and the Mitsui Group of Japan, with two factories located in the Noi Bai Industrial Zone in Hanoi, Vietnam, and AMATA in Dong Nai, Vietnam. The company specializes in providing steel building solutions for various uses in commercial and industrial construction. It has successfully and professionally supplied more than 6,000 buildings in Vietnam and the Asia Pacific region.



Zamil Air Conditioners Develops New Energy-Efficient Split Air Conditioners



The product engineering team at Zamil Air Conditioners Co. has recently developed a new split air conditioner that meets the new requirements of the Saudi Standards, Metrology and Quality Organization (SASO) and the Presidency of Meteorology and Environment (PME) to drive energy efficiency and create sustainable solutions in the Kingdom.

SASO recently mandated that the energy efficiency ratio (EER) for the new split air conditioners must be upgraded from 9.5 to 11.5 by January 2015, while the PME announced it has banned the use of HCFC refrigerants, such as R-22 and R-123, in split air-conditioning (AC) systems.

The engineers at Zamil Air Conditioners' Consumer Business Unit faced the double challenge of upgrading their product's efficiency and designing it to operate with the eco-friendly R-410A refrigerant, without compromising on cooling performance and reliability of their split AC system. In addition, they were constrained by a time limit of less than a year to meet these challenges.

The product engineering team managed to develop a new chassis with capacities of 18k, 24k, and 30k BTU/h, which is considered

one of the best airflow cases on the market, while the outdoor unit operates with a variable speed inverter-driven compressor for unmatched performance. The components of the new split unit were made in a record time of approximately four months with the assistance of the proactive project management team.

Besides the product development, the cooling process needed to be upgraded to handle the R-410A refrigerant, which has 40% higher operating pressure than the R-22 refrigerant and uses polyolester oil, which is highly hygroscopic and rapidly absorbs moisture from the air. The engineering team ensured that all aspects of process improvements were identified and addressed. The team also identified final unit testing as one of the critical areas for improvement and ensured that all critical

parameters were tested in controlled ambient conditions at special in-house facilities.

Additionally, a drying oven, nitrogen generator, high-accuracy pressure decay tester, and high-efficiency vacuum pumps, along with other components, have been successfully installed as a part of the product development project.

For this special development, the Head of Consumer Engineering and Factory Operations, Harshal Upadhyay, invited Osama Bunyan, COO of Zamil Industrial, and Ihab Barakat, general manager of the Consumer Business Unit, to visit the factory in the First Industrial City to observe the development of the new split air conditioners and provide their guidance to the teams. A small ceremony was also held to recognize the key contributors to this significant development.

BCOMS Receives ISO 14001:2004 Certification



- Building Component Solutions Co. (BCOMS), a subsidiary of Zamil Industrial, has recently achieved a major milestone by obtaining the ISO 14001:2004 certification, which is awarded by the auditing company ABS Quality Evaluations. This certification is considered the most important standard within the ISO 14000 series.

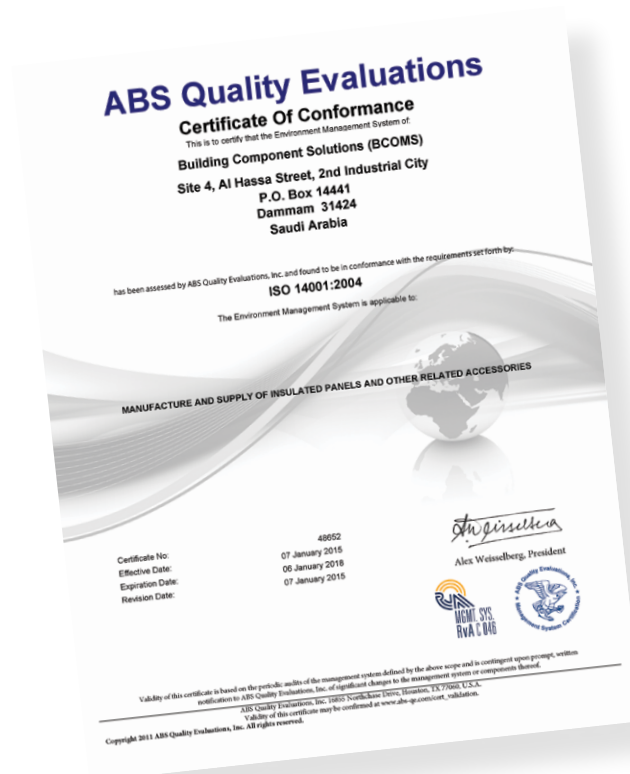
ISO 14001 is a voluntary international standard of the International Organization for Standardization (ISO) that defines the requirements for establishing, implementing and operating an environmental management system (EMS). To meet the requirements of ISO 14001:2004, a company must implement an EMS that identifies and controls the company's environmental impact, reduces the risk of pollution, ensures compliance with applicable regulations, and commits the company to continual improvement of its environmental performance. A clear environmental policy for the company is then published to employees, clients and suppliers.

