

Panceltica Holdings Ltd  
31 March 2008

Immediate Release

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Panceltica Holdings Limited  
("Panceltica" or the "Company")

## INTRODUCTION TO TRADING ON AIM

Market capitalisation of £236.4 million

Panceltica, which is the holding company for an international group of specialist fast track construction and construction related companies (the "Group"), is pleased to announce that today its shares have been admitted to trading on AIM. The Group raised pre - IPO funds of \$115m, and in conjunction with Admission two of the founder directors have sold 10,000,000 ordinary shares in the Company through a secondary placing priced at 100p per share.

### Summary

The Group's principal activity is the fast track fabrication and construction of residential and commercial property units. The Group uses its proprietary Scottsdale technology (the "Scottsdale Technology"), to build lightweight Galvanized Steel framed structures. Manufacture and assembly typically takes place on the construction site, which the Directors believe achieves both logistical savings and time savings. The Group's head office is in Qatar, with Subsidiaries in Turkey, New Zealand, Jersey and the United Kingdom, and Subsidiary Interests in the UAE.

The Group has developed a growth business model. For the year ended 31 December 2007 the Group's trading subsidiaries produced revenue of \$128.88m (2006: \$6.88m) and profit before tax of \$19.77m (2006: \$0.38m).

Panceltica's client base within the GCC region (Saudi Arabia, Kuwait, UAE, Oman, Qatar and Bahrain) includes government-backed companies such as QRE and Barwa in Qatar, and the Tourism Development & Investment Company in Abu Dhabi.

Panceltica is currently working on two principal contracts, the largest of which is the Barwa Contract for the design and build of 1,984 housing apartments with ancillary community and shopping facilities. The total contract price is in excess of \$320 million.

The Group raised approximately \$115m through pre-IPO fundraisings between November 2007 and January 2008. Additionally two of the founder directors have sold 10,000,000 ordinary shares in the Company through a secondary placing priced at 100p per share. The Secondary Placing and pre-IPO fundraisings were undertaken by Blomfield Corporate Finance Limited as Nominated Adviser and Hichens, Harrison & Co. plc as broker.

Dealing has commenced today, 31 March 2008, under the trading symbol PANC.

Paul Fraser, Group Chief Executive Officer, today commented:

"The successful flotation of Panceltica today bears testament to the tremendous growth opportunity our business is now presented with. The business momentum currently being generated within the Gulf region will enable the Group to implement its growth strategy.

We look forward to continuing the successful growth of Panceltica as a public company and taking full advantage of the global opportunities provided by the Group's fast track construction technology."

For further information please contact:

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The company's admission document which contains further information on Panceltica Holdings Limited and its group is available on the company's website at [www.panceltica.com](http://www.panceltica.com)

#### Statistics

Introduction Price	100p	
Number of Ordinary Shares in issue following the Placing		236,376,000
Capitalisation at the Placing Price	£236,376,000	
ISIN	JE00B2Q7JM31	
TIDM	PANC	

#### Additional Information

##### Introduction

The Group's principal activity is the fast track fabrication and construction of residential and commercial property units. The Group uses the Scottsdale Technology, owned by the Group, to build lightweight Galvanized Steel framed structures. Manufacture and assembly typically takes place on the construction site, which the Directors believe achieves both logistical savings and time savings. The Group's current focus of construction projects is within the GCC region. The Group seeks to offer a wide range of manufactured solutions including accommodation, modular buildings, commercial buildings and portable or sectional buildings. The Directors believe given the Group's operational expertise, network of contacts in its chosen markets and ownership of the Scottsdale Technology, that the Company is well positioned to benefit from the current growth opportunities in the GCC region and the wider MENA region.

## Business Operations

The Group's construction activity involves the use of the Scottsdale Technology as well as the Group's additional operational expertise. The Group is currently working on two principal contracts, the largest of which is the Barwa Contract for the design and build of 1,984 housing apartments. The development under the Barwa Contract comprises of 62 four-storey blocks of 32 apartments each, with ancillary buildings (community and shopping facilities). The total contract price is in excess of \$320 million. The construction phase is due to continue to mid 2008. Additionally the Group has also been awarded a project on Sir Bani Yas Island, Abu Dhabi, to build support accommodation (contract value approximately \$5 million) for a new hotel and tourist complex. The Group's client base in the GCC region includes government-backed companies such as QRE and Barwa in Qatar, and the Tourism Development & Investment Company in Abu Dhabi. Currently, the Group's principal customer is Barwa and the Group's current financial performance is heavily reliant on the Barwa Contract, the principal terms of which are summarized in paragraphs 15 and 16 of Part IV of this document. The Directors believe given the level of enquiries received from potential customers and the additional resources available as a result of the Pre-IPO Fundraisings that additional contracts will be forthcoming in the near term.

