



07 AUG 2016

## Management Discussion and Analysis for Q2 2016

After Greetings,

### Revenue and profits

NMDC (the 'Group') recognised revenue of AED 652 million for the six months period ended 30 June 2016 (Q2 2016) compared to AED 1,401 million for the six months period ended 30 June 2015 (Q2 2015), with a profit of AED 25 million in Q2 2016 compared to a profit of AED 67 million in Q2 2015.

### Our Projects

The Group is actively bidding for projects in UAE and in advanced stage of discussions for projects in India and Bahrain.

### Capital Investment

Investment in new capital equipment for the six months period ended 30 June 2016 amounted to AED 96 million.

### Management Explanation on Auditor's Conclusion

With reference to the Auditor's Report on Interim Financial Information – "Qualified Conclusion" & "Emphasis of Matter" – Management would like to highlight that the Group is executing strategic projects for the Government and/or Government related entities. The Group 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 fourth quarter of 2016.

Yours faithfully,

For and on behalf of  
National Marine Dredging Company

**Yasser Nasr Zaghloul**  
Chief Executive Officer

