



National Central Cooling Company PJSC

29 October 2015

Q3 Results Presentation

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Agenda

- A | Introduction and Performance Highlights – Jasim Thabet, CEO
- B | Financial Results – Steve Ridlington, CEO
- C | Conclusion – Jasim Thabet, CEO

Three-pillar strategy

As an integral part of the region's growth, Tabreed will be the leading utility company, delivering and operating district cooling infrastructure, while creating sustainable value for our shareholders as we maintain the comfort of the communities we serve.

1

EFFICIENT AND ENVIRONMENT FRIENDLY OPERATION

We harness the most efficient technology and utilize our extensive experience to deliver reliable and energy efficient cooling solutions that are environmentally friendly

2

SHAREHOLDER RETURNS

We generate sustainable long-term returns for our stakeholders

3

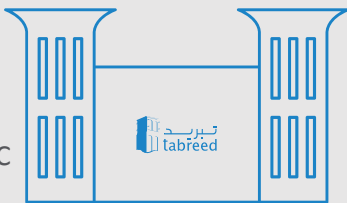
BE A REGIONAL LEADER

As the region's preferred provider of cooling solutions, we focus on our customers' needs and deliver comfort, value and service to all the communities we serve.

Tabreed at a glance

One of the world's largest district cooling companies


69
plants in the GCC



954 kRT
delivered to clients



Equivalent to cooling
96 towers the size of Burj Khalifa




Greater reliability compared to conventional cooling and positive environmental impact

1.5 billion kWh
annual reduction in energy consumption, and reduction in Government subsidy through Tabreed's DC services



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Enough energy to power
49,000
homes in the UAE every year





659,000 tons
annual elimination of CO₂ emissions



=

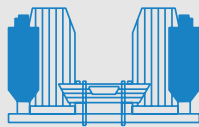
The equivalent of removing
132,000
cars from our streets every year



Iconic projects



Cleveland Clinic
Abu Dhabi



Abu Dhabi Global
Market Square



Dubai
Metro



Sheikh Zayed Grand
Mosque



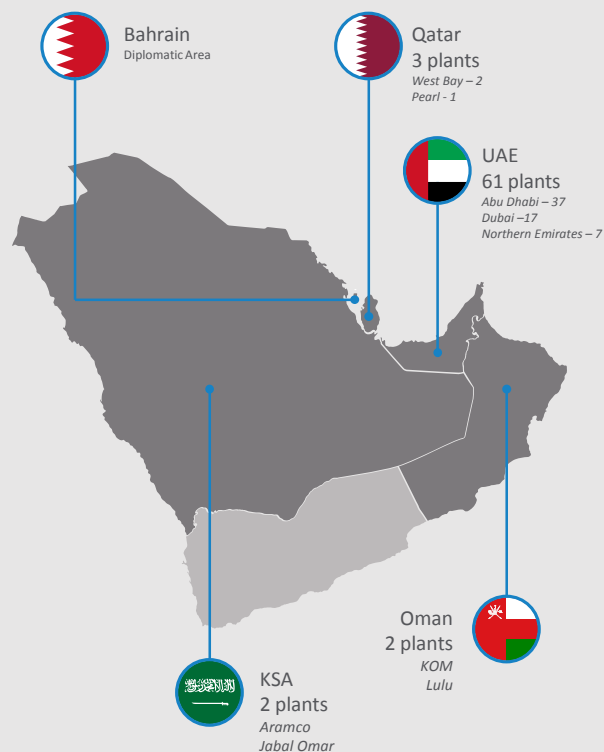
The Pearl
Qatar



Jabal Omar Project
The Holy City of Mecca

Regional Footprint

5 Countries | 69 Plants | 954,000 RT



National Central Cooling Company and its UAE investments

- 52 wholly owned plants, 9 held through associates and joint ventures
- Plants in 6 emirates of the UAE - Abu Dhabi, Dubai, Ajman, RAK, Sharjah and Fujairah
- 690k RT delivered to clients including some of UAE's most prominent landmarks

