Press Release

DSI Achieves All Time High Revenues of AED 1.2 billion in Q4 and Record Backlog of AED 9.1 billion for 2012

Consolidated Income for Q4 grew by 5 folds and Revenues nearly doubled in comparison to Q3

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- Revenue grew 97 % in Q4 in comparison to Q3.
- New project awards for the year closed at AED 5.4 billion.
- Total Backlog for fiscal 2012 reached AED 9.1 billion an increase of 30 % over fiscal 2011.
- EPS in Q4 reached AED 0.02

[Dubai, 13 February, 2013] Drake & Scull International PJSC (DSI), a regional market leader in the integrated design, engineering and construction disciplines of Civil Contracting, Mechanical, Electrical and Plumbing (MEP), Water and Power, Rail and Oil and Gas reported today the preliminary financial results for the fourth quarter and fiscal 2012 ended December 31st.

Net profit for the fiscal year closed at AED 128 million and revenues at AED 3.3 billion an increase of 6.5 % over fiscal 2011.

Earnings per Share (EPS) Stood at AED 0.05 in comparison to AED 0.09 recorded last year. Total project awards announced in 2012 reached AED 5.4 billion in comparison to AED 4.4 billion awarded in 2011. The total Order backlog reached a record high of AED 9.1 billion representing a year on year increase of 30 %.

Q4 Revenues and Net profit closed at AED 1.2 billion and AED 46 million versus AED 600 million and AED 8 million recognized in Q3 respectively. The fourth Quarter top line and bottom line growth reflect the increased momentum in productivity across the Civil projects in KSA which were subdued in Q3 due to the seasonal trend and the summer holidays.

Commenting on the results, Khaldoun Tabari, CEO of DSI said, “We are satisfied with our strong earnings performance for both the fourth quarter and the full year across our operating segments and look forward to continued improvements in our key markets in 2013”.

“Our commitment to growth, leverage and returns continues to improve value for our shareholders as we have successfully managed in 2012 to add to our service portfolio Rail and Oil & Gas and to expand our operations reach into Iraq, Algeria and India while maintaining profitability”.

“The GCC continues to be our growth engine, and we expect in 2013 accelerated growth for DSI in emerging markets and particularly KSA and Qatar”.

Osama Hamdan, CFO of DSI added, “We made significant progress in the fourth quarter in enhancing our revenues and net profit growth as we have gained momentum across all subdued projects in Q3”.

“Our fundamentals are strong, and we are well positioned to continue with the same with the same momentum in Q1”.

"Despite current economic conditions, we continue to produce solid revenues and healthy profitability for fiscal 2012. The MEP and Water and Power businesses realized sustainable growth of 19 % and 4% respectively while the Oil & Gas division contribution accounted for 2 % of the consolidated revenues for fiscal 2012".

"We have seen a slight decline of 38 % in the consolidated Net margins in comparison to last year which is primarily attributed to the growth in the civil business and the increase in the SGA associated with the launch of the Oil &Gas and Rail divisions in addition to the establishment of new offices in Iraq and India.

"Competition will continue to be a critical challenge to our pricing strategy. However, Gross margins and Net margins across all markets for 2013 are expected to stabilize since the cost of investment in new areas and business streams have been incurred in 2012".

"We are confident that the strength of our record total backlog will guarantee steady revenue streams for the company in 2013 and we expect substantial announcements in Q1 for the Civil and MEP businesses in our primary markets and particularly in KSA and Qatar".

- Ends -

About Drake & Scull International PJSC

Drake & Scull International PJSC (DSI) is a regional market leader delivering world class quality projects via end to end solutions that provide integrated design, engineering and construction disciplines of Mechanical Electrical and Plumbing (MEP), Civil Contracting, and Water & Power Infrastructure, through People, Innovation, and Passion.

DSI established its first office in Abu Dhabi in 1966, and has since expanded operations to encompass offices in Dubai, Egypt, Kuwait, Libya, Oman, Saudi Arabia, Syria, Qatar, Jordan and Thailand, as well as managing projects in Europe and other parts of North Africa.

DSI 's main business streams include Drake & Scull International, which serves as the MEP arm, Drake & Scull Construction (DSC), which is the General Civil Contracting unit and Drake and Scull Water & Power (DSWP), which focuses on the Water & Power and Infrastructure sector.

In 2008, DSI offered 55% of its shares to the public and the IPO was oversubscribed 101 times. Ernst & Young ranked the IPO among the top 20 global IPOs in 2008.

DSI has since then used the funds to integrate, establish and acquire businesses that compliment its corporate strategy of expansion into new markets, via organic and inorganic growth.
The fully Integrated Management Systems, certified to ISO 9001:2008, ISO 14001:2005 and OSHAS 18001:2007 standards are compliant with leading building, health and safety regulations, as well as sound environmental and energy management procedures.

DSI is a leader through experience, and has established a regional leadership position over 44 years of successfully completing the most complex projects on time, within budgets and matching set quality parameters.

DSI has completed many prestigious projects in the region for over four decades, and has helped shape the region's skyline from within.

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