

DSI completes UAE debt restructuring with announcement of continued support from Tabarak Investment

Company secures new credit lines for ongoing projects portfolio and new contract awards

Dubai, UAE; January 08, 2018 – Drake & Scull International PJSC (“DSI” or the “Company”), a regional leader in engineering and construction services announced today, that it has successfully completed the restructuring of its corporate general bank debt in the UAE and has secured new credit lines and working capital facilities for its ongoing and new projects portfolio.

DSI has obtained the support from all its creditors for the restructuring of its corporate general debt in the UAE. The company reached in Q4 2017 a consensual agreement with nine regional and local banks to refinance AED 566 million comprising 56% of its total corporate general debt standing at AED 1.07 billion as of September 30th 2017. The tenor and the maturity of the AED 566 million corporate general debt have been extended and re-termed on average for 3 years. Additionally, the Company successfully secured under the new term sheets signed on bilateral basis with all respective banks, new credit lines and working capital facilities for its ongoing and future projects portfolio in the UAE.

The remaining tranche of the Company’s corporate general debt comprising the AED 440 million Sukuk will mature in November 2019. The Company will initiate talks with its sukuk holders to refinance this tranche in the second half of the fiscal year 2018.

As of September 30th 2017, the total Bank Debt of the Group stands at AED 2.92 billion. Corporate general debt and projects debt comprise 34% and 66% of total bank debt respectively.

Press Release



Another upcoming strategic priority of the Company's plan include the restructuring and refinancing of its projects debt with the initial focus on approximately AED 1 billion of funded projects debt in Saudi Arabia. The Company is concurrently in advanced talks with its creditors in KSA and expects to complete the refinancing of its Saudi projects debt in this quarter.

Rabih Abou Diwan, Investor Relations Director, Drake & Scull International PJSC, commented:

“The latest deal with the Banks reflects the confidence in the DSI turnaround plan, the resilience of the Group’s business model and the positive outlook of the Company in the MEP sector, despite the cyclical challenges that impacted the regional construction industry.”

“Our main objective is to drive a consensual restructuring plan with all our creditors across the region to rebalance our capital structure to be more efficient and conducive for our business plan and future prospects.”

“The completion of our debt restructuring in the UAE will enable us to accelerate projects performance and delivery in Dubai and Abu Dhabi. This represents a key priority for the Group as we continue to streamline the business and unlock value across all operating segments.”

“Furthermore, with the new corporate debt structure and the extended credit facilities along with the funding we have in place, the Company will be able to improve productivity, secure substantial contracts and boost revenue generation.”

“We are concurrently also assessing our funding requirements for our ongoing and future projects across all markets. We expect to reach bilateral consensus with our lenders to refinance our projects debt and upon completion we will be considering syndication across all the debt structure in the fiscal year 2018.”

Press Release



In conjunction with the completion of Drake & Scull's debt restructuring, Tabarak Investment has announced that it is moving ahead with its plans to support the operations of Drake & Scull International to achieve full operational recovery leading to sustainable growth. The company has assured that its investment in DSI is strategic and long-term, and that it will continue to support the latter by completing existing projects, studying new ones targeted through Tabarak, and looking for new opportunities to diversify and expand income. Tabarak Investment has confirmed a significant improvement in the efficiency of operations under the leadership of DSI's new management, which will support the latter's financial performance in 2018.

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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 manages 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 centers, petrochemical, rail, commercial, government, leisure, and infrastructure sectors.

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