



Tabreed

Q2 11 Results Presentation

11 August 2011

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- **Overview – Sujit Parhar**
- **Operational Review – Sujit Parhar**
- **Financial Review – Adrian Kershaw**
- **Summary – Sujit Parhar**
- **Q&A**



- **Strong Q2 11 results demonstrate strength of underlying business**
 - Group revenue of AED 286.6m – up 17% vs. Q1 11
 - Strong contribution from Chilled Water (+32%)
 - Operating profit of AED 80.4m – up 25% vs. Q1 11
 - Improvement in operating margins
 - Reported net profit attributable to parent of AED 43.8m – up 37% vs. Q1 11
 - AED 24.5m reduction in finance costs
- **Two plant expansions came online in Q2 11**
 - 10,000 RT of capacity added
- **Focus on Chilled Water**
 - Increased contribution from Chilled Water – over 90% of total EBITDA in Q2 11
 - Additional connections
 - Utility efficiency gains and cost discipline
- **Value Chain Businesses (Contracting, Manufacturing, Services segment)**
 - Reduced contribution driven by completion of Tabreed’s build-out program and economic conditions
- **Sukuk 06 (USD 200m)**
 - Repaid on maturity



Operational Review

Sujit Parhar
CEO



Chilled Water

- Two plant expansions came online during the second quarter and several new customers were connected
- Total installed cooling capacity increased to 551,525 tons across 49 plants
- Billed capacity in Q2 11 was (gross) 520,016 tons, up 22k tons since Q1 11
- Revenue and gross profit up 17% and 15% respectively compared to Q1 11
- Utility efficiency gains

Value Chain Business

- There is a reduced contribution from the value chain businesses as a result of Tabreed's current capital spending program drawing to a close, in line with the company's strategy to focus on the core chilled water business



UAE Operational Plants

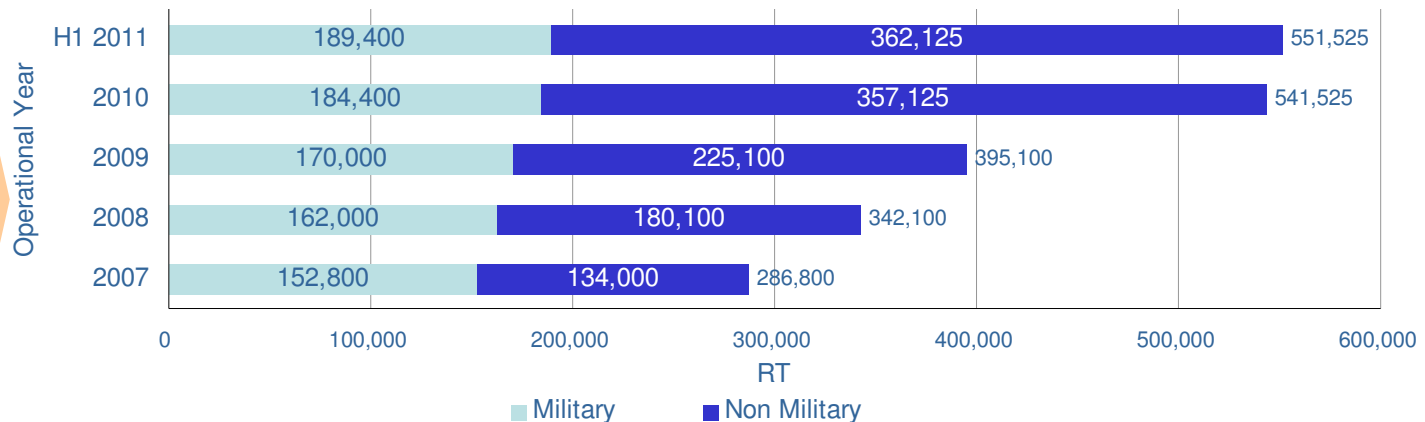
H1 2011

- In total 10,000 RT of gross capacity came online in Q2 11, increasing capacity to 551,525 RT* (gross) across 49 plants
 - Average reliability of 99.99%
- The capacity increase reflects 2 plant expansions completed in Q2 11
 - AD 09 – 5,000 RT
 - AD 04 – 5,000 RT

2011 & 2012

- A further 13 plants under construction
- Additional capacity of 48,400 RT to come online
- Total billed capacity of chilled water in Q2 11 was (gross) 520,016, 94% of total installed capacity

Military vs. Commercial split



* Figure is gross and includes 70,400 RT of capacity from associates and joint ventures in UAE.