Landmark Projects: Dubai Metro, Sheikh Zayed Grand Mosque, Yas Island, Al Maryah Island, Etihad Towers

Qatar District Cooling Company (Tabreed 44%)

- Joint Venture with United Development Company
- Owns and operates the world's largest DC Plant (130k RT with 89k RT connected) on The Pearl
- Owns and operates 2 DC plants (79k RT) and a concession in Qatar's West Bay

Landmark Projects: The Pearl – Qatar, West Bay

Saudi Tabreed District Cooling Company (Tabreed 25%)

- Joint Stock company with ACWA Power, Al Mutlaq and Tabreed
- Owns and operates first significant DC plant in KSA – Saudi Aramco (34k RT) & DC plant in the Holy City of Mecca (28k RT)
- Operates the DC plant servicing the landmark KAFD development (50k RT)
- Significant growth opportunities

Landmark Projects: Saudi Aramco, Jabal Omar Development

Bahrain District Cooling Company (Tabreed 90%)

- Partnership with Esterad, A.A. Bin Hindi and others
- Owns and operates 1 DC plant (22k RT)
- Plant runs using sea water to provide cooling to the most prestigious developments on the island

Landmark Projects: Reef Island, Financial Harbour, World Trade Centre

Tabreed Oman (Tabreed 60%)

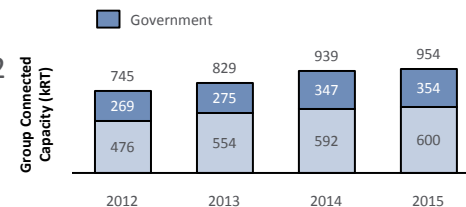
- A partnership between Tabreed and prominent Omani shareholders
- Owns and operates 2 plants serving Knowledge Oasis Muscat, Military Technical College and Lulu – 10k RT

Landmark Projects: Knowledge Oasis Muscat and Lulu Mall

Headline Performance

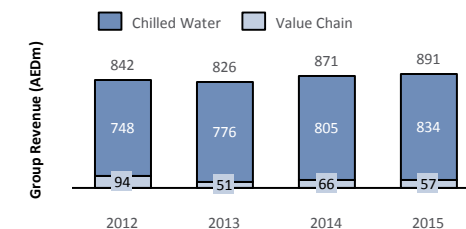
Long-term contracts with credit worthy customers

- Providing 954 kRT to our customers – 9% annual growth since 2012
- Long term price certain contracts (~25 years)
- Over 50% of UAE capacity contracted to Government clients



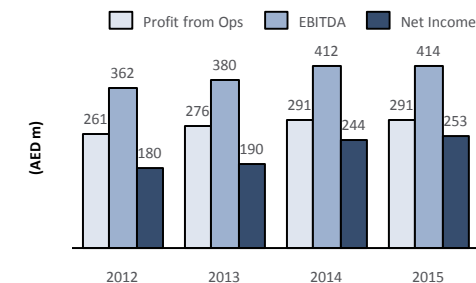
Revenue growth from core business

- YTD Group Revenue up to AED 891m led by 4% increase in chilled water
- 94% of Group Revenue is from Chilled Water business
- Around 100k RT of fully contracted capacity currently under construction at Dubai Parks project in UAE, West Bay in Qatar and others



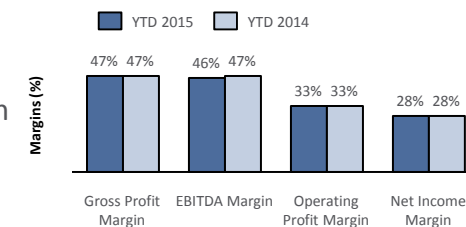
Strong operating performance

- Profit from operations and EBITDA growing at 4% and 5% annually since 2012
- YTD Net Income up to AED 253m, 12% annual growth since 2012
- Predictability in earnings driven by capacity charges
- 45% leverage - in line with global utility industry averages