## The Scottsdale Technology

Scottsdale is engaged in the design and manufacture of steel roll forming machines, which are used to form lengths of Galvanised Steel into sections to produce panels or roof trusses, which when assembled form lightweight frames and structures for use in the construction of buildings. Each roll forming machine is controlled by a computer which includes proprietary software, enabling the design of the profile and formation of the Galvanised Steel sections. Designs may be imported into the proprietary software from a third party computer aided design system. Designs taken from the design software are converted into commands for the control of each respective roll forming machine. The Scottsdale roll forming machines can be used as mobile manufacturing units in self supporting, portable cabins with their own generators. The input is flat Galvanised Steel coil (0.5mm-1.5mm) and the output is shaped, folded, punched and cut sections with increased strength and rigidity. The sections form panels and roof trusses which are then assembled into rigid load bearing frames and structures for buildings. The panels and roof trusses are light enough to be manhandled into position, and are joined manually with rivets, bolts and TEK screws. When assembled the building frames include holes (previously punched in the sections by the roll forming machines) for the installation of electrical, mechanical and plumbing services. The frames allow for flexibility in the choice of external cladding. Customers pay a capital sum for the purchase of each roll forming machine. Thereafter the roll forming machines are controlled by pre-paid, per metre, smart card technology. Upon expiry of a smart card's pre-paid meterage a user must insert a new one to continue operation. Rights to exploit the Scottsdale Technology in North America and Mexico are reserved to Nutrus LLC. Elsewhere the Group retains ownership of the Scottsdale Technology which is protected by copyright in those territories which recognise copyright in software.

## Market Overview

The Group is initially focussing on developing its business model within the GCC countries. The GCC is an economic alliance made up of six Gulf states: Saudi Arabia, Kuwait, UAE, Oman, Qatar and Bahrain. As at the end of 2006 the GCC member countries possessed an estimated 40 per cent. of the world's proven oil reserves and 22.7 per cent. of the world's proven natural gas reserves. Qatar

alone held an estimated 14 per cent. of the world's proven natural gas reserves at that date. During 2006 the GCC countries produced 22.3 per cent. of the world's oil production and 7.6 per cent. of the world's natural gas production. The value of oil and gas exports from the GCC countries is forecast to be in excess of \$450 billion in 2008. The high price of oil combined with efforts to diversify from a single source of income has continued to boost construction activity in the Middle East. In the opinion of the Directors Dubai's construction market may be perceived as having neared its peak but other GCC countries such as Qatar, Abu Dhabi and Saudi Arabia are at earlier stages of the development cycle. Independent estimates have suggested that there are currently up to \$884 billion worth of construction projects at some stage of planning in the GCC region compared with an estimated \$190 billion of construction contracts awarded in 2007. An independent study has stated that as a result of this increase, clients in the region have complained that there are not enough contractors to meet demand. The Directors believe, on the basis of these statistics and the enquiries that they have received to date, that the regional outlook in the construction industry is positive and that the Group will continue to find significant opportunities for new contracts. Outside of the GCC countries the Directors consider that the Group's business model including the Scottsdale Technology could provide opportunities in emerging markets such as the wider MENA region, India and Latin America.

#### Competition

Competition in the Gulf region is considerable and comes mostly from traditional and pre-cast concrete build techniques and other methods utilising off-site manufacture. The Directors believe the Company's methodology is well suited to the market and environmental conditions in the Gulf region. The on-site process that the Company uses can deliver extensive savings in time and the Directors believe that there are logistical advantages to the Group's approach of on-site manufacture over off-site modular manufacture and subsequent transportation. The Group's experience is that alternative modern methods of construction are not yet well established in the GCC region. No other company is currently using the Scottsdale Technology in the GCC region. The Group knows of two other international companies produce a roll forming machine with a similar function (though significantly less portable) to the Scottsdale roll forming machines, but the Group has not yet encountered any such equipment on a tender or project in the GCC region to date. However, the Directors do anticipate a change in the competitive environment and increased competition from various other modern methods of construction in the GCC region in the future. In particular the Directors anticipate increased attention from large international firms competing for new projects.

The Directors believe that there are significant opportunities for growth within Qatar. Outside of Qatar in the GCC region the Company has already expanded operations in to the UAE with a project currently being undertaken in Abu Dhabi. Additionally, further enquiries have also been received from potential clients in Dubai and Saudi Arabia. The Group has traditionally operated through minority interests in order to reflect local ownership laws, and whilst the Group will continue to observe all such local laws, it does intend to pursue an active policy in future of securing, as nearly as possible, full control and ownership of its operations. In order to optimise expansion opportunities, the Group has developed a tiered business model. Within the GCC and wider Gulf region the Group will offer a full design and build service where the Directors consider it prudent to do so. Alternatively within this core region the Group will offer a frame construction and installation only service, allowing the other elements of the build process to be managed by other parties. A further service offering for projects further afield will be a serviced package of Scottsdale roll forming machines along with operational consultants and the necessary Galvanised Steel

supplies and logistics to operate them. The most basic offering will be the straight sale of Scottsdale roll forming machines and smart cards to customers. In addition to applying a discipline of reviewing and optimising the Group's service and product offerings, the Directors adopt a policy of continuous improvement in relation to the Group's intellectual property and Scottsdale is currently developing a new roof truss product, although the commercial significance of this in relation to the overall Group is likely to be limited in the short term. The Group will actively investigate suitable acquisition opportunities which the Directors consider to be strategically beneficial and likely to enhance shareholder value.

