

National Central Cooling Company PJSC Tabreed



Q2 2013 Results Presentation

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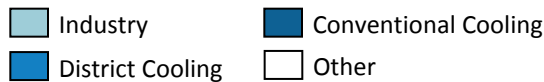
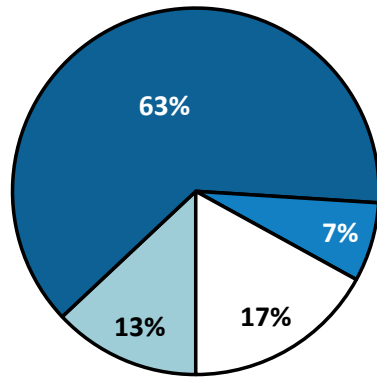
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Agenda

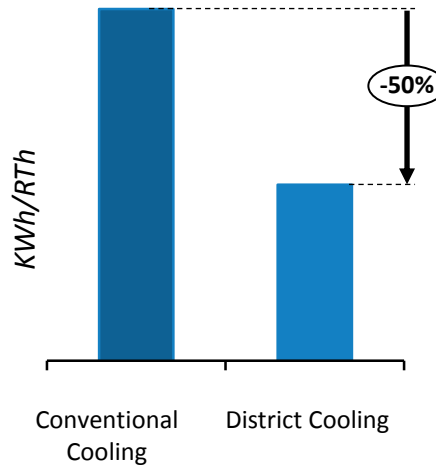
- Overview
- Headline Performance
- Operational and Financial Highlights
- Chilled Water Performance
- Summary

Tabreed's Story

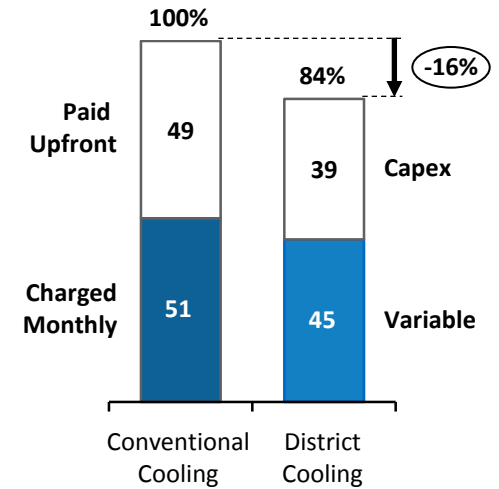
Overall cooling represents 70% of Abu Dhabi's energy peak consumption...



...District Cooling (DC) is 50% more energy efficient than Conventional Cooling (CC)...



...DC comes at ~16% lower life cycle cost than CC



Translates into substantial energy, economic and environmental benefits



HQ

- 4 million kWh - Reduction in Energy Consumption per Year
- AED 600,000 - Cost Savings per Year
- 1,800 Tons - Reduction in Carbon Dioxide Emissions per Year



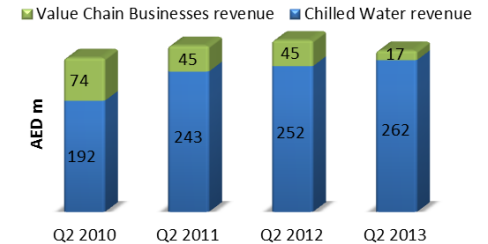
UAE University

- 26 million kWh - Reduction in Energy Consumption per Year
- AED 3.9 million - Cost Savings per Year
- 11,800 Tons - Reduction in Carbon Dioxide Emissions per Year

Headline Performance

Strong focus on Core Business

- Core Chilled Water Revenue up 4% to AED 262m
- Group Revenue down slightly to AED 279m
- Core business represents 94% of revenue (2010: 70%)



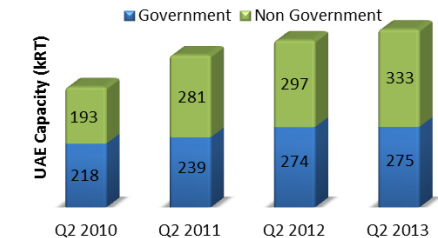
Strong operating performance

- 15% increase in Profit from Operations since Q2 2012
- 52% increase in Profit from Operations since 2010
- Stable earnings, as expected from a utility business



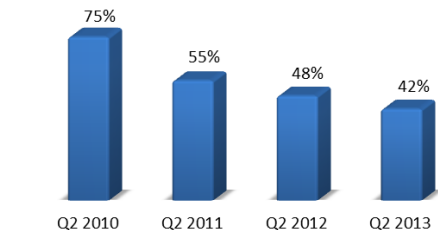
Long-term stable customer base

- 45% of UAE capacity contracted to UAE Govt clients
- 197,000 RT increase in UAE capacity since 2010



