



Arabtec Holding PJSC

2016 Annual General Meeting

20 April 2016

Order of the meeting



General overview of the year 2015 presented
by the CEO

2015 Arabtec's Position



At the start of 2015, Arabtec was not in a strong position:

1. Fewer project wins in 2014

2. Operational disruption

3. Delays experienced in few projects

4. Cost overruns

5. Extended collection cycle

6. Macro economic environment beginning to deteriorate

2015: a year of strategic repositioning

Following the appointment of the Board of Directors in April 2015, significant actions have been taken to reposition the company:

✓ Clearly defined the group's strategy

✓ Significant restructuring and cost reduction process

✓ Focus on strong corporate governance

✓ Disposal of non-core assets

✓ Selective project bidding

2015: a year of strategic repositioning



The Board have redefined the group's strategy:

Arabtec's vision:

To be the leading engineering and construction services group in the Middle East, with world class execution capabilities in the construction of residential, commercial, civil infrastructure and oil & gas projects

✓ Five strategic pillars to delivering the vision:

1.

Increased focus on the core business of the group

2.

Clearly defined sectors in which to operate

3.

Selective geographic footprint

4.

Delivery of our key brand drivers

5.

Cash generation to represent primary value driver

2015: a year of strategic repositioning



The Board have implemented a number of other initiatives in 2015:

Focus	Specific actions	Results
Restructuring / cost reduction	<ul style="list-style-type: none">• Head count reductions• Head office and property consolidation• SG&A savings	<ul style="list-style-type: none">✓ More than AED 95mn p.a. savings realised in 2015✓ Process continuing in 2016
Non-core asset disposals	<ul style="list-style-type: none">• Sales of villas, shares and other assets	<ul style="list-style-type: none">✓ More than AED 50mn realised in 2015✓ Process continuing in 2016
Selective project bidding	<ul style="list-style-type: none">• Revised risk and return assessment• More focused business development function	<ul style="list-style-type: none">✓ Actions should translate into more dependable margins
Corporate Governance	<ul style="list-style-type: none">• Boards implemented in some subsidiaries as required• Enhanced Internal Audit function	<ul style="list-style-type: none">✓ Enhanced oversight and overall management

2016: building a platform for growth



The Board shall continue to strive to deliver a company that its shareholders can be proud of, through:

1.

*Executing
the group's
strategy*

2.

*Ensuring
world-class
execution of
the group's
portfolio of
projects*

3.

*Capturing
further
attractive,
value
enhancing
projects*

4.

*Maximising
shareholder
value in
balance
with the
company's
other
important
stakeholders*

2016: building a platform for growth

The Board's goal for 2016 is to build a strong foundation for growth in 2017 and beyond:

- The regional construction market is experiencing difficult conditions
- Accordingly, the Board have taken significant steps to respond to this challenging environment, i.e. ensuring the operations are lean and the strategy is clear
- **Given the transformation of the business, the Board is optimistic with the current position of the company and especially the early wins achieved in 2016:**

✓ West Yas villas



✓ Bahrain Airport



✓ Twin Towers



✓ National Housing





Thank you

