National Central Cooling Company PJSC

1 February 2016

2015 Results Presentation

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tabreed

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Agenda

A | Introduction and Performance Highlights – Jasim Thabet, CEO

B | Financial Results – Steve Ridlington, CFO

C | Conclusion – Jasim Thabet, CEO

Robust results delivered in 2015

Commercial and Operational Performance

- Providing 974kRT of cooling – 8% annual growth since 2012
- 35KRT added in 2015 and ~100 kRT of new contracted capacity under construction
- 1.3 billion KWh of electricity saved in 2015, reducing CO_2 emissions by 650,000 tons

Financial Performance

- Net Income growing at 13% since 2012
- 2015 Net Income 6% higher, reaching AED 345m
- Share of results of equity investments grew 16% in 2015 to AED 99m led by Qatar Cool and Saudi Tabreed
- Long-term project financing deal signed with ENBD, loan drawdown in 2016 to reimburse construction cost

Increased Shareholder Value

- Capital structure optimized during the year through substitution of Bonds with debt
- Successful MCB repurchase in July 2015, resulting in 758m shares being bought back driving 19% increase in EPS
- Tabreed's Board of Directors to recommend 6 fils dividend, up from 5 fils in 2014

Robust performance driven by sizeable presence across GCC and increase in dividends to shareholders

An environmentally friendly Company operating across GCC to deliver shareholder returns

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

974 kRT
delivered to clients

Equivalent to cooling
97 towers the size of Burj Khalifa

Greater reliability compared to conventional cooling and positive environmental impact

1.3 billion kWh

annual reduction in electricity consumption through Tabreed's DC services

=

Enough energy to power
44,000
homes in the UAE every year

650,000 tons eliminated
of CO_2 emissions

=

The equivalent of removing
130,000
cars from our streets every year

Iconic projects

Cleveland Clinic Abu Dhabi

Yas Mall

Dubai Metro

Sheikh Zayed Grand Mosque

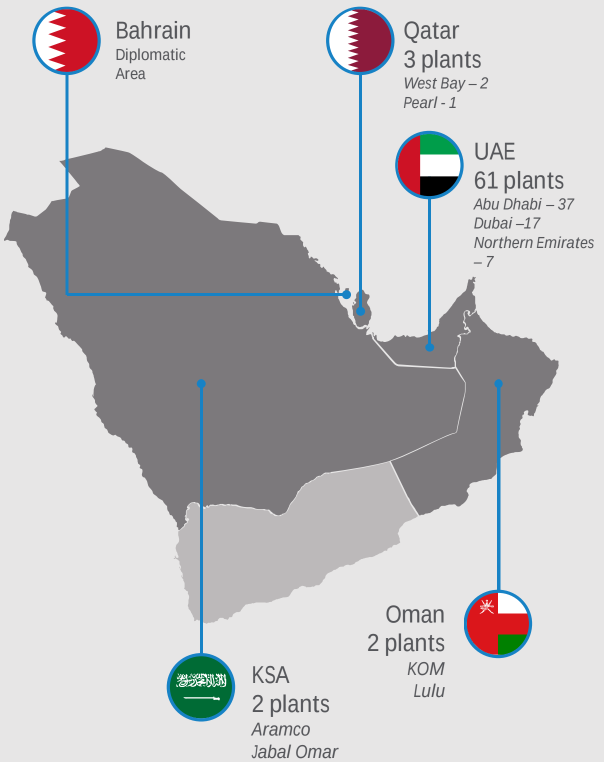
The Pearl Qatar

Jabal Omar Project The Holy City of Mecca

The only listed DC Company in GCC and operating across the region

5 Countries | 69 Plants | 974 kRT

- Only listed DC company in GCC markets
- Uniform utility infrastructure model implemented across GCC
- Long term contracts underpinning stability of earnings and returns for shareholders



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
- 690 kRT 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 130 kRT DC Plant on The Pearl (102 kRT)
- Also owns and operates 2 DC plants and a concession in Qatar's West Bay (81 kRT)

