



Arabtec Announces Recapitalisation Programme Structure

Dubai, UAE: February 22, 2017 – Arabtec Holding PJSC (“Arabtec” or the “Group”), a leading contractor for social and economic infrastructure, has received approval in-principle from the Securities and Commodities Authority for the Recapitalisation Programme announced on February 13, 2017.

The proposed structure of the Recapitalisation Programme is subject to the completion of Arabtec’s FY 2016 financial audit and final approval of the Securities and Commodities Authority. The Group will present the Recapitalisation Programme for a shareholder vote at the Annual General Assembly to be held in April 2017.

His Excellency Mohamed Thani Murshed Al Rumaithi, Chairman of Arabtec Holding PJSC, said, “*The Recapitalisation Programme is a positive step forward for Arabtec, and will provide the foundation for building a successful and sustainable future for the Group. The full commitment of our largest shareholder, Aabar Investments PJS, to the Recapitalisation Programme represents a huge vote of confidence in the Board and in the continuing strength of our business.*”

We will continue to keep shareholders fully updated on progress with the Recapitalisation Programme.”

In the coming week, the Group will release an investor presentation that will outline Arabtec’s current position and its future strategy.

The Recapitalisation Programme is based on a structure as outlined below:

I. Proposed Rights Offering

- Arabtec to raise AED 1.5 billion in equity via a fully committed Rights Offering by issuing new shares at an offer price which is to be determined.
- Upon completion of the Rights Offering, the paid-up capital of the Group would increase from AED 4.6 billion to AED 6.1 billion (subject to completion of FY 2016 audit).
- All shareholders will be invited to subscribe to the Rights Offering.
- Arabtec’s largest shareholder, Aabar Investments PJS, has committed to subscribe to its full entitlement under the Rights Offering and any unsubscribed shares remaining up to AED 1.5 billion, reflecting its continued support for the Group.

II. Proposed Capital Reduction

- As a subsequent step following the Rights Offering, Arabtec’s share capital would be reduced via cancellation, on a pro-rata basis, of shares to extinguish the entire accumulated losses on





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Arabtec Holding PJSC

the balance sheet. Accumulated losses as of 31 December 2016 are estimated at approximately AED 4.6 billion (including net loss of AED 3.5 billion recorded for FY 2016), subject to completion of FY 2016 audit.

- Based on 2016 preliminary unaudited financial results, the Capital Reduction would be up to 4.5 billion shares.
- Capital Reduction would have no dilutive impact as the shares would be cancelled pro-rata to shareholders' holdings following completion of the Rights Offering.

The Group intends to finalise the key terms of the Recapitalisation Programme towards the end of March 2017 in conjunction with releasing its FY 2016 audited accounts.

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About Arabtec Holding:

Arabtec is a leading contractor for social and economic infrastructure. The Group improves the quality of life of people living in the communities that it creates. Arabtec's impressive list of completed projects includes iconic buildings such as the world's tallest building, the Burj Khalifa in Dubai, and Abu Dhabi landmark, the Emirates Palace Hotel; as well as other technically challenging work on airports and related infrastructure.

Arabtec was the first private construction firm to list on the Dubai Financial Market in 2005. Today, the Group consists of numerous subsidiaries with specialisations spanning all segments of the construction cycle, with a vision of building the future.

For more information, please visit www.arabtecholding.com.

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