



QIT Competitive & Profitable

MEMBRE DE
**RIO
TINTO**

| www.qit.com



QIT-Fer et Titane inc.

1. The Company
2. The Activities
3. The Market
4. The Process
5. The Products



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6. Protecting the Environment

7. Positioning QIT for the future

8. VE/VM and QIT

9. The two (2) triangles



THE COMPANY

- Québec operations since 1950
- Mines and Metallurgy sectors
- Important economical actor in Québec

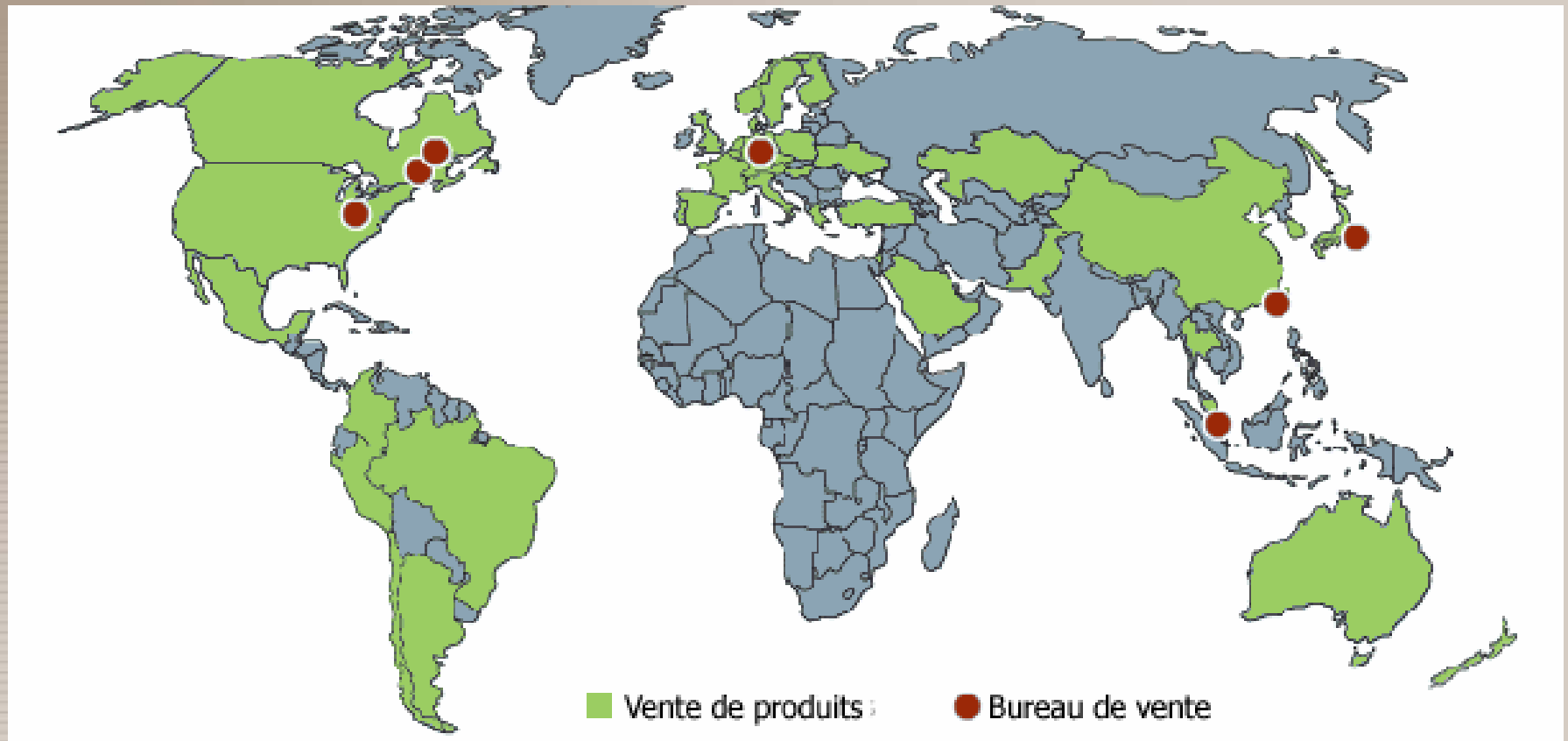


THE ACTIVITIES

- Ilmenite ore extraction at Tio Mine
- Transformation of ore at Sorel-Tracy metallurgical complex



