



## NATIONAL MARINE DREDGING COMPANY PJSC

### RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

**Abu Dhabi, UAE – 14 AUG 2018:** National Marine Dredging Company PJSC ("NMDC" or the "Group"), a leading contractor for dredging, land reclamation and marine civil construction, published its consolidated results for the period ended 30 June 2018.

#### SUMMARY FINANCIAL RESULTS (in AED Millions)

	Three months ended 30 June				Six months ended 30 June		
	2018	2017	Change		2018	2017	Change
Revenue	389.5	323.3	+66.2	Revenue	722.4	659.6	+62.8
Gross profit	34.5	18.2	+16.3	Gross profit	63.4	46.2	+17.2
Net profit	-3.9	0.5	-4.4	Net profit	10.3	2.1	+8.2

#### HIGHLIGHTS

- As a result of the ramping up of operations on projects in Egypt, and progress on ongoing U.A.E projects, revenues for the six month period have increased by 9.5%, to AED 722.4 million compared to the corresponding prior period;
- Gross operating profit for the six month period also improved by 37%, to AED 63.4 million, primarily due to better utilization of vessels;
- Net profit showed an improvement to AED 10.3 million for the six month period, up from AED 2.1 million in the corresponding prior period, due to costs savings arising from salary restructuring in 2017; and
- NMDC's new joint venture, Egyptian Emirates Dredging Company ("EEMDC") has been formally incorporated during Q2 2018.

In 2018, the Group continued with several government-related infrastructure projects in the UAE, in addition to other notable projects like Khalifa Port, Delma Port, Hudariyat Beach Works, and a number of developments on Al Reem Island. In terms of international projects, the main activity is now in Egypt with several projects underway, utilizing a large portion of the fleet including NMDC's newly commissioned hopper dredger Arzana. Projects in Bahrain and Maldives are in the final stages with demobilization already commencing.

Net investments in property, plant and equipment for the six months ended 30 June 2018 were AED 112 million, which mostly relate to the final payments for the hopper dredger, purchase of pipelines and auxiliaries. The Group is continuously reviewing the optimal fleet size and composition. Following the significant increase in operations in Egypt, two vessels that had previously been idle and classified as 'held for sale' in the financial statements in 2017, have been re-deployed to Egypt projects. The vessels that are still laid up are planned to be divested and continue to be classified as 'held for sale'.

The Company has paid Board of Directors' remuneration and employee bonus amounting to AED 28.1 million, and dividends amounting to AED 55 million, relating to 2017, during the quarter.

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## MANAGEMENT EXPLANATION ON THE AUDITOR'S REVIEW CONCLUSION

With reference to the Auditor's Report on the interim financial information – "Qualified Conclusion" & "Emphasis of Matter" – Management would like to highlight that the Group is executing strategic projects for the Government of Abu Dhabi and/or Government related entities. The Group is involved in the projects from concept design to final construction and the nature of these projects is such that they require time from conceptualization to finalization with the clients. Management is pleased to inform you that we are continuing with discussions and negotiation with the clients and a significant amount of invoices from out of the unbilled receivables are currently at an advanced stage of approval with the client. Management expects that progress will be made on securing approvals for billing, in the coming period.

Yours faithfully,

For and on behalf of  
National Marine Dredging Company

  
Yasser Nasr Zaghoul  
Chief Executive Officer



### About National Marine Dredging Company:

NMDC is a leading contractor in the field of dredging and marine civil construction. The Group delivers a range of services including the construction port infrastructure, land reclamation, coastal defense and deepening and maintenance of waterways. The Group owns and operates a fleet of modern cutter suction dredgers supported by a wide range of auxiliary equipment including tugs and workboats, barges and survey vessels. Over 1,500 professionals are employed by NMDC.

For more information, please visit [www.nmdc.com](http://www.nmdc.com)

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