Key Metrics	2010	2012e	H1 11	Comment
Number of Plants	49	62	49	No new plants came online in Q2 11
Installed Capacity (RT)	542k	600k	552k	Increase of 10k RT – Two plant expansions came online in Q2 11
Connected Capacity (RT)	477k	575k	520k	22k of capacity connections in Q2 11
EBITDA margins	40%	Stable/Rising	44%	-
Capex Payments (AED m)	1,246	1,013*	403	Reduced payments as build out program nears completion
Net Debt:EBITDA	15.7x	<4.0x	8.6x	To decline below 8x post repayment of Sukuk 06

Progress on financial and operational metrics



*Capex payment for 2011 & 2012

Financial Review

Adrian Kershaw

CFO



H1 11 Financial Highlights

Consolidated results for H1 11

- Group revenue of AED 532.2m
 - Strong contribution from Chilled Water (+29%)
- Gross Profits of AED 219.3m up 22% on H1 10
- Operating Profit at AED 144.7m, up 39% on the same period last year
- Income from Associates up 3% to AED24.8m
- Net profit down 6% to AED 75.7m
 - Finance costs up AED 61m
 - However, in Q2, finance costs are AED 25m less than Q1 due to the completion of recapitalization program and repayment of bridge loan
- EBITDA of AED 205m
- Capex of AED 340m

Key Figures – Un-audited Consolidated Financials

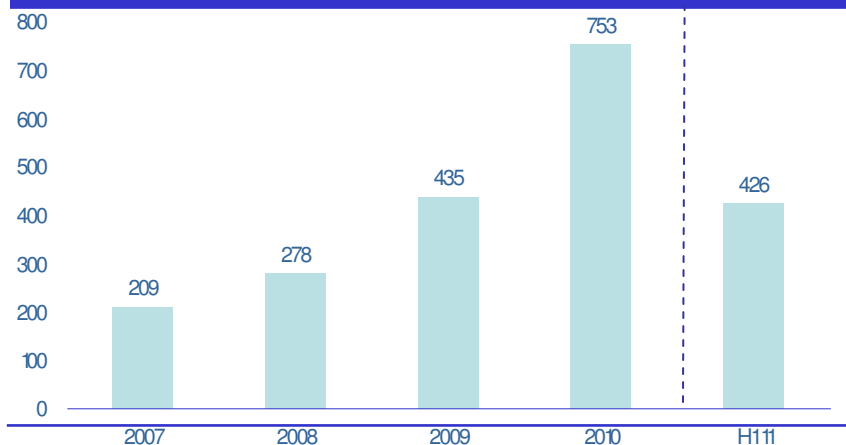
All figures in AED m	6-months ended 30 June	
	H1 11	H1 10
Revenues	532.2	465.1
Operating costs	(312.9)	(285.0)
Gross Profit	219.3	180.1
<i>Gross Profit Margin</i>	41%	39%
Admin & Other Expenses	(74.6)	(75.7)
Operating Profit	144.7	104.4
<i>Operating Margin</i>	27%	22%
Finance Costs	(131.6)	(71.0)
Income from Associates	24.8	24.2
Net Profit	75.7	80.7
EBITDA	205	158
Capex	340	207

Chilled Water (80% of Revenue)

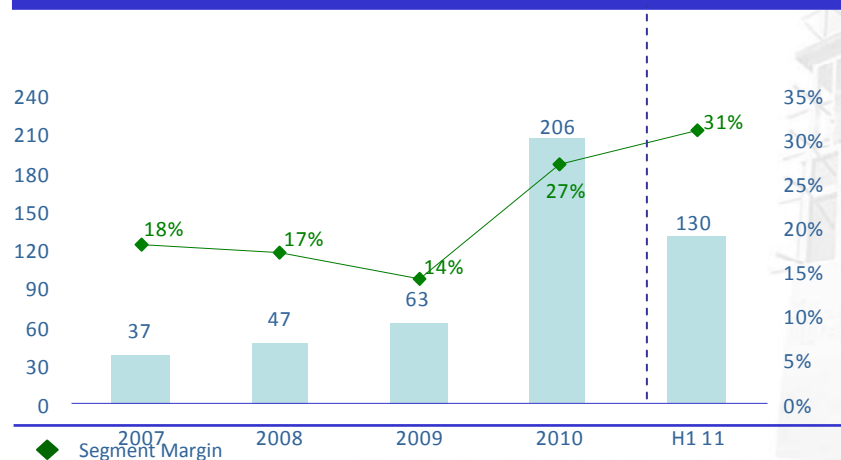
Key Metrics (AED m)	H1 11	H1 10	% Change
Revenues	426	331	29%
Cost	(235)	(207)	14%
Gross Profit	191	124	54%
GP Margin	45%	37%	
Profit from Operations	130	64	102%

