arabtec holding

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Arabtec Holding (PJSC)

With directves from His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the United Arab Emirates
Under the patronage of His Highness Sheikh Mohammed bin Zayed Al Nahyan
& His Excellency Field Marshal Abdel Fattah Al Sisi

Arabtec signs historic agreement with Egypt's Defence Ministry to develop and construct one million housing units in Egypt

- *The biggest project of its kind in the region, with a total value of EGP280 billion (USD40 billion)*
- *Arabtec Real Estate's first project; is set to consolidate Arabtec's presence in Egypt*
- *The project will create over one million job opportunities for Egyptians with Arabtec Construction,*
- *Ismaik: "This historic project will be a major boost to the Egyptian economy."*
- *Ismaik: "This project is a historic turning point, in our pursuit of growing the company into one of the leading holding groups in the region."*

Cairo, Egypt, March 9th 2014 – Arabtec Holding PJSC (Arabtec), a leading engineering and construction Group specialising in complex projects in the Middle East and North Africa region, today announced that it has signed a memorandum of understanding (MoU) with the Ministry of Defense and Military Production on behalf of the government of the Arab Republic of Egypt to develop and construct one million units of middle-income housing in various locations across Egypt.

The agreement was formalised today in a ceremony attended by Field Marshal Abdel Fattah Al-Sisi, Deputy Prime Minister, Defense Minister and Commander-in-Chief of the Armed Forces, alongside a number of senior officials, as well as Hasan Abdullah Ismaik, Managing Director and CEO of Arabtec Holding and a number of Arabtec's senior executives.

Ismaik praised the continuous efforts of the UAE, under the leadership of His Highness Sheikh Khalifa bin Zayed Al Nahyan, the president of the United Arab Emirates in supporting their brothers in Egypt. "This present project," he said, "owes much to the wise directives of His Highness General Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, who has been very keen to mobilize all efforts to boost support to our brothers in Egypt through a multitude of humanitarian, economic and social initiatives."

As part of the memorandum, Arabtec Holding's subsidiaries will develop and construct one million housing units in thirteen locations across Egypt. This is in line with the efforts by the Egyptian authorities to provide affordable housing for Egyptians, as part of the efforts to reduce the housing deficit as a result of the growth in the country's population.

This project is the biggest of its kind in the Region, with an overall development value of EGP280 billion (USD 40 billion). Through the developments, millions of Egyptians will have access to full-fledged communities, with public amenities such as schools, hospitals, parks and places of worship.

Arabtec Real Estate, a recently formed subsidiary of Arabtec Holding, will undertake the development of this project, which will be developed in phases over a span of five years. This project is the first in a series of projects that Arabtec Holding looks to undertake as part of its efforts to expand its presence in Egypt. Arabtec Egypt for Construction, a subsidiary of Arabtec Holding, will undertake the construction work of the project which is expected to create more than one million jobs for the people of Egypt.

The developments will be funded, in the most part, by a number of Egyptian and foreign banks. These banks have already expressed interest in providing a range of affordable financing solutions that will appeal to a broad cross-section of the Egyptian population and includes long-term repayment of up to 20 years.

These residential communities will be developed in 13 locations in a number of governorates with an overall land area of over 160 million sq.m, of which 149 million sq.m will be in Cairo governorate (Al-Obour, 10th of Ramadan, Badr, and Al Ikhlas). The rest are divided between the governorates of Alexandria (Burj Al Arab City – 964,000 sqm); Maanoufiyah (Sadat City – 2,880,000 sq.m); Fayyoum (Fayyoum New City – 2,200,000 sq.m); Bani Suwaif (Bani Suwaif New City – 864,000 sq.m.); Al Menyah (New Al Menya City – 1,640,000 sq.m); Asyout (New Asyout City – 900,000 sq.m); Souhag (New Souhag City – 1,160,000 sq.m)' Qana (New Qana City – 264,000 sq.m); and Luxur (New Taybeh City – 328,000 sq.m.). The overall built area of these communities will be in excess of 5 million sq.m.

Hasan Abdullah Ismaik, Managing Director and CEO of Arabtec Holding, commented: "Egypt is held in high regards by the leaders and citizens of the UAE. The two countries are linked together by historic bonds of fraternity and friendship. We at Arabtec are proud to join the efforts of the UAE government aimed at further consolidating these bilateral ties. This historical project, the biggest of its kind in the Region, will be a major boost to the Egyptian economy and will help improve the living standards for the Egyptian people."

"We believe the Egyptian economy is poised for a significant rebound, particularly with the current governmental policies geared towards encouraging investment in the property development sector. The Egyptian market holds high potential, particularly in the affordable housing sector, and we are determined to take advantage of these opportunities by launching a number of projects that will help meet the ever-mounting demand for housing units in Egypt," added Ismaik.

"This huge project is the maiden major undertaking of Arabtec Real Estate in Egypt and the Region. It represents a historic turning point in our pursuit of growing the company into one of the leading holding groups in the region, which will certainly bring sustainable rewards for our shareholders. We have great confidence in the ability of Egyptians to build a modern state and we will spare no effort in supporting Egypt's economy and creating additional jobs for the Egyptian youth in our projects in Egypt and abroad." Ismaik concluded.

Construction work is scheduled to begin in the third quarter of this year. The first batch of units will be delivered in early 2017 while final delivery of all units will be achieved before 2020. Arabtec and the Egyptian authorities are in the final stages of signing definitive agreements, including mechanisms for the implementation of the projects.



Field Marshal Abdel Fattah Al-Sisi and Hasan Abdullah Ismaik, MD and CEO of Arabtec during discussion of the historic signing agreement

- Ends -

Notes for editors

About Arabtec Holding

A leading engineering and construction group of companies 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 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.

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