"This ISO 14001 certification is among the world's most recognized quality and

environmental management standards, and we are proud to announce that our company is now in full compliance," said Nasri Majzoub, general manager of BCOMS.

"This certification is a benchmark on our road toward excellence, and it has been achieved within a minimum period as a result of our team's persistence and efforts despite the huge workload we are handling," he added.

Achieving ISO accreditation means that BCOMS has the quality of services, products and environmental management that correspond to international standards and that customers consistently get the best quality.



Zamil Steel India Receives ISO 14001 and OHSAS 18001 Certifications

- Zamil Steel Buildings India Pvt. Ltd., a subsidiary of Zamil Industrial, recently received ISO 14001:2004 (Environmental Management Systems) and OHSAS 18001:2007 (Occupational Health and Safety Management Systems) certification by ABS Quality Evaluations, Inc., an international auditing firm and the ISO-accredited certification body.

Zamil Steel India was granted the ISO 14001 certification in recognition of its continuous improvement programs and OHSAS 18001:2007 certification for the quality of its management systems regarding health and safety risks, following an independent assessment of the environmental management system and the occupational health management systems at the company's facilities.

These new certifications complement the company's existing ISO 9001 certification for a true quality management system. The certifications tangibly demonstrate Zamil Steel India's stringent commitment to high-performance manufacturing that must consistently meet or exceed customer expectations and industry specifications.

The ISO 14001 certification acknowledges that Zamil Steel India maintains a well-documented environmental management system designed to ensure that a product exerts the least harmful impact possible on the environment during production or disposal, either by pollution or by depleting natural resources.

The OHSAS 18001 certifies that a comprehensive system has been established at the Zamil Steel India facility to control and minimize occupational health and safety risks to all employees and visitors, while improving overall performance.

"These certifications demonstrate Zamil Steel India's commitment to the highest service standards," said Alakesh Roy, managing director of Zamil Steel India. "We continuously strive to deliver and implement systems, processes and procedures that support health and safety requirements while minimizing environmental impacts."



Zamil Central Air Conditioners Factory Wins Safety Excellence Award Three Years in a Row



● The Zamil Central Air Conditioners (ZCA) factory has been recognized as the best Zamil Industrial business unit in the field of safety management, and was accorded the honor of Factory with the Best Safety Performance for the year 2014, thus ranking first for three years in a row.

This achievement, a first since the introduction of this program in 2010, was made possible by the sincere commitment of factory management and the full support of ZCA team members.

In 2014, the ZCA factory gained a total performance rating of 99.85 percent and attained a grade of A+ in most of the key criteria categories as defined by the Safety Key Result Areas (SKRAs) and Safety Key Performance Indicators (SKPIs).

The team's remarkable performance demonstrates an excellent rapport and synergy in operating in accordance with the Zamil Industrial Safety, Health and Environment Management System. Every business unit should look to ZCA for an example to emulate in the years ahead.

Zamil Industrial Loss Prevention Department (LPD) manager, Awadh Eid Al Ghamdi, extended his gratitude to the ZCA

management and team members for the impressive support of LPD programs. He acknowledged and expressed his appreciation of the efforts of Robert Rayappen, Director of Production, and the remarkable teamwork of ZCA employees.

He also credited the valuable contributions made by Zamil Industrial LPD to the progress in safety, health, and environment implementation and compliance attained throughout the organization.

The Zamil Industrial Safety Award Program recognizes and commends the factory that achieves and maintains good safety records. The main objectives of the program are to stimulate interest in accident prevention; to promote a safe and healthy workplace as the greatest asset of Zamil Industrial and its workforce; and to protect the business interests of the company.

In 2014, following an independent assessment of the company's environmental management system and the occupational health management systems, the Zamil Central Air Conditioners Factory achieved ISO 14001:2004 (Environmental Management Systems) certification in recognition of its continuous improvement programs and OHSAS 18001:2007 (Occupational Health and Safety Management Systems) certification for the quality of its management systems regarding health and safety risks. ZCA is the first factory to achieve ISO 14001:2004 and OHSAS 18001:2007 certifications within the Zamil Industrial HVAC sector.