- Revenue sharply higher
 - 5 new plants have come online since H1 10
- Costs increase less rapidly than revenue growth due to utility efficiency improvements and scale impact
- Gross profit margin of 45% recorded
- Profit from Operations growth of 102% over H1 10 due to stable corporate cost base as revenues rise
- EBITDA of AED 187m against AED 114m in H1 10
 - Increase of 63%

Revenue (AED m)



Segment Result (AED m)

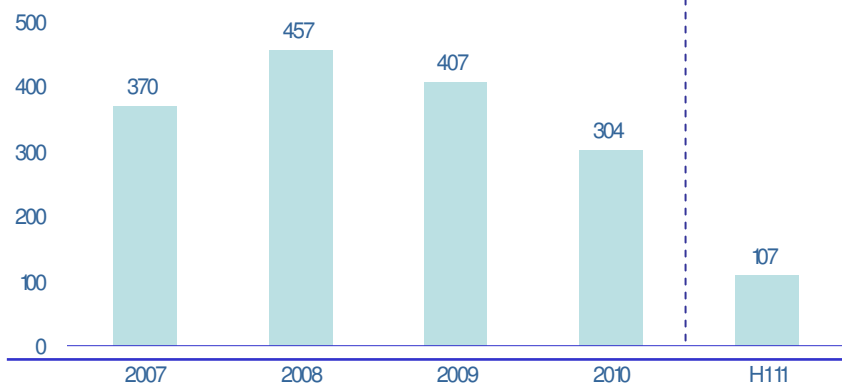


Value Chain Businesses (20% of Revenue)

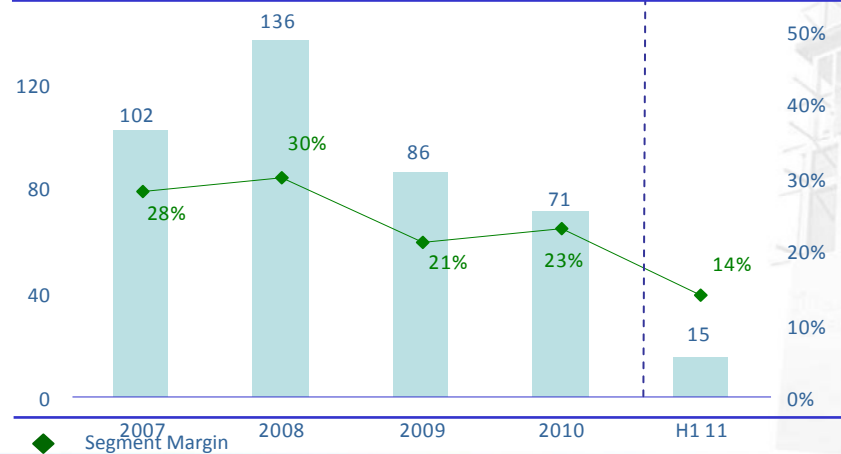
Key Metrics (AED m)	H1 11	H1 10	% Change
Revenues	107	135	(21%)
Cost	(78)	(78)	(0)%
Gross Profit	29	56	(49%)
GP Margin	27%	42%	
Profit from Operations	15	40	(63%)

- Contracting, Manufacturing & Services segment
- Contraction of contribution from value chain businesses driven by completion of Tabreed's build-out program and economic conditions
 - Reduced capex commitments impact Contracting and Manufacturing segments
 - Real estate slowdown impacts Services segment
- Sales decreased by 21% in H1 11
- Profit from operations fell 63% to AED 15m
- EBITDA of AED 18m against AED 43m in H1 10

Revenue (AED m)



Segment Result (AED m)



Summary

Sujit Parhar

CEO



- **Strong H1 11 results announced**
 - Group revenues of AED 532.2m
 - Gross profit of AED 219.3m
 - Net profit of AED 75.7m
- **Strong cash generating capability**
 - Group EBITDA of AED 205m in H1 11
- **Sukuk 06 (USD 200m) repaid on maturity**
- **Management is focusing on building the business and creating value for shareholders:**
 - Delivering on its business plan
 - Achieving its full earning potential
 - Completing Tabreed's build-out program
 - Developing the Company's core chilled water business
 - Enhancing value from existing plants while maximizing organizational and operational efficiencies
- **Tabreed is well positioned to capitalize on future opportunities by meeting demand for cooling infrastructure in the region**



Q&A



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