

The Board Adopts New Policies to Develop Administrative and Technical Performance

“Arabtec” net profit rises 20.7% to AED309 million in 9 months

- * Backlog of AED23.8 billion
- * The nine-month period revenue up 37.17% to AED6.96 billion

Abu Dhabi – “Arabtec Holding” announced today that its net profit attributed to the parent company increased to AED309 million for the nine-month period of 2014, up 20.7% in comparison with same period of last year, which amounted to AED256 million. The net profit was driven by the projects’ progress and the company’s business growth inside and outside the UAE.

In a statement about its interim condensed consolidated financial statements, the company reported that the revenues from January to September increased to AED6.96 billion, recording a growth of 37.17% compared to the same period last year, which amounted to AED5.079 billion.

The backlog increased 1.4% to AED23.79 billion by the end of September 2014 compared with AED23.47 billion by the end of September 2013.

The gross profit for the nine-month period amounted to AED971 million, recording a significant growth of 60.5% compared to the same period last year, during which the gross profit amounted to AED605 million.

The gross margin recorded during the period increased to about 13.9% compared to a margin of 11.9% as supported by the improvement in the projects’ performance and expenditure control.

In a meeting held today, Arabtec’s Board approved the financial results, confirming the significant growth made in the financial indices which points to more progress in the company’s activities and higher returns to the investors.

Quarter Three 2014

The net profits attributed to the parent company decreased to AED68 million in Q3 2014, declining by 32.6% compared to the same period last year which amounted to AED101 million. The decline resulted from non-recurring general and administrative expenses incurred by the company during that period.

However, the other indicators reported an increasing growth as Q3 revenues reached to AED2.4 billion, a growth of 24% compared to the same period last year, which amounted to AED1.937 billion.

The gross profit for Q3 increased to AED308 million, recording a growth of 32.2% compared to the same period last year, during which the gross profit amounted to AED233 million.

The gross margin recorded during the period increased to about 12.8% compared to a margin of 12%.

The Board discussed in their meeting today the work progress in the group's projects and the company's performance financially and administratively.

The Board was briefed on the performance indicators, and received reports presentation delivered by the Executive Management about the company's projects in the United Arab Emirates and abroad. This, in addition to the positive results achieved in light of the process of internal restructuring and the improvement of methods of proper use of the company's resources.

Moreover, the Board also discussed the problems and the challenges facing the company's projects, and gave instructions for suitable actions in this regard. The Board expressed its satisfaction with the performance of the company and instructed it to take measures for developing policies on the Executive Management level.

During the meeting, it was confirmed that Arabtec is proceeding with its well-considered growth strategy that qualifies it to win new projects in the future, move forward in the current projects, and improve its competitive capabilities.

On the other side, the Board emphasized the importance of the actions taken recently and how they reflected positively on different levels; especially for saving expenditures after the successful limited restructuring process which has achieved its objectives.

In this context, the Board pointed out the important decisions related to the company's resources and how to use them optimally to achieve the best returns to the shareholders and investors.

As for the one million housing units in Egypt, the Board expressed its satisfaction with progress of the final negotiations with the competent authorities in Cairo which took place recently through intensive meetings on the final agreement to kick-off the project, which the company plans to start execution before year-end.

In its meeting, Board approved the amendments made to the human resources manual according to the international best practices.

Furthermore, the Board approved the amendments to the Governance and Compliance manual, which aim to align with international best practices achieving the highest levels of compliance, transparency and accountability in the company's internal and external transactions, ensuring that the company is working in accordance with controls that support the best interest of the company, its shareholders and investors.

The Board gave instructions to enhance administrative policies and procedures for organizing the company's work, including the policies and procedures of the enterprise resource planning (ERP) system. This will result in achieving "Arabtec's" goals in line with the enhancement efforts made by the Executive Management under the guidance of the Board.

On the other hand, the Board welcomed "Aabar investment" decision to increase its stake in Arabtec from 18.94% to 34.93%, and assured that this ownership reflects the strategic relationship between the two companies, in addition to the confidence that Arabtec gained from investors and shareholders.

The Board re-affirmed its confidence and support for the Executive Management to increase the company's competitiveness and achieve the best returns for the shareholders and investors.



arabtec holding

أرابتك القابضة (ش.م.ع.)

Arabtec Holding (PJSC)

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 specializations 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.

For more information, please visit www.arabtechholding.com

For further information, please contact:

Media Department – Arabtec Holding

Baha Haroun

Tel. +971 2 333 6784

Mob: +971 50 819 2530

Email: baha.haroun@arabtechholding.com

Email: media@arabtechholding.com