These certifications were granted by TÜV SÜD Management Service GmbH, an international auditing, surveillances and validation firm based in Munich, Germany, and are equivalent to 5 percent of the rating value.

Zamil Steel Construction Company Receives Recognition for Performance Excellence

- Zamil Steel Construction Company recently received recognition awards from Técnicas Reunidas (TR), a Spanish-based general contractor that provides services related to the engineering, procurement, and construction of industrial and power generation plants, in salute of the company’s outstanding contribution to meeting the goal of zero lost-time incidents for the year 2014.

The recognitions, part of TR’s health, safety and environment annual awards, are an expression of the TR project management team’s complete satisfaction with Zamil Steel’s work and services as they relate to health, safety and environment issues at both the Petrokemya acrylonitrile butadiene styrene (ABS) plant project and the Sadara Chemical Company Chem-III ethylene oxide derivatives (EODs), polyethylene oxide diacrylate (POD) and ethylene oxide shares system (EOSS) project, which is located in the eastern region of Saudi Arabia.

The excellent performance of Zamil Steel Construction Co. on these important projects will be added to the company’s list of achievements and will undoubtedly attract additional prestigious contracts in the future.



Production Supervisor at Zamil Air Conditioners Wins “Israr Award” 2014

Samar Al-Zahrani, the production supervisor in the female section of the Zamil Air Conditioners factory in Dammam, has recently won the most committed Saudi woman (Israr Award) for the year 2014 in the job seeker category.



Saudi Arabia's Minister of Labor, Adel Fakieh, officially presented the award to Al-Zahrani at a prestigious event held at the Princess Nourah bint Abdulrahman University, in the presence of members of the public and various Saudi figures.

Following an online vote by the public members, Al-Zahrani won “the most committed Saudi female employee within the eastern and southern regions”; she competed with thousands of candidates from across the Kingdom to win the Israr Award in the job seeker category.

The Human Resources Development Fund (HRDF) launched the Israr Award to reward young Saudis' perseverance in overcoming major personal challenges en route to finding a job and becoming an entrepreneur.

The award seeks to develop and celebrate a mind-set in Saudi youth that, in an increasingly competitive world, having the perseverance to actively find, pursue and develop opportunities is a key characteristic for success.

The award concentrates on stories of dreamers who turn fantasy into reality against all the odds, taking the first necessary steps in their career paths despite all the obstacles.

The judging committee of the second edition of the Israr Award consisted of Ibrahim Al-Moaiqel, director general of HRDF, who served as president of the committee; Abdallah Saleh Juma'a, the former president and CEO of Saudi Aramco; Turki Al-Dakhil, a Saudi journalist and GM of Al Arabiya News Channel; Ahmad AlShugairi, a well-known television presenter; and Dr. Lama Al-Sulaiman, vice chairman, Jeddah Chamber of Commerce and Industry.

Al-Zahrani was hired at the Zamil Air Conditioners factory from a group of 30 applicants. Within two years, productivity rose by 70 percent, and Al-Zahrani received promotions and support from the administration and continued her hard work, eventually becoming the leader of the female section.

In his speech, Fakieh congratulated all the winners of the Israr Award and stated that reaching the final stage of the award program was a victory, not only for the participants but also for their families, friends and companies, as well as for every individual who supported the winners in their professional careers or voted for them.

Fakieh also stated that both the Ministry of Labor and the HRDF consider this award to be a real competition for the success of employees who are working in the public and private sectors as well as for every individual entrepreneur in the country. He added that this competition serves as motivation for companies to provide even better support and for private sector businesses to present more employment opportunities for citizens and to support the well-being of their Saudi employees through the development of a work environment that is even more inspiring and productive.

Zamil Industrial CIO Receives “CIO 100 Award” for Innovation in Information Technology

The chief information officer of Zamil Industrial Investment Co. (Zamil Industrial), Zaki Sabbagh, has been honored by International Data Group’s (IDG’s) *Computer News ME* magazine as one of the top 100 C-level information technology talents across the region.

The prestigious accolade was presented to Zaki at the CIO 100 Awards ceremony, which took place on Monday, January 26, 2015, at the Jumeirah Beach Hotel in Dubai, UAE.

