

DSI Proceeds with the Final Preparations to Secure the Approval of the Securities and Commodities Authority (SCA) to initiate the 75% Share Capital Reduction

Capital Restructuring Program

Phase 1 – Share Capital Reduction

- The 75% Share Capital Reduction is expected to be completed within 6 to 7 weeks
- The Share Capital Reduction through the cancellation of 1,714 million shares will be on a pro-rata basis and will apply to all DSI shareholders and will allow the Company to extinguish its total accumulated losses attributed to the owners of the parent

Phase 2 – Share Capital Increase

- Upon completion of the 75% Share Capital Reduction, the Company will consecutively initiate the regulatory and financial procedures to complete the AED 500 million Capital Increase
- The Capital Restructuring Program is expected to be completed by end of Q3 2017, whereby “Tabarak Investment LLC” will become the major strategic investor in the Company

Dubai, UAE; 19th June, 2017 – Drake & Scull International PJSC (“DSI” or the “Company”), a regional engineering and services leader announced today, that it will proceed with the final preparations to secure the approval of the Securities and Commodities Authority (SCA) to initiate the 75% share capital reduction.

The Company is preparing to fulfil the regulatory requirements to initiate the share capital reduction and to subsequently effectuate the cancellation of 1,714 million shares to extinguish its total accumulated losses attributed to the owners of the parent.

The latest developments represent a critical progress in the capital restructuring program that will enable the Company to resolve its liquidity challenges and to execute its turnaround strategy to stabilize the business and to pursue its growth objectives in the regional MEP sector.

Press Release



Feras Kalthoum, Acting CFO, Drake & Scull International PJSC, commented:

"This is a major milestone in our turnaround strategy announced at the outset of the fiscal year 2017."

"We are proceeding with the preparations at full speed to secure SCA's approval and to initiate the share capital reduction to strengthen our balance sheet and to achieve the strategic objectives of our capital restructuring program."

"I am confident that by the end of Q3 2017 we will complete our program and we will generate substantial liquidity to reinvigorate our operations and most importantly to secure high-margin projects in the MEP sector mainly in our home market the UAE."

-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 General Contracting, Engineering (MEP), Rail & Infrastructure, Oil & Gas, and Water & Wastewater Treatment, through People, Innovation, and Passion.

DSI's main business streams include engineering, construction, oil and gas, rail and infrastructure, and water and waste. The company operates across the GCC, Middle East, North Africa and India as well as manage projects in Europe.

DSI has delivered more than 700 projects around the world in the last five decades catering to aviation, residential and mixed-use real estate, power plants, district cooling plants, hospitality, healthcare, renewable energy, data centres, petrochemical, rail, commercial, government, leisure, and infrastructure sectors.

Press Release



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