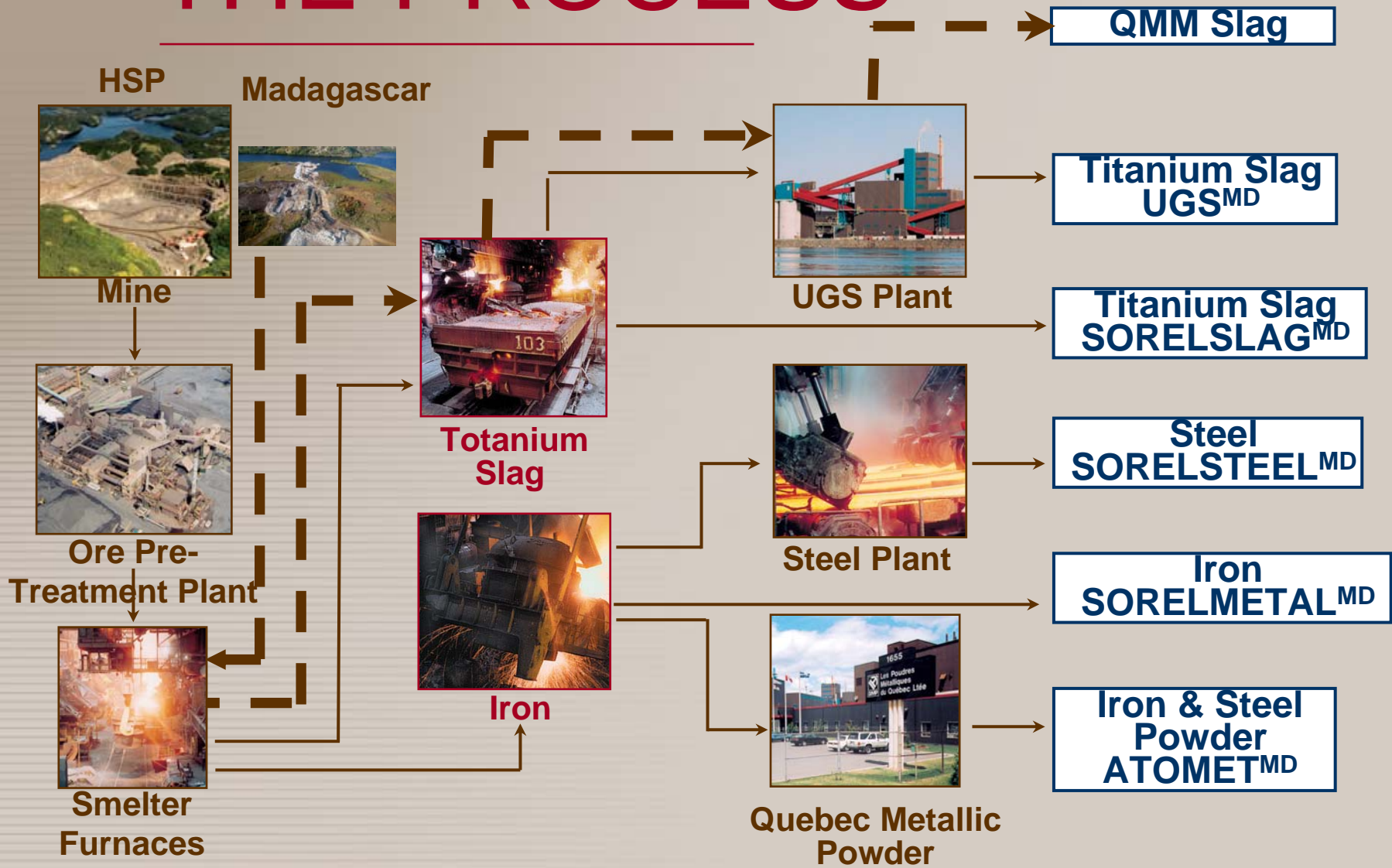
THE MARKET



- Sales in over 40 countries
- 90 % exports

- Member of Rio Tinto Group
- Strategic worldwide sales offices

THE PROCESS



THE PRODUCTS



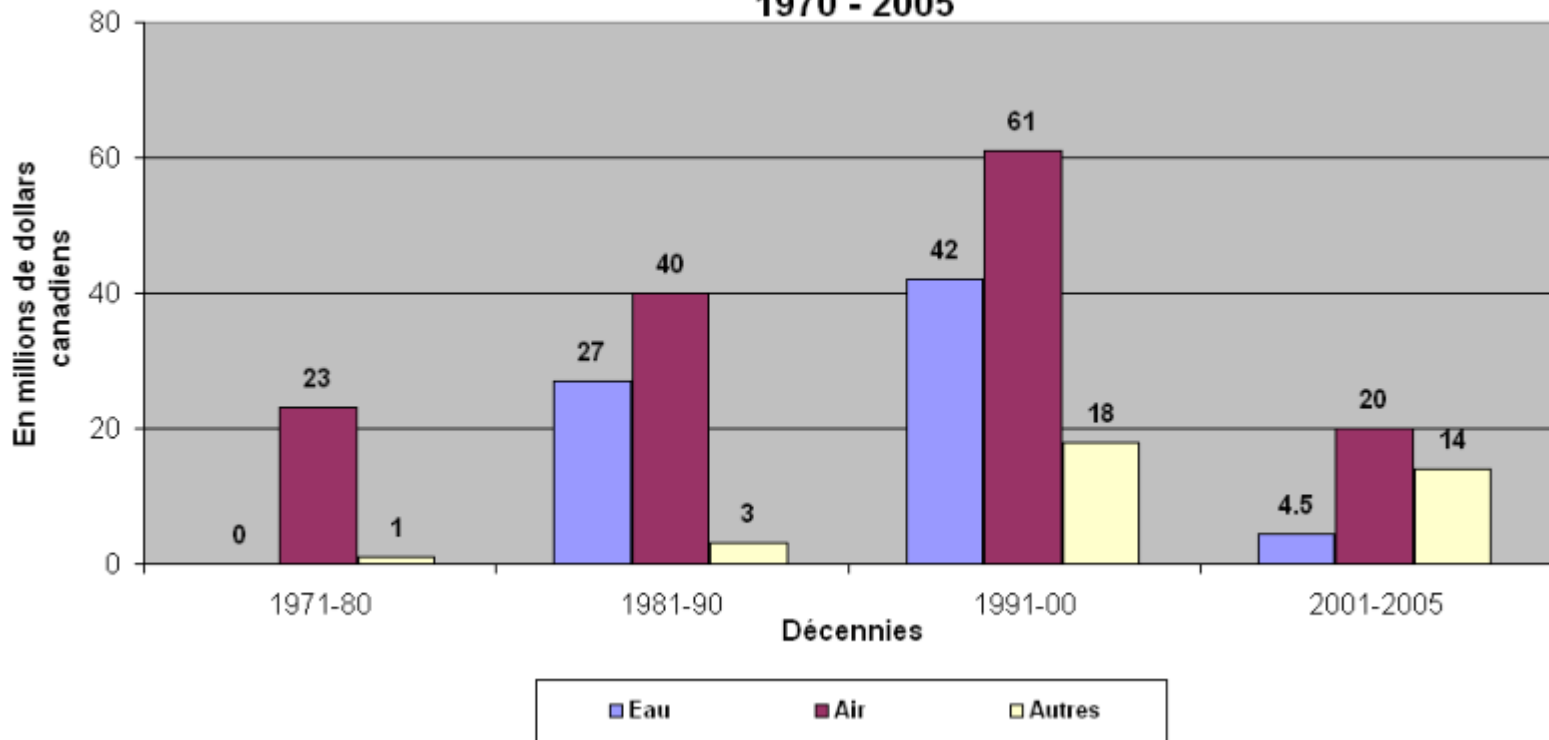
- Ilmenite Ore
- Titanium Dioxide
- Cast Iron
- Steel Billets
- Metal Powders



Protecting the Environment

ISO
14001

Investissements en environnement
1970 - 2005



Positioning QIT for the Future



	Health & Safety	Operations	Finance Cost Control	Human Resources	Market Client Quality	Community Sustainable Development
Key Objectives 5 year plan						
Key Objectives 2007						
Teams targets 2007						