Landmark Projects: The Pearl – Qatar, West Bay

Saudi Tabreed District Cooling Company (Tabreed 25%)

- Partnership with ACWA Power and Al Mutlaq
- Owns and operates first significant DC plant in KSA – Saudi Aramco (32 kRT) & DC plant in the Holy City of Mecca (34 kRT)
- Operates the DC plant servicing the landmark KAFD development (50 kRT)
- 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 (22 kRT)
- Plant runs using sea water to provide cooling to the most prestigious developments in Bahrain

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

Tabreed Oman (Tabreed 60%)

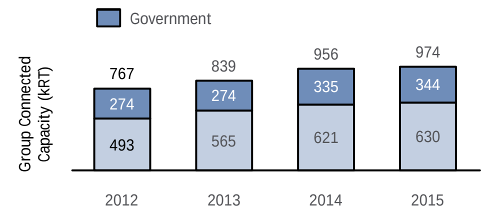
- A partnership between Tabreed and prominent Omani shareholders
- Owns and operates 2 plants serving Knowledge Oasis Muscat, Military Technical College and Lulu (12 kRT)

Landmark Projects: Knowledge Oasis Muscat and Lulu Mall

2015 Performance

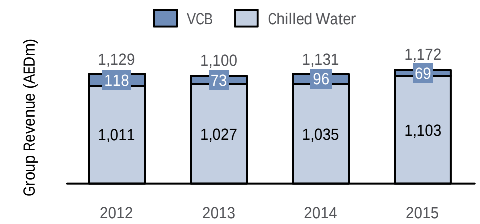
Long-term contracts with credit worthy customers

- Providing 974kRT of cooling across GCC– growing 8% annually since 2012
- Long term price certain contracts (~25 years) ensuring stability in earnings
- Over 50% of UAE capacity contracted to Government clients
- Contracts renewed/extended with key clients such as UAE Armed Forces and Aldar in the recent past



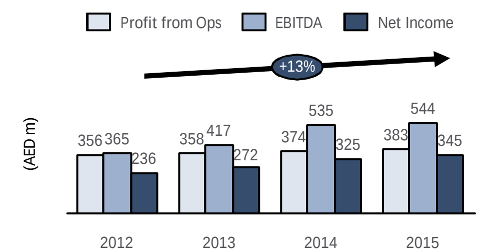
Revenue growth from continued focus on core business

- 94% of Group Revenue is from Chilled Water (2014: 91%)
- Total Group Revenue up 4% to AED 1,172m (2014: AED 1,131m)
- Chilled water revenue up 7% due to new connections and pass through of utility cost in 2015
- Over 35kRT of new connections during the year in Qatar, Saudi and Oman



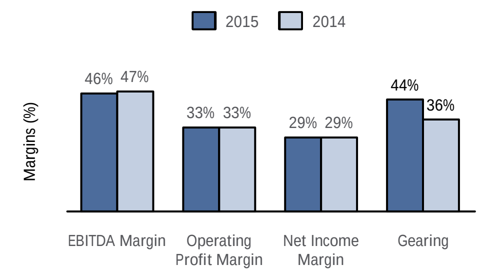
Strong operating performance and financial position

- Predictability in earnings driven by capacity charges
- Increasing profitability driven by economies of scale and cost control
- Net Income and EBITDA growing at 13% and 14% respectively
- 2015 Net Income 6% higher despite AED18m of additional finance cost from MCB repurchase debt
- 43% leverage – approaching global utility industry averages



Value to shareholders

- One of the few listed regional utilities and only DC company operating across GCC
- EPS of 11 fils/share – 19% higher than 2014 due to MCB repurchase
- 20% increase in dividend payout in 2015 to 6 fils per share, dividend yield in the top 10 for DFM for the past 3 years
- Over 100kRT of contracted projects currently under construction in UAE (Dubai Parks and others), Qatar and Oman



