



Date :30 March 2015

## **Management Discussion and Analysis for Q3 2014**

After Greetings,

### **Revenue and profits**

NMDC recorded revenue of AED 1,167 million in Q3 2014 vs 2,016 million in Q3 2013 with net profit of AED 1 million in Q3 2014 vs AED 210 million in Q3 2013.

Decline in revenue and profit is due to postponement of projects from the client side. However, the Company expects to reverse the declining trend in revenue and profit by the end of year.

### **Our Projects**

During the current period, the Company has been awarded with the Suez Canal Expansion Project as a leader of the largest dredging consortium in the world, which is considered as one of the most prestigious dredging projects in world, with a total value of USD 1.5 billion. Moreover, during the current period, the Company has been awarded projects in Bahrain for an amount of AED 890 million.

With the vision of being an international player, the Company is actively bidding for Projects in India, Saudi Arabia, and other GCC Countries.

### **Capital Investment**

Investment in new capital equipment for the nine months period ended 30 September 2014 amounted to AED 54 million. The Company is in advanced stage of evaluating investment in capital equipment to enhance capacity and improve operational efficiency.

### **Islamic Facilities**

During the current period, the Company has settled the Mudaraba facility amounting to AED 233 million.

### **Management Explanation on Auditors' Opinion**

With reference to the Auditors' Report – “*Qualified Opinion*” & “*Emphasis of Matter*” - Management would like to highlight that the company is executing strategic projects for the Government and/or Government related entities. The Company is involved in the projects from concept design to final construction and due to the nature of these projects, they require some time from completion to finalization with the clients.



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NATIONAL MARINE  
DREDGING COMPANY



Subsequent to third quarter of 2014, the Company has received certain portion of amounts from these clients and the Company is negotiating to settle the remaining amounts. Regarding the claims, the management is confident and pleased to inform that we are in advanced stage of negotiation with clients and expects to settle the outstanding amount by the end of third quarter of 2015.

Yours faithfully,

For and on behalf of  
National Marine Dredging Company

Yasser Nasr Zaghloul  
Chief Executive Officer