QMM Strategy

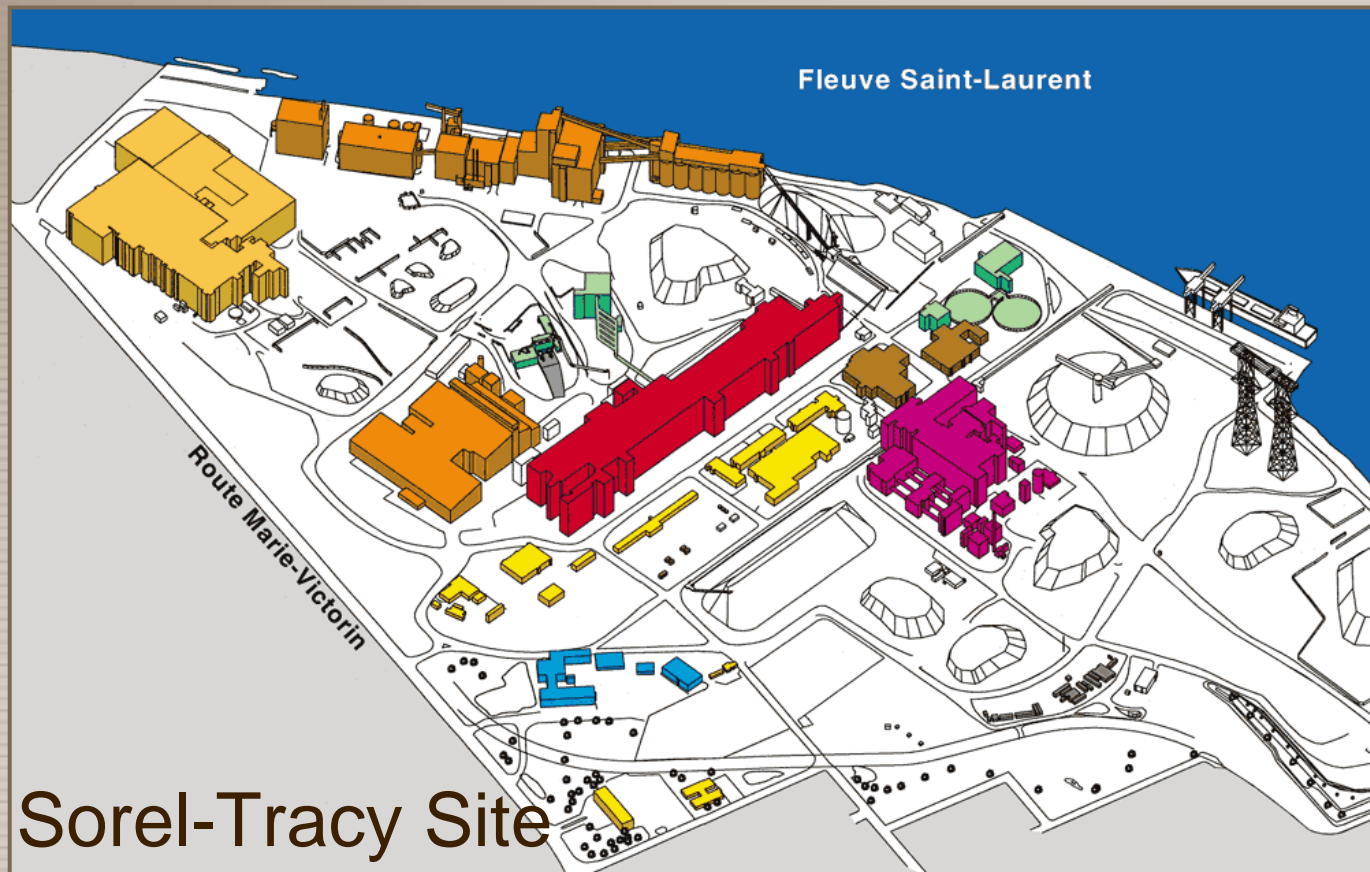
- 1. H&S – ZERO ACCIDENT**
- 2. OPERATIONS – MEET THE PLAN**
- 3. MAXIMISE ROI**
- 4. EXCELLENCE IN OPERATIONS**
- 5. INCREASE MARKET SHARE**
- 6. MEET SD OBJECTIVES**