The annual awards program recognizes organizations around the world that exemplify the highest level of operational and strategic excellence in information technology (IT) and that have implemented innovations to produce measurable results in enabling their businesses to achieve greater success. The winners were selected by a panel of judges through a highly competitive screening process that included the submission of detailed proposals, examples of past work and references.

“I am truly honored to be among the winners of this year’s CIO 100 awards. This achievement would not have been possible without the efforts and support of Zamil Industrial management and the solid yet innovative strategies promoted by the company,” said Zaki. “The intense competition faced by Zamil businesses demands that we use the appropriate technologies in unique yet practical ways in order to maintain operational agility, increase business value, and provide efficient and cost-effective service to our diverse customer base. We focus on creating the competitive advantage necessary for success.”

Endorsed by IDG, the CIO 100 Awards have been held in the United States for the past 30 years, but have finally made their way to the Middle East. The Jumeirah Beach Hotel procession celebrated 100 organizations and IT professionals that have utilized technology in innovative ways throughout 2014 to deliver maximum business value.

Applicants needed to demonstrate not only excellence in project execution but also uncommon innovation, such as pioneering a new technology, applying a familiar technology to a new purpose or setting the bar higher for their competitors.

The extent to which organizations used IT in a new way to enable new ways of doing business (whether internally or externally) and the measurable impact of their IT initiatives, backed up by supporting data, determined the winners.



Zamil Industrial LPD Director Receives Prestigious “COSS Excellence in Safety” Award

Zamil Industrial Investment Co. (Zamil Industrial) is honored to announce that the Director of the Loss Prevention Department (LPD), Engr. Awadh Al-Ghamdi, has received the prestigious “COSS Excellence in Safety Award” for the year 2014 from the United Safety Council.



The award was presented during the United Safety Council 62nd Annual Safety Awards Banquet, held on January 23, 2015, at the Rosen Plaza Hotel & Conference Center in Orlando, Florida, USA.

Al-Ghamdi was selected by the United Safety Council Independent Awards Selection Committee from a very competitive group of applicants from the United States and 13 other countries around the world. The award is presented to an individual who has taken the knowledge learned in the Certified Occupational Safety Specialist (COSS) program and applied it in the workplace in what the Selection Committee determines are “extraordinary ways.”

The United Safety Council specifically recognized the remarkable contributions Awadh made to the organization with regard to the significant reduction in the frequency and severity rate, including decreased financial losses, related to incidents and accidents that could be attributed to the application of the COSS Program under his stewardship.

The committee noted that Awadh has applied the COSS training in such a way that it has contributed to a 64 percent and 77 percent reduction in the frequency and severity rate of incidents, respectively, and a 16 percent reduction in financial losses, which clearly demonstrates the value of the program.

“Zamil Industrial and Awadh Al-Ghamdi are the first outside the United States to receive the COSS Excellence in Safety Award,” according to Glenn Victor, Business Relations Director at the United Safety Council.

The Certified Occupational Safety Specialist (COSS) Program is a unique, curriculum-based training course that was conceived by safety professionals and is recognized nationwide for its rigorous standards and outstanding curriculum. The COSS Program is one of the top-ranked safety designations of its kind, and has received formal recognition from the American Council for Construction Education (ACCE) and the American Association of Safety Councils (AASC).

“It’s an honor to be recognized by the United Safety Council for our efforts to create a safe and healthy working environment. Safety is something that we talk about daily, and it is a part of everything that we do at the company,” said Awadh Al Ghamdi.

“This prestigious award is a testament to the fact that safety is one of the core competitive advantages of Zamil Industrial, and that it is at the forefront of our decision-making process, especially when it comes to making safe and profitable investment decisions.”

The United Safety Council is an independent, nonprofit, nongovernmental safety training and educational organization operating locally and nationally. Since 1953, the Council has promoted safety in every phase of American life – in the home, on the roads, and in schools, businesses, and industrial facilities.



Abdulla Al Zamil Participates in Global Competitiveness Forum 2015 in Riyadh

- Abdulla M. Al Zamil, Chief Executive Officer of Zamil Industrial Investment Co. (Zamil Industrial), participated in the eighth edition of the Global Competitiveness Forum (GCF 2015), which was held on 26 and 27 January 2015, at the Four Seasons Hotel in Riyadh, Saudi Arabia.