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

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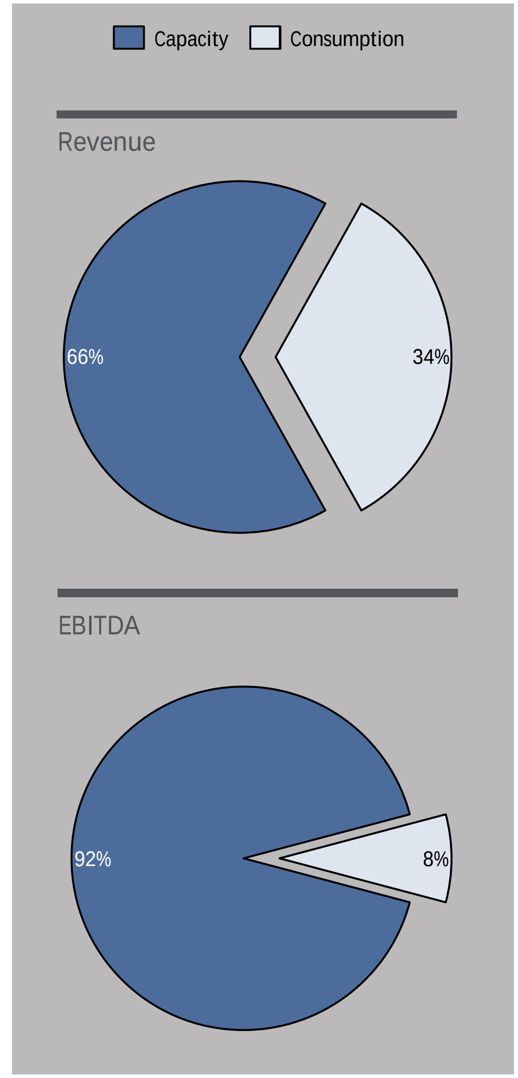
Stable core business model delivering consistent performance

Profit Statement (% of revenue)

	Capacity (fixed)	Consumption (variable)	Total
Revenue	66	34	100
Utility Costs	-	(31)	(31)
Plant operation & maintenance	(8)	-	(8)
Depreciation & amortisation	(15)	-	(15)
Gross Profit	43	4	47
Corporate overheads	(14)	-	(14)
Profit from Operations	29	4	33
Add back: depreciation & amortisation	15	-	15
EBITDA	44	4	48
	66%	*10%*	*47%*



Billing structure and profitability

- Tabreed bills customers for capacity (fixed) charges and consumption (variable) charges
  - Capacity charges reflect the cooling capacity (in RT) reserved for the customer and are generally fixed, subject to escalation based on country CPI every year
  - Consumption charges recover the cost of cooling consumed. Contractually, any change in variable cost is generally passed through to the customers
- Tabreed's EBITDA is driven by capacity charges allowing recovery of plant operation cost, corporate overheads and providing a strong return on capital invested

Stable and predictable earnings - ~ 92% of EBITDA arises from capacity charges

Financial Highlights

Income Statement

Unaudited Consolidated Financials (AED m)	Dec 2015	Dec 2014	Variance	%
Revenue	1,172	1,131	41	+4%
Chilled water revenue (94%)	1,103	1,035	68	+7%
Value chain businesses (6%)	69	96	(27)	-28%
Operating cost	(611)	(597)	(14)	+2%
Gross Profit	561	534	27	+5%
Gross profit margin	48%	47%		
Administrative and other expenses	(178)	(160)	(18)	+12%
Profit from Operations	383	374	9	+2%
Operating profit margin	33%	33%		
Net finance costs	(138)	(130)	(7)	+6%
Share of results of associates and joint ventures	99	85	13	+16%
Other gains and losses	4	(1)	5	-450%
Income attributable to non-controlling interests	(3)	(3)	(0)	+8%
Net Profit	345	326	20	+6%
Net profit margin	29%	29%		
EBITDA	545	535	10	+2%
EBITDA margin	46%	47%		