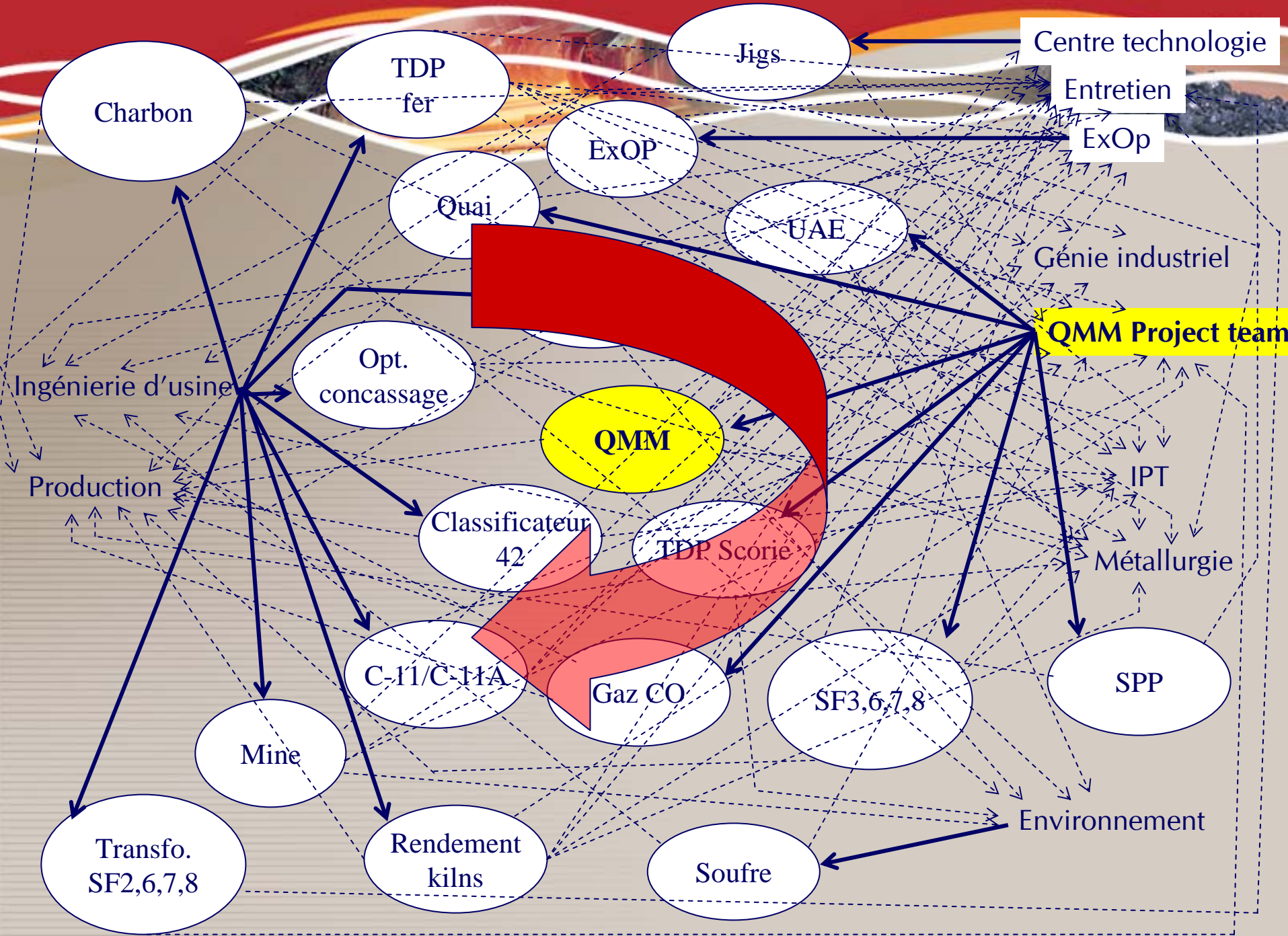


Project challenges

- 1. Smelting of two (2) ores on the same site**
- 2. Doubling the production**
- 3. Impact on operations**
- 4. Limited capital**
- 5. Long schedule**
- 6. Contingency management**