Reduction in leverage

- 6% reduction in leverage since Q2 2012
- Over 30% reduction in leverage since the completion of the recapitalisation

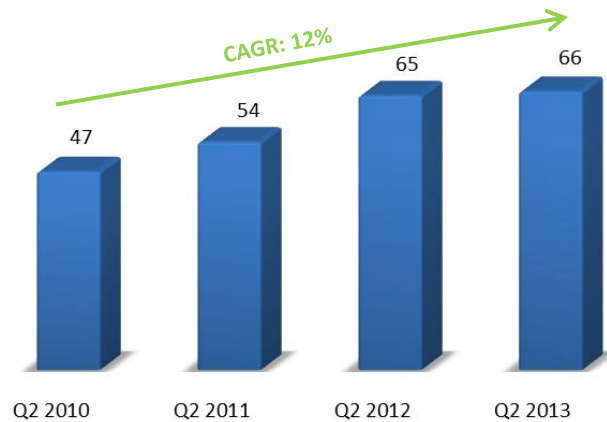


Stable Net Profit growth

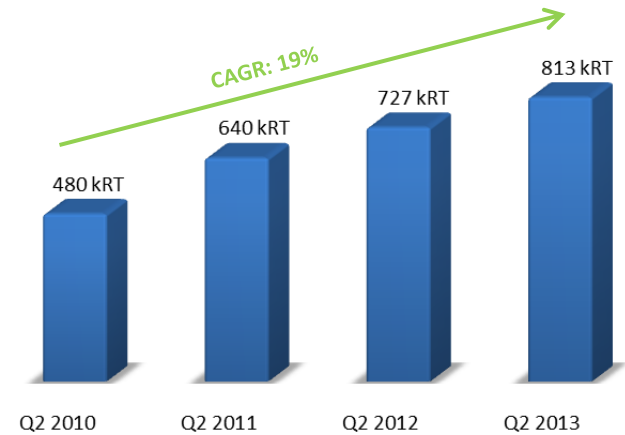
Management continues to de-risk the business while delivering a 37% increase in Net Profit

Operational Highlights

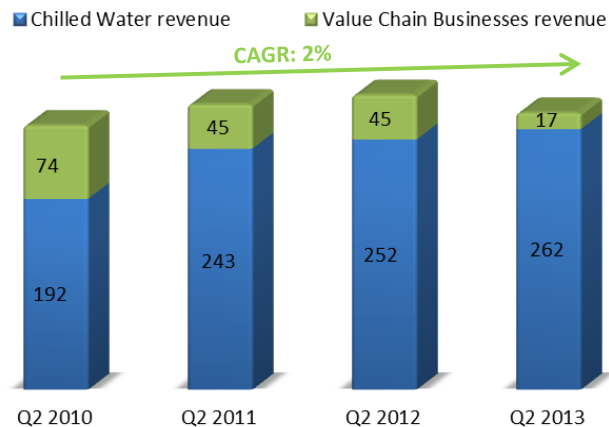
Number of Plants



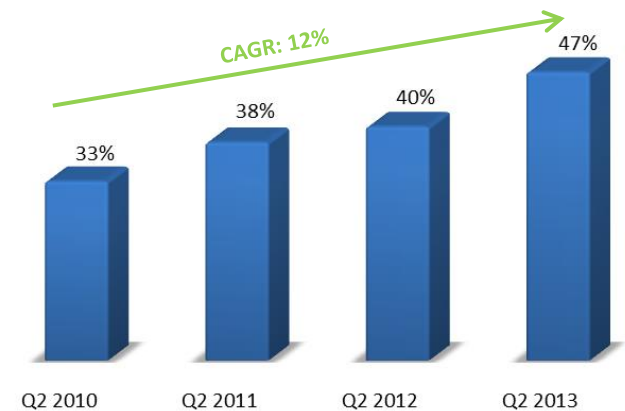
Gross Capacity



Group Revenue (AED m)



Group EBITDA Margin



The company continues to benefit from the earlier growth to achieve stability

Financial Highlights – Income Statement

Unaudited Consolidated Financials (AED m)	Q2 2013	Q2 2012	
Revenues	278.7	296.6	6% decrease in revenue as a result of contraction of the VCBs, as expected. Chilled Water revenue increased 4% due to the continued focus on the core business
<i>Chilled Water (94% of revenue)</i>	262.1	251.7	
<i>Value Chain Businesses (6% of revenue)</i>	16.6	44.9	
Operating Costs	(144.6)	(178.2)	19% reduction driven by contraction of the VCBs and operational efficiencies in CW
Gross Profit	134.1	118.4	8% increase in gross profit margin, driven by strategy to focus on CW and costs controls
<i>Gross Profit Margin</i>	48%	40%	
Admin & Other Expenses	(38.3)	(34.9)	
Profit from Operations	95.8	83.5	
<i>Operating Profit Margin</i>	34%	28%	
Net Finance Costs	(36.6)	(42.2)	Reduction in EIBOR rates on loan
Share of Results of Associates	19.2	16.0	Driven mainly by Qatar Cool results
Net Profit attributable to Parent	79.4	57.9	37% year on year growth
EBITDA	130.2	117.6	11% year on year growth
<i>EBITDA Margin</i>	47%	40%	