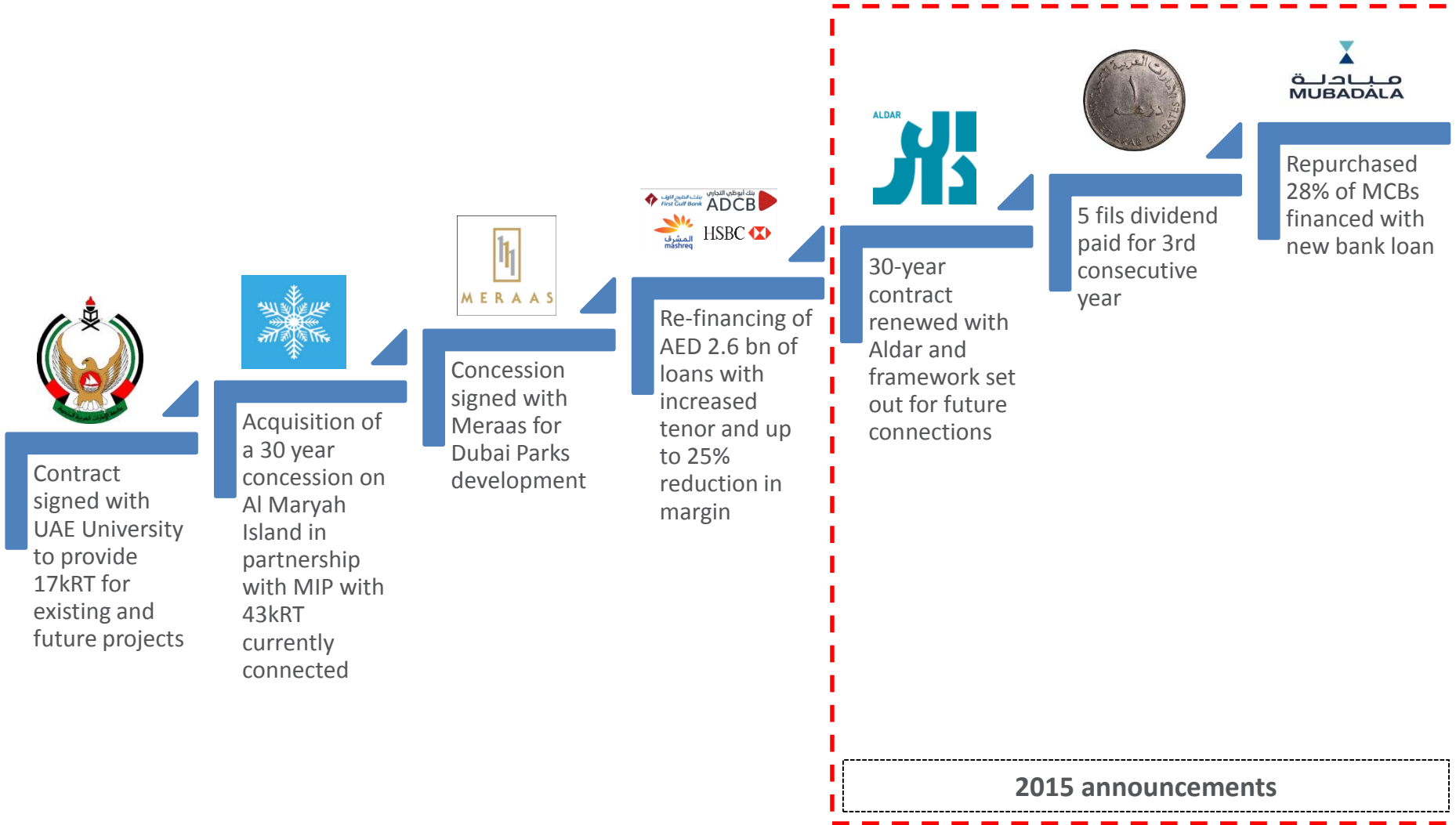
Value to shareholders

- Stable margins and sustainable business model
- YTD EPS of 8 fils/share – growing at 14% annually since 2012
- MCB repurchase leads to a 12% increase in EPS and 25% increase in equity returns
- Dividend payout of ~50% for the past 3 years. Dividend yield in the top 10 for DFM