GCF 2015, organized under the theme “Competitive Governments,” focused on the country’s priority investment sectors and major development projects, including the Kingdom’s economic cities. The activities of the forum included the “Invest in Saudi Arabia” exhibition, which showcased investment opportunities and provided the perfect networking venue for delegates and potential investors, in addition to various seminars, workshops and lectures, and other programs and events.

In his speech during the “Developing Jobs for Women in Manufacturing” session, Al Zamil discussed the challenges of attracting women to work in the manufacturing sector and the steps taken to ease their entry into this field. The company initially had to invite family members to get acquainted with the actual work environment for women at Zamil Industrial facilities.

He stated that the company has utilized proper training and other resources to prepare female workers for shop floor work, including a customized nine-month training program

to improve their technical and communication skills.

Abdulla indicated that the acceleration and production rates of female workers on assembly lines in Zamil Industrial factories were higher than that of male workers. The company currently employs over 100 women in several Zamil plants and has expanded this initiative beyond the establishment of a female workforce in factories to the employment of women in administrative functions such as accounting, engineering design, human resources and information technology. In fact, a recent major project at Zamil Steel Company was completely designed and detailed (engineered) by female workers.

Finally, Al Zamil stated that the attrition rate among women in manufacturing is much lower than that of men, as women face additional difficulties in finding jobs that match their skill sets and are suited to their needs and responsibilities.

It is worth noting that Zamil Industrial is one of the first companies to encourage the

employment of Saudi women in the industrial sector in the eastern region of Saudi Arabia, in support of the government’s nationwide initiative to provide employment and career opportunities for female citizens. The company currently employs a female workforce, and is focused on providing a suitable work environment for women and equipping them with the required work knowledge and skills through on-the-job training programs.

The Global Competitiveness Forum, founded in 2006 by the Saudi Arabian General Investment Authority (SAGIA), is an annual meeting of global business leaders, international political leaders, and selected intellectuals and journalists brought together to engage in a dialogue with respect to the positive impacts that organizational and national competitiveness can have on local, regional and global economic and social development. The forum aims to foster awareness of and enthusiasm for the issue of competitiveness, and to evaluate the applicability of competitiveness theory and practice as a tool for generating real solutions to contemporary global challenges.

Zamil Air Conditioners Participates in Eastern Province's Third Quality Forum

Zamil Air Conditioners Co., a subsidiary of Zamil Industrial, participated in the Asharqia Third Quality Forum, held on December 28, 2014, at the Tulip Inn Hotel in Al-Khobar, under the patronage of HRH Prince Saud bin Naif bin Abdulaziz, governor of the Eastern Province.

The forum was organized under the theme "Building a Quality World Together" by the Saudi Quality Council in collaboration with the General Directorate of Education in the Eastern Province and the King Fahd bin Abdulaziz Quality Center.

The forum gathered speakers from several government bodies and major national companies, who presented their experiences in the implementation of quality systems and programs at their various organizations, in the presence of the Eastern Province's director general of education, the chairman of the Saudi Quality Council, the chairman of the Saudi Society for Quality, and members of the forum organizing committee.

Basil M. Al Zamil, Consumer Sourcing and Purchasing Manager at Zamil Air Conditioners, presented a case study entitled "Application of Kaizen Principles in the Private Sector," which explored Zamil Air Conditioners' experiences in implementing Kaizen principles to improve quality, including the mechanisms and principles of implementing the philosophy



The forum, part of a national trend toward advancing overall quality and excellence in all sectors of the country, reflects the Saudi Quality Council's desire to support the total quality concept, including the exchange of information and experiences in both the private and public sectors and the development of quality management regulations.



in the private sector and the results of the enforcement and compliance program. Kaizen philosophy is based on the rationalization of resource consumption and waste disposal throughout operations.



ZAC School Conducts Intensive Technical Training Programs for SEC

- Zamil Air Conditioners (ZAC) School, the company's popular training institute for contractors and client employees, reports successful completion of its latest group of courses and workshops.

ZAC School recently conducted HVAC System and Fire Fighting and Protection System training courses for a group of 24 employees from the Saudi Electricity Company (SEC) from across the Kingdom. The training sessions were held from December 21 to 24, 2014, at the Hyatt Regency Dubai Hotel as follows:

- **Dec. 21:** Applied Products – delivered by Asif Pasya.
- **Dec. 22:** Fire Fighting and Protection System – delivered by Wissam Jabr.
Security Access Control – delivered by Joselito Uson.
- **Dec. 23:** Double-Skin Air Handling Units – delivered by Othman Abbadi
Technical Facility Management – delivered by Olaf Heinz.
- **Dec. 24:** Chillers – delivered by Mohammed Khawaldeh
Resistec Anti-Corrosion Coating – delivered by Thaeer Mansour.