## Directors

### Andrew John Mack Huntley (68), Non-executive Chairman

Andrew Huntley's extensive experience spans over 40 years in the commercial property sector in the UK and overseas. He joined Richard Ellis in 1965 and retired as Chairman of Insignia Richard Ellis (now part of CB Richard Ellis Group Inc., the world's largest commercial real estate services firm by 2007 revenue) in 2002 having chaired the merger process with Insignia Financial Group of the USA. Andrew Huntley was a non-executive director of Pillar Property plc from 2000 until its acquisition by British Land plc in 2005. He is currently a Non-Executive Director of the Miller Group Limited (a private UK house builder) and of property advisory group Catella UK, as well as a member of the board of the Charities Official Investment Fund.

### Anthony Charles Wilson (57), Non-executive deputy Chairman

Anthony Wilson is a chartered accountant with over 30 years experience of international business and finance. After practising with Dixon Wilson he left to join Wedd Durlacher Mordaunt in 1984 becoming a finance partner before it was merged into Barclays de Zoete Wedd, where he spent 10 years in roles including finance director of the international offices and of the equities division before retiring as finance director of BZW Investment Management in 1996. From 1998 until 2007 he acted as group finance director and managing director of DAKS Simpson Group PLC.

### Paul Fraser (59), Chief Executive Officer

Paul Fraser has over 40 years experience as a manager and entrepreneur in the construction industry in the UK and overseas. He ran his own business in Qatar and Bahrain from 1976-1979, working on various residential and commercial property projects. From 1979-1983 he was the General Manager of Fraser-Kay Contracting and was involved in several residential and commercial projects in Toronto. He then returned to the UK and founded Onix Construction Limited in Newcastle in 1984, which was wound up during the recession of the early 1990's. During the late 1990's he assisted in the creation of the Libra Group, in Vilnius (Lithuania), manufacturing timber for export. Since 1992 Paul Fraser has been a financial investor and a director in a number of small business ventures and investment projects. He returned to Qatar in 2003 to take advantage of new opportunities in the construction sector and he was a founding director of Panceltica Qatar in November 2005.

### John Colin Fitzpatrick (52), Chief Financial Officer

Colin Fitzpatrick is a chartered accountant. Following 10 years with PriceWaterhouse (now PriceWaterhouseCoopers) and 10 years as a general practice

and forensics partner at Grant Thornton, he established his own partnership practice providing business advisory services to family businesses, which included construction and construction support businesses. He has also acted as a consultant to Baker Tilly. Following Admission he will work full-time for the Group and he will no longer work for the practice, save for the purpose of facilitating the hand over and completion of existing matters.

William Peter Fatherley (31), Chief Operating Officer

William Fatherley studied economics at Durham University, graduating in 1998. He subsequently joined the Ford Motor Company Limited where he was employed in a number of management roles, before leaving to become General Manager of Ford Sales at Macrae & Dick Limited. He has been Operations Manager of the Company since joining the business in September 2006. William is married to Sarah Fatherley, daughter of Paul Fraser.

Ghanim Saad Mohammed Al-Saad (43) Non-executive Director

Ghanim Al-Saad is the Chief Executive of Qatari Diar Real Estate Investment Co. and the Chairman and Managing Director of Barwa. He was previously employed at the Qatari Ministry of State for Cabinet Affairs. Ghanim Al-Saad is the Chairman of First Finance Company (listed on the Doha Stock Exchange) and the Chairman of Ghanim Bin Saad Al-Saad Group.

Faisal Juma Khalfan Belhoul (31) Non-executive Director

Faisal Belhoul is a founder and shareholder of Ithmar Capital, a private equity company incorporated in the Cayman Islands with a branch in Dubai. Ithmar Capital is the owner of Ithmar General Partner II Limited which is the General Partner of Ithmar Fund II Limited Partnership, which is a shareholder of Strategic Partner Limited, an entity that has participated in the pre-IPO Fundraisings. Faisal Belhoul is also a director in a number of other companies within the United Arab Emirates.

Abdul Hameed Mostafawi (46) Non-executive Director

Hameed Mostafawi holds a B.S.C in Civil Engineering from the University of Arizona. He has been the Managing Director of QBC since 1992. He was a 51 per cent. founding shareholder of Panceltica Qatar in 2005. Previously Hameed Mostafawi gained experience at the Ministry of Public Works Civil Engineering Department in Qatar and at engineering consultants Pencil John Taylor & Sons.

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