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Arabtec Holding PJSC

ARABTEC ANNOUNCES 1Q17 RESULTS - RETURNING TO PROFITABILITY

Dubai, UAE – 4 May 2017: Arabtec Holding PJSC ("Arabtec" or "Group"), a leading contractor for social and economic infrastructure, reports its first quarterly bottom line profit since 2014. The Group is undergoing a series of restructuring measures including the appointment of a strengthened executive management team, in line with the Group's strategic roadmap. The Group's turnaround, whilst still in its infancy, is already being complemented by improvements on the consolidated bottom line, attributable to equity holders of the parent, combined with growth in revenue.

Arabtec recorded revenue of AED 2.2 billion, up 11% compared to AED 2.0 billion in 1Q16. Gross profit improved by AED 52 million to AED 91 million compared with AED 39 million for the same period last year. Gross margin increased to 4% vs. 2% in 1Q16. Net profit attributable to the parent increased by AED 64 million to AED 18 million vs. a net loss of AED 46 million in 1Q16.

Group Chief Executive Officer, Mr. Hamish Tyrwhitt said: "While this is another step towards the turnaround of the Group, there is still a lot more work to be done. This initial step reinforces our commitment to returning Arabtec to profitability and solidifies our strategic roadmap to achieving sustainability. The Recapitalisation Programme is laying the foundation to allow the Group to build on our three stage plan."

"To optimise the delivery of our AED 17 billion backlog, we are making key operational improvements through embedding enterprise risk management and a performance-driven culture, which is already evident in the increase of our gross profit margin. Resolving legacy claims and collecting receivables is a key action in Phase One which will be achieved through our ability to turn risk into opportunity," he added.

"Vital elements of Phase Two, 'Prepare', are already in progress, including maintaining a leaner organisation with SG&A at target benchmark level, already reflected in our Q1 numbers showing a 15% decrease. We are now well-positioned to address the remaining steps of Phase Two of our strategic plan, leaving us in a strong position to begin aligning our efforts towards key aspects of Phase Three. Collectively, these elements contribute to the successful and sustainable future for all our stakeholders as, together with our core values, we continue to work towards building the future of Arabtec," Mr. Tyrwhitt said.

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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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