These targeted technical training courses and workshops were again provided to enhance the knowledge and effectiveness of engineering professionals at work in the company.

All attendees' feedback has indicated that ZAC School

provides valuable training that builds a more informed and proficient HVAC workforce. The courses enhance the skills and broaden the knowledge base of employees involved in the design, engineering, sales and maintenance aspects of the HVAC industry.

ZAC looks forward to continuing to provide these valuable training programs to a growing number of contractor and client employee groups in the coming months.

Zamil Industrial Presents Employment Opportunities to KFUPM Graduates

- As part of the ongoing recruitment effort aimed at increasing the number of Saudis employed by the company, Zamil Industrial participated in an “Open Employment Day,” organized by King Fahd University for Petroleum and Minerals (KFUPM) and held from 21 to 24 December 2014.

Some 130 leading local and regional companies supported and participated in this event, and hundreds of graduates attended their presentations. Open Employment Day provides a regular opportunity for business organizations to recruit young Saudis as well as graduates of KFUPM.

The University hosts the employment event every year to allow the various regional and national companies and institutions to present their employment and training opportunities for university students and learn more about the various academic disciplines offered within KFUPM.

The Zamil Industrial Corporate HR team invited Saudi students attending the event to examine the company’s profile and currently available employment opportunities. In fact, the team



was on hand and conducted several interviews and CV evaluations for those interested in joining the company.

The Zamil Industrial recruitment strategy requires that the company participate in as many career and employment events as possible, both within and outside KSA. This strategy has proven very effective, specifically in achieving our Saudization targets and in spreading the word to all Saudi students that outstanding career opportunities are available at our company.

Events such as the KFUPM Open Employment Day allow our experienced HR staff to meet with students and prospective employees and share the wide range of benefits available at Zamil Industrial. They provide an opportunity to share specific examples from our current pool of Saudi employees that demonstrate their excellent performance and the high level of satisfaction achieved within their respective positions and assignments.

Cuban Trade Delegation Visits Zamil Industrial

- On 5 February 2015, a Cuban business delegation, accompanied by a representative from the Saudi Fund for Development, paid a visit to Zamil Industrial. The visit was part of a special tour of the region's prominent industrial facilities and was organized by the Embassy of Cuba in Riyadh.



Officials and engineers at a number of Zamil Industrial companies received the delegation. They welcomed the guests and provided them with a detailed briefing on the operations of the respective plants and the state-of-the-art production equipment in use.

Members of the visiting delegation expressed their satisfaction with the production and manufacturing facilities and were impressed by the advanced capabilities and enormous potential of Zamil Industrial companies at the local and international levels.

Dammam University Delegation Visits Zamil Industrial

- On 9 February 2015, a delegation from the College of Design at the University of Dammam, headed by Dean Dr. Saeed Al-Owais and accompanied by staff members of the University of Canberra in Australia, paid a special visit to Zamil Industrial.



They toured the sub-assembly line in the women's section of the Zamil Air Conditioners factory and other ladies' sections of the company, as well as the Zamil Central Air Conditioners factory. The purpose of the visit was to observe first-hand how the company's practices and efforts in the recruitment of a number of Dammam University graduates in the various sectors of the company have delivered real value.

The delegation met with graduates from the University of Dammam colleges who currently work in various departments and sections of Zamil Industrial.

Later, the visitors proceeded to the Zamil Central Air Conditioners factory in Dammam Second Industrial City, where they toured the plant and observed the production lines and manufacturing operations.

Members of the visiting delegation expressed the strong pride they felt to see graduates of Dammam University working in national companies and manufacturing facilities across the Kingdom. They also explained how they were impressed by the advanced level of operations at the Zamil Industrial manufacturing facilities and the wide variety of products and services provided by the company.



Zamil Steel Celebrates Children's Day With Astitva Pratishthan Group in India

- As a part of its annual corporate social responsibility activities for 2014, Zamil Steel India prearranged a visit to the nongovernmental organization Astitva Pratishthan, an organization dedicated to helping children from migratory nomadic tribes.

The group operates from a location at Veer, Tal Purandar, Pune, approximately 60 km from the Zamil Steel India headquarters.

