Arabtec to Increase its Ownership of Target Engineering Construction Co. to 98%

Abu Dhabi, UAE, 26th November 2013 – Arabtec Holding, a leading engineering and construction group specialising in complex projects in the Middle East and North Africa region, announced today that it has entered into a definitive agreement to increase its stake in Target Engineering Construction Co. LLC to 98%, with senior management retaining the remaining 2% stake.

Established in 1975, Target Engineering is one of the leading single source engineering, procurement and construction ('EPC') contractors, focused on the oil & gas, power and marine sectors with operations in the United Arab Emirates, Qatar, the Kingdom of Saudi Arabia and other countries.

Arabtec acquired 60% of Target Engineering in 2007, and the acquisition of a further 38% for AED 270 million supports Arabtec's strategic expansion in EPC in the oil & gas and power sectors. The transaction will be funded by the proceeds from Arabtec Holding's recent rights issue.

This acquisition follows the recent launch of Arabtec Samsung Engineering, a joint venture company that will provide EPC on large-scale multi-billion dollar projects in the oil and gas, power and related infrastructure sectors in the MENA region, which marked a major milestone in Arabtec's ambitious strategy to expand into the oil and gas sector. The oil and gas sector is a key driver of long-term economic growth in the region, with the top 50 projects currently planned or already under way across the region valued at US$1.56 trillion.

As a standalone business, Target Engineering has performed well in recent years, generating revenue of AED1.4 billion in 2012. Following the acquisition, Arabtec intends to use Target Engineering as its preferred contractor delivering medium-sized contracts and focus on investing in the Company for its future growth.

Hasan Abdullah Ismaik, Managing Director and CEO of Arabtec Holding said: "Target Engineering has been an important part of Arabtec's business, since our initial acquisition in 2007. Given Target Engineering's expertise and Arabtec's strategic expansion within oil & gas EPC, this is the next logical step for us. This acquisition, together with the joint venture with Samsung Engineering, will allow us to further grow our EPC offering and strengthen our capabilities in the oil & gas, power and related infrastructure sectors in the Middle East and North Africa."

Shohidul Ahad-Choudhury, Head of Mergers and Acquisitions at Arabtec Holding stated: "We look forward to growing Target Engineering's existing offering and capabilities while expanding the company's geographical reach to the rest of the Middle East and North Africa region. Target will remain focused on medium-sized contracts, which will complement the new JV, ensuring that Arabtec is uniquely-placed as a full service EPC player, addressing the medium to large-scale projects market."

The transaction is subject to the satisfaction of customary closing conditions and is expected to complete by the end of the year.

-Ends-

NOTES TO EDITORS:

About Arabtec Holding

Arabtec is a leading engineering and construction group specialising in complex projects in the Middle East and North Africa region, including high-rise commercial and residential development, infrastructure and oil and gas.

The UAE-based group'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 go public when it was listed on the Dubai Financial Market in 2005. Today, Arabtec Holding consists of many subsidiaries, with specialisations spanning all segments of the construction cycle. The group is currently working on some of the most prestigious projects in the Middle East, such as the Louvre Museum in Abu Dhabi and a regeneration project in the centre of the Qatari capital, Doha, and is expanding into other regions. The group is also expanding in the oil and gas, power and related infrastructure sectors.

Arabtec's strong track record and commitment to timely and cost-efficient delivery has contributed to its rapid growth in recent years and a reputation for quality that has often translated into a market-led pricing premium for completed projects.

For more information, please visit www.arabtecholding.com

About Target Engineering Construction Company

Target Engineering was established in 1975 and is a leading single source EPC contractor with stand-alone specialties. It has a special category classification in marine works, buildings and steel structure works in Abu Dhabi, and is licensed to build towers with an unlimited number of floors. Target Engineering has executed both onshore and offshore-based projects that include a combination of civil, mechanical, marine construction, electrical, and instrumentation work. Electromechanical capabilities include oil and gas process and piping, steel structure fabrication and installations, tankage, cathodic protection, SCADA systems, industrial high/low cabling, and related testing/commissioning works. Target Engineering's marine division is fully equipped with landing craft, barges, tugs, and motor boats.

For more information, please visit www.target.ae

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