



13 NOV 2016

Management Discussion and Analysis for Q3 2016

After Greetings,

Revenue and profits

National Marine Dredging Company (the 'Group') recognised revenue of AED 973 million for the nine months period ended 30 September 2016 (Q3 2016) compared to AED 1,931 million for the nine months period ended 30 September 2015 (Q3 2015), with a profit of AED 40 million in Q3 2016 compared to a profit of AED 94 million in Q3 2015.

Our Projects

The Group is currently operating in the UAE, Bahrain, Egypt and Africa. We expect to start operations in India in coming months. In addition we continue to actively bid for projects in UAE and further projects in, amongst others, India and Bahrain.

Capital Investment

Investment in new capital equipment for the nine months period ended 30 September 2016 amounted to AED 127 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