QIT METALLURGICAL COMPLEX







VE/VM at QIT

1.1992-1997

Sensitization

2.1997

1st Workshop

3.1997-2007

Application

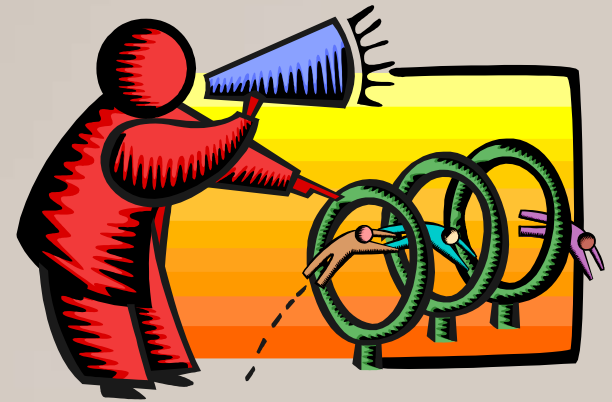


VE/VM and Projects

1. Define Function
2. Satisfy Function
3. Create VALUE

MANAGING EXPECTATIONS

- **Production**
 - Maximum tonnage
- **Technical**
 - Optimize value
- **Engineering**
 - Minimize change
- **Technology**
 - Optimize process
- **HSE**
 - No negative impact
- **Management**
 - All of the above





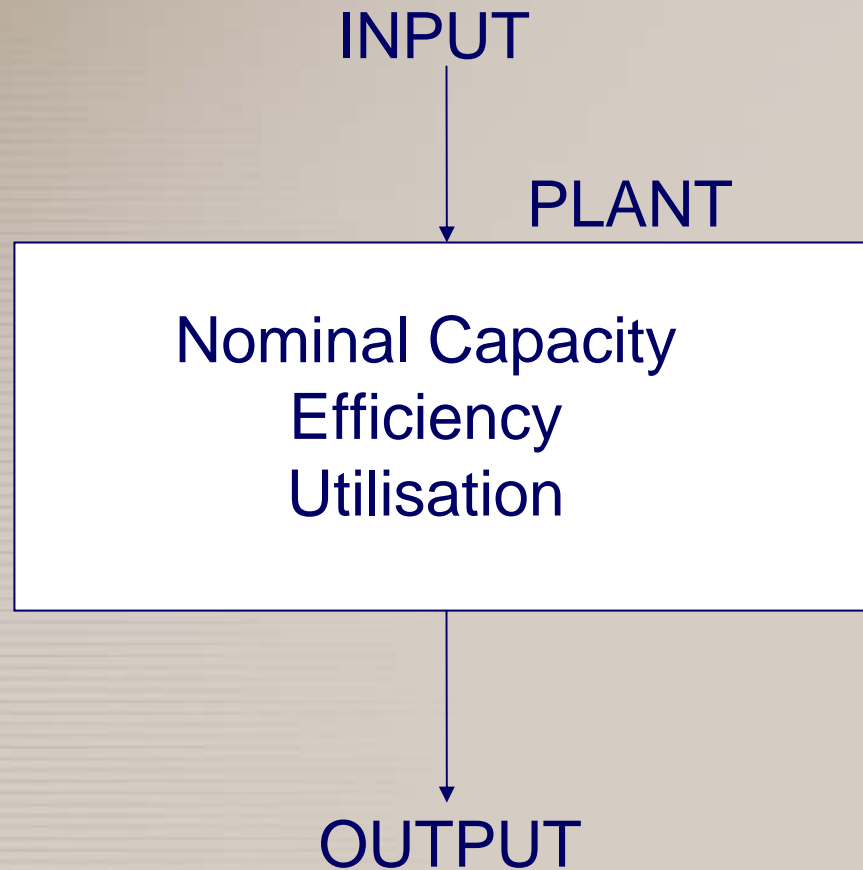
THE TWO TRIANGLES

1. Production triangle

2. Project triangle



PRODUCTION





PROJECT

INPUT (Business case)

PROJECT

Engineering
Procurement
Construction

OUTPUT (Facilities)



PRODUCTION TRIANGLE

Nominal Capacity

Expansion
Project

Classical Approach

Net
Production
Capacity

Utilisation

Excellence in Operation
Industrial Engineering
Plant Metallurgy

Efficiency

Technology
Energy
R&D



PRODUCTION TRIANGLE

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Nominal Capacity

Expansion
Project

Integrated Approach
Value Engineering

Production
Capacity

Utilisation

Excellence in Operation
Industrial Engineering
Plant Metallurgy

Efficiency

Technology
Energy
R&D



Project Triangle – Key Drivers

1. Cost

2. Schedule

3. Performance (Scope, Quality, Capacity)

WHICH IS MOST IMPORTANT?



Priority Triangle

YOU CAN HAVE IT :

- **CHEAP**
- **FAST** or
- **GOOD**

Pick any two.