Strategy to focus on Core business continues to deliver strong results

Financial Highlights – Balance Sheet

Unaudited Consolidated Financials (AED m)	Jun 2013	Dec 2012	
Fixed Assets	6,743.6	6,790.3	
Associates and Joint Ventures	476.1	459.5	
Accounts Receivable & Prepayments	532.8	558.3	• Driven by customers receivable optimization
Cash and Short Term Deposits	549.2	560.4	• Higher cash generation offset by debt repayments, dividends and MCB cash coupon
Other Assets	120.6	123.7	
Total Assets	8,422.3	8,492.2	
Equity and Reserves	2,031.7	2,073.5	
Mandatory Convertible Bonds – equity portion	2,487.0	2,353.1	• MCB's share dividend
Debt	3,211.1	3,336.0	• Debt repayment in June 2013; now every 6 months
Other Liabilities	692.5	729.6	• Reduction in contractor payables
Total Liabilities and Equity	8,422.3	8,492.2	

Strong balance sheet with a reduction in leverage, demonstrating success of the recapitalisation

Financial Highlights – Cashflow

Unaudited Consolidated Financials (AED m)	H1 2013	H1 2012	
EBITDA for the period	240.5	223.0	● Increase of 8% year on year
Finance income relating to finance lease receivable	(60.8)	(60.8)	
Lease Rentals Received	66.8	49.7	
Working Capital Adjustments	20.4	30.4	
Net Cashflows from Operating Activities	266.9	242.3	● Increase of 10% year on year
Investing Activities	(42.3)	(62.4)	● Build out completed
Financing Activities	(235.8)	(82.1)	● Higher debt repayments, MCB cash coupon & dividends
Net Movement in Cash and Cash Equivalents	(11.2)	97.8	● Cash utilised for debt repayments and MCB cash coupon
Cash and Cash Equivalents at 1 January	560.4	512.0	
Cash and Cash Equivalents at 30 June	549.2	609.8	● Higher cash generation offset by debt repayments & MCB coupon

Strong cashflows from operating activities, enabling us to meet ongoing obligations

Chilled Water Performance

Gross Capacity (kRT)



Revenue (AED m)



Profit from Operations (AED m)

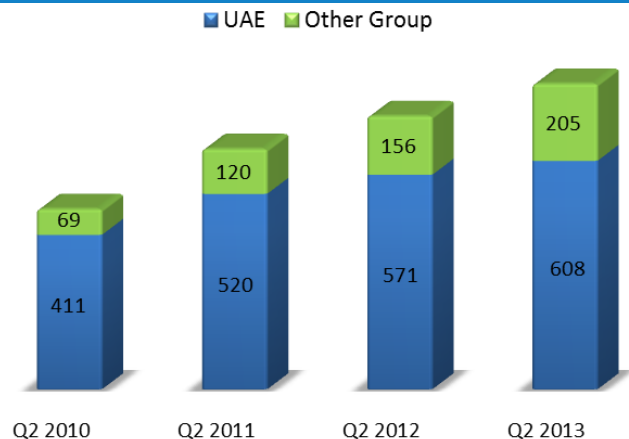


Unaudited Consolidated Financials (AED m)	Q2 2013	Q2 2012	Variance
Revenues	262.1	251.7	4%
Operating Costs	(135.5)	(138.8)	2%
Gross Profit	126.6	112.9	12%
<i>Gross Profit Margin</i>	48%	45%	
Profit from Operations	92.2	82.3	12%
<i>Operating Profit Margin</i>	35%	33%	
<i>EBITDA Margin</i>	47%	40%	