For their own survival, thousands of people from nomadic tribes migrate all over the state of Maharashtra. Since they cannot stay in one place for more than 8-10 days, it is especially difficult to meet the basic and educational needs of the children. Astitva began its work in 2003, with just a few volunteers who dedicated their lives to helping these people in a variety of areas, including education, health, agriculture, watershed development, self-employment and more. The organization now provides

primary education free of charge to 50 students at its residential primary school known as Gurukul.

To show its support of Astitva's mission, Zamil Steel India visited Gurukul on the occasion of its sixth anniversary, which is also celebrated as Children's Day. On their November 14 visit, Zamil Steel India employees had the opportunity to spend time with the children, who delighted in demonstrating their special talents such as dancing, singing and karate.

In addition to a donation of stationery and groceries to the school, Zamil Steel India donated a water purifier and karate uniforms to the children, and

arranged for a special lunch. By the end of the visit, the Zamil Steel employees and the children had formed a strong, family-like bond.

The visitors thoroughly enjoyed the time spent with these bright children and dedicated volunteers, and left the school with a renewed dedication to contribute to the support of those in need.

Zamil Industrial LPD Lists Achievements for the Fourth Quarter of 2014

- Zamil Industrial is dedicated to ensuring that its employees are prepared to maintain a safe work environment, reduce accidents and increase productivity.

To that end, the Corporate Loss Prevention Health, Safety and Environment (HSE) Training and Awareness Department is tasked with providing the appropriate safety, health, environment and firefighting training programs to employees at all company facilities on a regular basis. The training is conducted in both English and Arabic, and these programs cover topics that increase safety awareness and deal with health and environmental issues.

The HSE Training Department regularly conducts a training series for supervisors called the Supervisor Safety Development Program, which aids enrollees in understanding the psychology of human relations, the basics of loss control and prevention, applicable industry standards, and safety and health regulations. It covers the potential hazards that employees may encounter, as well as control measures and safeguards that need to be in place for maximum protection.

Those who complete and pass the 20-hour program receive a certificate. This year, the program was successfully conducted on-site for selected supervisors of the Saudi Pre-Insulated Pipes Industries (SPP) and the Saudi Rock Wool Factory Co. (SRWF) factories in Riyadh.

During 2014, 4.25 hours of training per employee were provided to all Zamil Industrial business units by the HSE and Fire Training Department. From January through December, 6,757 employees attended training and safety education and awareness sessions. A total of 906 training sessions were conducted – 333 were presented in English (with

3,723 employees in attendance) and 573 were presented in Arabic (with 3,034 employees in attendance).

The Corporate Loss Prevention Department's (CLPD) Support Services section, which handles government relations, provided assistance to all Zamil Industrial companies and joint venture businesses in obtaining and renewing their Civil Defense and Presidency of Meteorology and Environment Certificates, which are mandated by government regulations.

Statistics

Zamil Industrial business units, as a whole, demonstrated a marked improvement in 2014, in comparison with the previous three years, achieving a 34% reduction in occupational incidents. This exceeded the minimum recommended 5% improvement or annual reduction of incidence rates set by the Zamil Industrial Corporate Loss Prevention Department.

Most of the factories exceeded their minimum target safety, health and environmental improvement rates when their respective rates were compared to their performance in the past three years. The Zamil Central Air Conditioners and Zamil Process Equipment Co. factories achieved a 44% improvement rate, while Zamil Steel Pre-engineered Buildings improved by 38%, Zamil Air Conditioners Consumer improved by 37%, and Zamil Structural Steel Co. improved by 28%. The Lost Time Frequency and Severity rates also improved by 77% and 64%, respectively, and the indirect costs of occupational injuries at

Zamil Industrial companies have been reduced by 16%.

These remarkable results were achieved using a business plan based on the SMARTER (specific, measurable, achievable, realistic, time bound, evaluation and review) concept; through expert implementation of all HSE programs and activities; and through the active participation of all managers and employees.

Additional Accomplishments in 2014:

- Developed a new set of Emergency Action Plan (EAP) General Instructions (GI) for the AFICO second plant and updated a total of 19 existing GIs.
- Integrated the CLPD Programs and Activities at Zamil Steel Buildings India Pvt. Ltd., in Pune, India.
- Provided assistance to the SRWF factory in the Third Industrial City in Riyadh to comply with General Organization of Social Insurance (GOSI) requirements and reduced GOSI premiums.
- Provided support to Zamil Central Air Conditioners for the OHSAS 18001 & ISO 14001 certification process. The factory is now certified for both ISO 14001:2004 (Environmental Management Systems) and OHSAS 18001:2007 (Occupational Health and Safety Management Systems).
- Conducted on-site HSE surveys at Riyadh joint venture factories and provided recommendations on HSE issues for several Zamil Industrial associate companies.