Stable utility infrastructure business with strong cash flows that continues to deliver earnings growth

Key Developments over the past 12 months



Tabreed has achieved significant business and investors objectives in the past 12 months



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Financial Highlights

Income Statement

Unaudited Consolidated Financials (AED m)	Sep 2015	Sep 2014	Variance	%
Revenue	891.0	870.7	20.3	+2%
<i>Chilled water revenue (94%)</i>	834.2	804.9	29.3	+4%
<i>Value chain businesses (6%)</i>	56.8	65.8	(9.0)	-14%
Operating cost	(468.8)	(458.8)	(10.0)	+2%
Gross Profit	422.2	411.9	10.3	+3%
<i>Gross profit margin</i>	47%	47%		
Administrative and other expenses	(131.0)	(120.3)	(10.7)	+9%
Profit from Operations	291.2	291.6	(0.4)	-0%
<i>Operating profit margin</i>	33%	33%		
Net finance costs	(99.7)	(96.8)	(2.9)	+3%
Share of results of associates and joint ventures	59.7	53.5	6.2	+12%
Other gains and losses	4.4	(2.4)	6.8	-283%
Income attributable to non-controlling interests	(1.8)	(1.4)	(0.4)	+29%
Net Profit	253.8	244.5	9.3	+4%
<i>Net profit margin</i>	28%	28%		
EBITDA	414.0	411.7	2.3	+1%
<i>EBITDA margin</i>	46%	47%		

Comments

- 4% increase in chilled water revenues and 3% increase in gross profit, mainly reflects chilled water performance
- Associates and joint ventures continue to perform well, driven by Saudi Tabreed and Qatar Cool
- Gross Profit and EBITDA margins consistent with past years

Transformation into a utility infrastructure business enables consistent performance with gross profit and EBITDA margins approaching 50%

Financial Highlights

Financial Position

Unaudited Consolidated Financials (AED m)	Sep 2015	Dec 2014	Variance	%
Fixed Assets	6,786.3	6,679.4	106.9	+2%
Associates and Joint Ventures	675.1	650.9	24.2	+4%
Accounts Receivable	411.6	466.8	(55.2)	-12%
Cash and Short Term Deposits	310.0	417.9	(107.9)	-26%
Other Assets	185.2	119.8	65.4	+55%
Total Assets	8,368.2	8,334.8	33.4	+0%
Equity and Reserves	2,335.1	2,480.4	(145.3)	-6%
Mandatory Convertible Bonds – equity portion	1,772.5	2,450.2	(677.7)	-28%
Debt	3,390.7	2,661.7	729.0	+27%
Other Liabilities	869.9	742.5	127.4	+17%
Total Liabilities and Equity	8,368.2	8,334.8	33.4	+0%

Comments

- Growth in fixed assets represents continuing investment in Meraas and other projects
- The MCB repurchase results in a reduction in equity substituted by new debt.
- Further reduction in equity is due to payment of 5 fils dividend, equivalent to AED 173m, to all shareholders in April

Balance sheet continues to show strength and positions us well for further growth