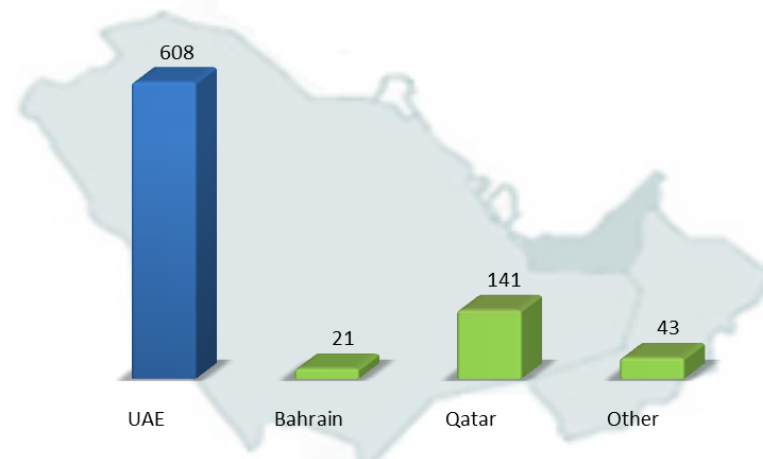
Core Chilled Water business continues to deliver a strong financial performance

Chilled Water – GCC Presence

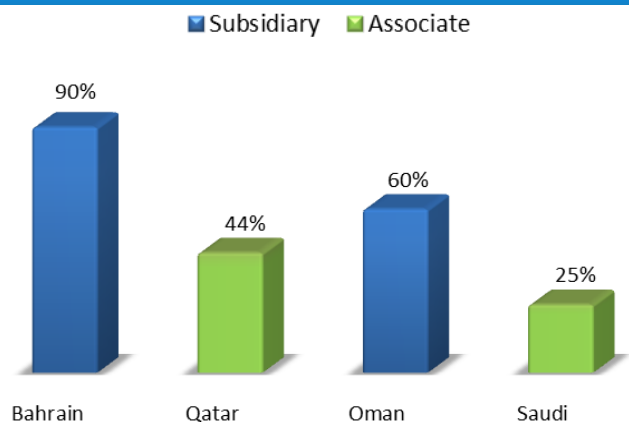
Total Gross Capacity (kRT)



Gross Capacity by Region (kRT)



Ownership



Chilled Water (AED m)	UAE	Bahrain	Qatar	Other	Total
Revenues	255.6	5.3	-	1.2	262.1
Operating Costs	(130.3)	(4.5)	-	(0.7)	(135.5)
Gross Profit	125.3	0.8	-	0.5	126.6
<i>Gross Profit Margin</i>	48%	15%	-	42%	48%
Profit from Operations	92.4	(0.2)	-	-	92.2
Share of results of Associates	5.6	-	13.7	(0.2)	19.1

We continue to see growth across the GCC and this region continues to be important

Strong Business Model

- Many of our contracts are with UAE government entities
- Long-term, stable contracts with guaranteed returns
- We are a utility company offering cooling services in the Middle East

Robust Financial Results

- Q2 2013 Chilled Water Revenue both up 4% to AED 262.1m
- Q2 2013 Operating Profit up 15% to AED 95.8m
- Q2 2013 Net Profit attributable to Parent up 37%

Strong cash generating ability

- Q2 2013 Group EBITDA up 11% to AED 130.2m
- H1 Net Cashflow From Operations up 10% to AED 266.9m

Core Business focus delivering value for Shareholders

- Delivering on its business plan; enhancing value from existing plants while maximizing organizational and operational efficiencies
- Achieving full earning potential
- Growing the Company's core chilled water business

Well positioned for growth

- Tabreed is well positioned to capitalize on growth opportunities by meeting demand for cooling infrastructure in the region
- GCC economies continue to grow and district cooling is a vital component of economic growth

Q & A

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Appendix

Financial Highlights–HY Income Statement

Unaudited Consolidated Financials (AED m)	H1 2013	H1 2012	
Revenues	497.2	515.7	4% decrease in revenue as a result of contraction of the VCBs, as expected. Chilled Water revenue increased 4% due to the continued focus on the core business
<i>Chilled Water (93% of revenue)</i>	464.8	444.9	
<i>Value Chain Businesses (7% of revenue)</i>	32.4	70.8	
Operating Costs	(251.5)	(286.3)	12% reduction driven by the contraction of the Value Chain Businesses
Gross Profit	245.7	229.3	5% increase in gross profit margin, driven by significant cost reduction
<i>Gross Profit Margin</i>	49%	44%	
Admin & Other Expenses	(74.5)	(72.3)	
Profit from Operations	171.3	157.0	9% year on year growth
<i>Operating Profit Margin</i>	34%	30%	
Net Finance Costs	(75.3)	(87.2)	Reduction in EIBOR rates on loan
Share of Results of Associates	29.6	23.3	Driven mainly by Qatar Cool results
Net Profit attributable to Parent	127.2	94.7	34% year on year growth
EBITDA	240.5	223.0	8% year on year growth
<i>EBITDA Margin</i>	48%	43%	

Strategy to focus on Core business continues to deliver strong results