- Conducted on-site HSE surveys and provided recommendations to rectify HSE issues at several Zamil Industrial business units.
- Conducted on-site HSE surveys at factories located outside the Kingdom and provided recommendations to rectify HSE issues at the Zamil Steel factories in Egypt, Vietnam, India and the UAE.

Emergency Action Plan Drills

During the fourth quarter of 2014, the CLPD successfully completed the second phase of EAP fire drills at nine Zamil Industrial business units in Dammam.

The drills, with the support of management, were successfully carried out, and achieved their goal of familiarizing key EAP personnel and response teams with their roles during a crisis.

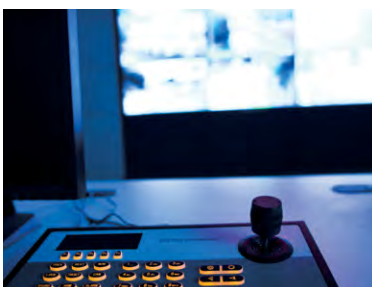
Additionally, the performance of all EAP key personnel and participation of all employees (factory and office areas) was commendable, and all employees displayed great discipline and dedication during the evacuation process.

All Zamil Industrial companies and joint venture factories in the eastern region achieved ratings of between 93% and 99%.

The implementation of the EAP program at all Zamil Industrial factories and businesses during the year proves that management at each facility has provided support and recognized the importance of the program to their business operations and to the protection of the lives and property in all Zamil Industrial buildings. Cooperation



between management and the Zamil Industrial Corporate Loss Prevention Department enabled all fire and evacuation drills to be completed safely and effectively.



Zamil Industrial Kicks Off Annual Bowling Tournament

- Sports and games are essential to staying healthy and fit; they provide us with energy and strength, and supply a useful means of physical activity and entertainment as well as a break from the daily routine. Sports also help employees develop new friendships and a sense of team spirit. For all these reasons, Zamil Industrial supports annual sporting events for specialized sports clubs, including cricket, football, volleyball, basketball, fishing, table tennis, and many others.



Zamil Industrial successfully kicked off its third seasonal bowling tournament on December 4, 2014, at the Al-Gosaibi Bowling Center, with fun, surprises, and an enormously positive response from employees. The Bowling Club, one of the most successful sports clubs in Zamil Industrial to date, was established on September 26, 2012.

The season one and season two tournaments featured amazing participation by more than 100 employees, both locals and expats, from Zamil Industrial's various business units, including ZAC Applied and Consumer, Zamil Training, Zamil Projects, Zamil Steel, Zamil CoolCare, and many others.

The top bowlers from each previous season are as follows:

For season one, the All-Star Bowler award was given to Russell Barrio (Zamil Steel BPG Purchasing), followed by Genaro Regino (Zamil Steel Structural Project Management), Aldwin Gutladera (ZAC U&A Maintenance), Andrei Lester Lopez (Zamil Industrial Loss Prevention), and Sonny Mateo (Zamil Steel PEB QA/QC). For season two, the All-Star Bowler award was given to Emmanuel Masilang (Zamil CoolCare), followed by Egay Aquino (Zamil Steel BPG Planning and Performance), Teofilo Manalo (Zamil Steel PEB Engineering & Estimation), Mark Infante (ZAC Applied Engineering), and Aldwin Gutladera (ZAC U&A Maintenance).

In addition to the presentation of the major awards, a Certificate of Appreciation signed by the VP of

Corporate Admin and HR, Abdul Mohsin Al-Ghamdi, was given to the founding organizers of the Bowling Club.

The awards event was initiated and guided by Jonrey Salvia (ZAC Sourcing and Purchasing), a member of the organizing committee, with full support from the Director of ZAC Corporate Marketing, Saqar A. Al Zamil, and Tamer El Gendy (ZAC Events and Marketing). Reuben Santosh assisted in the presentation of the awards on behalf of Zamil Industrial Corporate Facility Manager, Vincent Saldana, the founding organizers and the new committee members, namely Alfred Lindo (ZAC Quality Management) and Meljun Goles (Zamil Training), who provided their time and talent to help sustain this fun-filled initiative.