Financial Highlights

Cash flow Statement

Unaudited Consolidated Financials (AED m)	Sep 2015	Sep 2014	Variance	%
Profit from Operations	291.2	291.6	(0.4)	-0%
Finance lease amortisation	31.9	24.4	7.5	+31%
Depreciation	90.9	95.7	(4.8)	-5%
Working capital and other adjustments	34.8	(115.1)	149.9	-130%
Net cash flows from Operating Activities	448.8	296.6	152.2	+51%
Capital expenditure incurred	(140.0)	(160.2)	20.2	-13%
Dividends and interest income received	29.0	23.2	5.8	+25%
Net cash flows from Investing Activities	(111.0)	(137.0)	26.0	-19%
Principal and interest payments on loans	(195.0)	(151.2)	(43.8)	+29%
MCB cash coupon paid	(81.9)	(90.4)	8.5	-9%
Dividend paid to shareholders	(173.7)	(33.0)	(140.7)	+426%
Others	21.3	(187.3)	208.6	-111%
Net cash flows from Financing Activities	(429.3)	(461.9)	32.6	-7%
Net Movement in Cash and Cash Equivalents	(91.5)	(302.3)	210.8	-70%
Cash and Cash Equivalents at 1 Jan	417.9	670.4	(252.5)	-38%
Cash and Cash Equivalents at 30 September	326.4	368.1	(41.7)	-11%

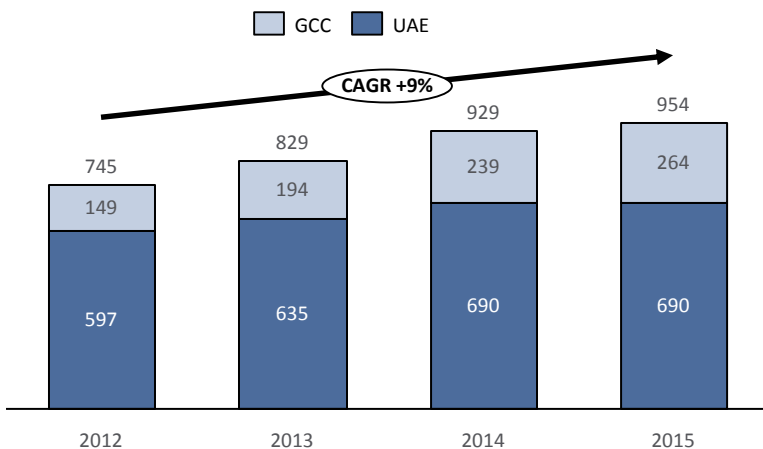
Comments

- Operating cash flows are higher in 2015 due to regularization of payments following finalization of a major contract amendment with a Government customer in 2014
- Financing activities include dividend for the year 2015 and the MCB buy back funded by new bank debt
- Investment activities reflect AED 140m of capex incurred on new plants and expansion projects

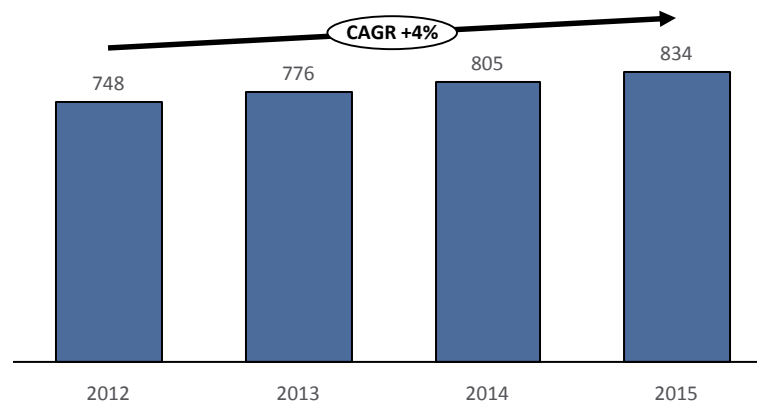
Strong cash flow generation from long term price certain contracts

Chilled Water Performance (YTD)