Key Points

- 4% increase in revenues and 5% increase in gross profit, mainly reflects chilled water performance.
- Results of associates and JVs increased by 16%, driven by Qatar Cool and Saudi Tabreed
- Finance costs up by AED 7m, with additional finance cost incurred on the debt raised to finance the MCB repurchase partly offset by 2014 re-financing savings

Stable utility infrastructure business model enables consistent performance with EBITDA margins approaching 50%

Financial Highlights

Financial Position

Unaudited Consolidated Financials (AED m)	Dec 2015	Dec 2014	Variance	%
Fixed Assets	6,766	6,679	87	+1%
Associates and Joint Ventures	714	651	63	+10%
Accounts Receivable	410	467	(57)	-12%
Cash and Short Term Deposits	177	418	(241)	-58%
Other Assets	167	120	47	+39%
Total Assets	8,233	8,335	(102)	-1%
Equity and Reserves	2,453	2,480	(27)	-1%
Mandatory Convertible Bonds – equity portion	1,773	2,450	(678)	-28%
Debt	3,274	2,662	612	+23%
Other Liabilities	733	742	(9)	-1%
Total Liabilities and Equity	8,233	8,335	(102)	-1%

Key Points

- Growth in fixed assets represents continuing investment in Dubai Parks and Resort plant and other projects under construction
- Capital structure optimisation achieved via repurchase of MCBs and replacement with new debt
- Reduction in equity is due to payment of 5 fils dividend paid to all shareholders in April
- Assets held for sale represents one of our value chain subsidiaries in UAE and plot of land in Oman

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

Financial Highlights

Cash flow Statement

Unaudited Consolidated Financials (AED m)	Dec 2015	Dec 2014	Variance	%
Profit from Operations	383	374	9	+2%
Finance lease amortisation	42	35	7	+21%
Depreciation	120	126	(6)	-5%
Working capital and other adjustments	60	14	46	+318%
Net cash flows from Operating Activities	605	549	56	+10%
Capital expenditure incurred	(278)	(231)	(47)	+21%
Deposits placed with Banks	253	(253)	505	-200%
Dividends and interest income received	35	38	(3)	-8%
Net cash flows from Investing Activities	9	(446)	455	-102%
Principal and interest payments on loans	(324)	(451)	(66)	+25%
MCB cash coupon paid	(104)	(121)	17	-14%
Dividend paid to shareholders	(174)	(33)	(141)	+426%
Others	16	(4)	212	-108%
Net cash flows from Financing Activities	(586)	(609)	23	-4%
Net Movement in Cash and Cash Equivalents	28	(505)	533	-106%
Cash and Cash Equivalents at 31 December	194	165	28	+17%

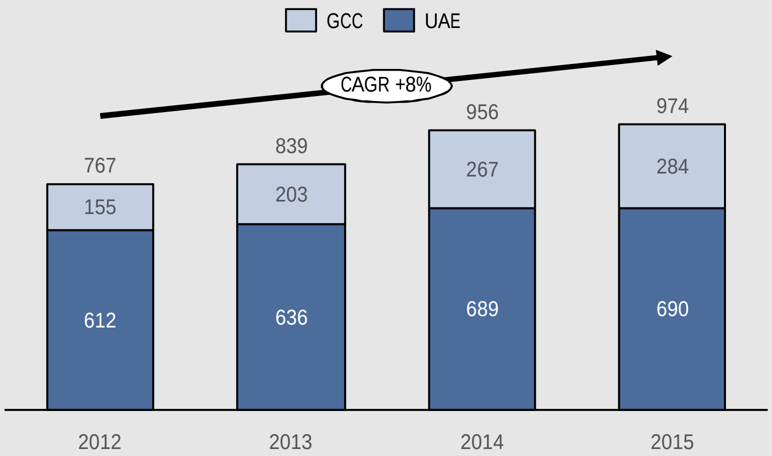
Key Points

- Operating cash flows are higher in 2015 due to regularization of payments following finalisation of a major contract amendment with a Government customer in 2014
- Financing activities include dividends for the year 2015 and the MCB repurchase funded by new bank debt
- Investment activities reflect AED 278m of capex incurred on ongoing projects in UAE and Oman

