



9 August 2015

Management Discussion and Analysis for Q2 2015

After Greetings,

Revenue and profits

National Marine Dredging Company (NMDC) recognised revenue of AED 1,401 million for the six months period ended 30 June 2015 (Q2 2015) compared to AED 693 million for the six months period ended 30 June 2014, with a profit of AED 67 million in Q2 2015 compared to a loss of AED 155 million in Q2 2014.

Our Projects

Under the leadership of NMDC, the Consortium (NMDC, Van Oord, Jan De Nul, Boskalis) has executed New Suez Canal Project - one of the most prestigious dredging project in the World. The New Suez Canal Project has completed 200 million cubic meter of dredging in record time of 9 months and has been inaugurated on 6th August 2015.

Capital Investment

Investment in new capital equipment for the six months period ended 30 June 2015 amounted to AED 125 million. The Company is planning to make substantial investment in capital equipment mainly Hopper Dredger and Backhoe Dredger to enhance capacity and improve operational efficiency.

Islamic Facilities

During the current period, the Company has repaid its Islamic facility amounting to AED 808 million and obtained a new facility of AED 350 million to finance the Company's working capital requirements.

Management Explanation on Auditor's Conclusion

With reference to the Auditor's Report on Interim Financial Statements – “Qualified Conclusion” & “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 finalisation with the clients.

During the current period, Management is pleased to inform you that we are in advanced stage of negotiation with the 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

