



12 May 2015

Management Discussion and Analysis for Q1 2015

After Greetings,

Revenue and profits

NMDC recognised revenue of AED 495 million for the three months period ended 31 March 2015 (Q1 2015) compared to AED 390 million for the three months period ended 31 March 2014, with a profit of AED 22 million in Q1 2015 compared to a loss of AED 37 million in Q1 2014.

Our Projects

The Company is actively bidding for projects in UAE and expanding its foothold in India and other GCC countries.

Capital Investment

Investment in new capital equipment for the three months period ended 31 March 2015 amounted to AED 14 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 fully settled its Islamic facility amounting to AED 446 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