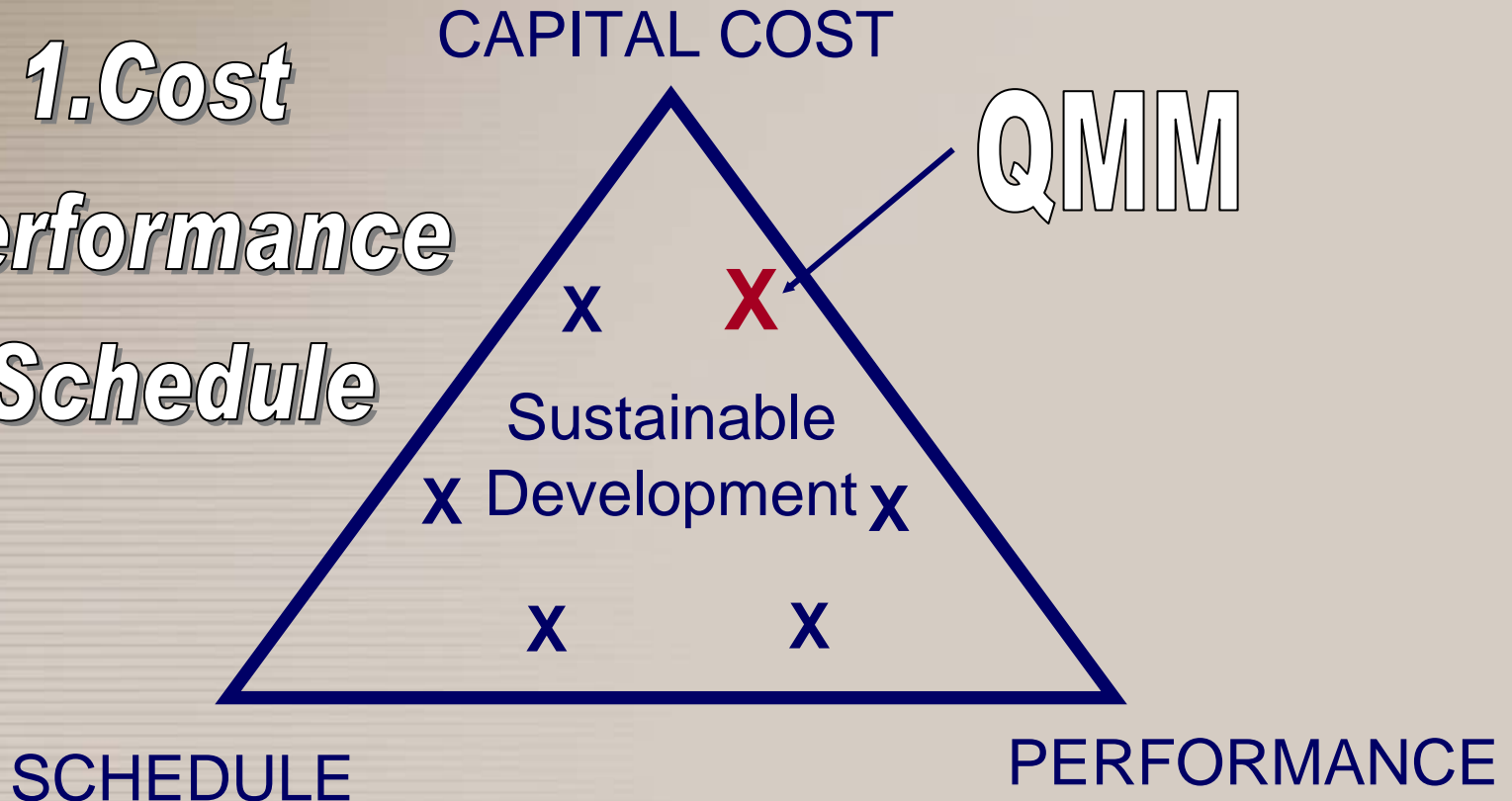
PRIORITY TRIANGLE

KEY DRIVERS :

1. Cost

2. Performance

3. Schedule



QMM – VALUE ANALYSIS RESULTS

	Area #1 (59%)	Area #2 (12%)	Area #3 (6%)	Area #4 (23%)	Total (100%)
Cost Savings	2%	31%	51%	47%	25%
Incremental Capacity Increase		27%	15%		