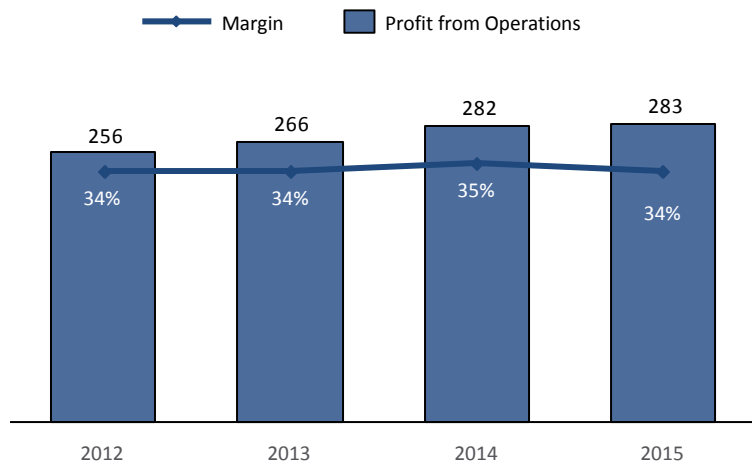
Gross Capacity (kRT)



Chilled Water Revenue (AED m)



Profit From Operations (AED m)



Geographical Breakdown of Chilled Water (AED m)

	UAE	Qatar	KSA	Other	Total
Revenue	803	-	-	32	834
Operating Costs	(411)	-	-	(25)	(436)
Gross Profit	392	-	-	7	398
Gross Profit Margin	49%	-	-	22%	-
Profit from Operations	281	-	-	2	283
Share of Results of Associates	15	27	18	-	60

UAE is the foundation for consistent performance with exciting opportunities in GCC to materialize

Debt Portfolio

- Tabreed's current gearing is 46% (debt: debt + equity), in line with global utility peers
- 95% of Tabreed's debt is denominated in AED, with the balance in USD and OR
- Virtually all the debt is floating rate, but 51% of total debt is hedged into fixed rates
- Weighted average duration is 5.5 years, with 60% of the portfolio maturing in 2021

Debt position (AED in millions)

Borrower	Type	Amount (AED m)	Undrawn amount (AED m)	Currency	Interest	Hedging (%)	Maturity
Tabreed	Term loan	2,988	-	AED	EIBOR + margin	53	2021
Tabreed	Revolver	-	450	AED	EIBOR + margin	-	2021
Bahrain DC Company	Term loan	138	-	USD	LIBOR + margin	-	2019
Tabreed Oman	Term loan	33	5	OR	Fixed	100	2024
Total		3,159	455			51	

Manageable debt portfolio with major repayments due in 2021



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In Conclusion

Why District Cooling

- Air conditioning is a critical part of the GCC infrastructure
- District Cooling enables a 50% reduction in energy consumption and carbon footprint
- District Cooling is 16% cheaper than conventional cooling

Why Tabreed

- Tabreed is the one of the largest district cooling company in the World
- Proven operations track record and industry leading O&M team
- Long-term, stable, price certain contracts with guaranteed returns
- Over 50% of UAE capacity contracted to Government entities

Robust Financial Results

- YTD Net Profit AED 254m, up 4% on the same period in 2014
- YTD Chilled Water revenue AED 834m, up 4% on 2014
- Group EBITDA AED 414m and operating cash flows of AED 450m
- Strong cash generating ability, sufficient to fund growth capex and dividends

Core Business Focus Delivering Value

- Focus on Chilled Water leading to enhanced value from existing plants while maximizing operational efficiencies
- Cash dividend of 5 fils per share paid for the past 3 years, placing Tabreed amongst the DFM top 10 in terms of dividend yield
- 12% annual growth in Net Income since 2012, EPS and equity returns up by 12% and 25% respectively after the MCB repurchase

Delivering growth

- GCC economies continue to grow and district cooling is a vital component of economic growth
 - Over 100k RT increase in UAE and GCC contracted capacity since 2012
 - Around 100k RT of fully contracted capacity currently under construction at Dubai Parks project in UAE, West Bay in Qatar and others
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Questions

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