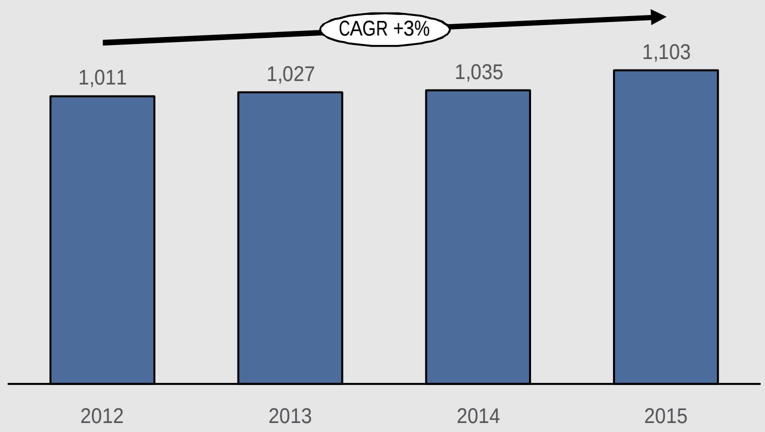
Strong cash flow generation from long term price certain contracts enabling investment in growth

Chilled Water Performance 2015

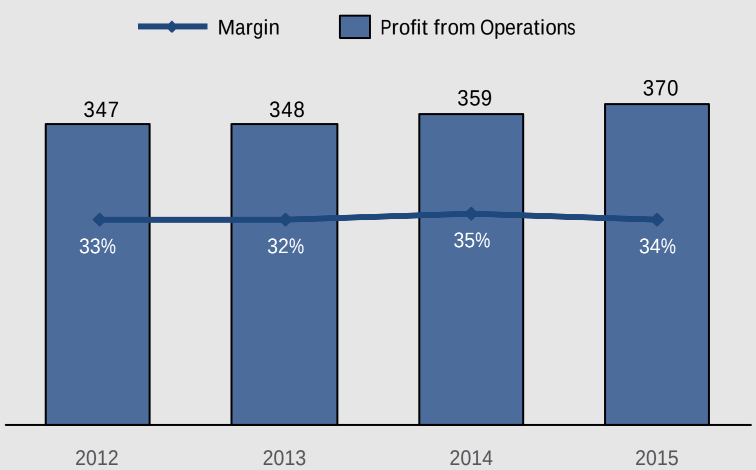
Gross Capacity (kRT)



Chilled Water Revenue (AED m)



Chilled Water Profit From Operations (AED m)



Chilled Water Geographical Breakdown (AED m)

	UAE	Qatar	KSA	Other GCC	Total
Revenue	1,060	-	-	43	1,103
Operating Costs	(545)	-	-	(32)	(577)
Gross Profit	515	-	-	11	526
Gross Profit Margin	*49%*	-	-	*26%*	-
Profit from Operations	366	-	-	4	370
Share of Results of Associates	24	47	28	-	99

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

Debt Portfolio

- Tabreed's current gearing is 44% (debt: debt + equity), approaching global utility peers
- 95% of Tabreed's debt is denominated in AED, with the balance in USD and OR, in line with cash flow generation profile
- Virtually all the debt is floating rate with 53% of total debt hedged into fixed rates
- Weighted average loan life is 5.2 years, with 64% of the debt 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	2,895	-	AED	EIBOR + margin	55	2021
Tabreed	Revolver	-	450	AED	EIBOR + margin	-	2021
Bahrain DC Company	Term loan	134	-	USD	LIBOR + margin	-	2019
Tabreed Oman	Term loan	33	5	OR	Fixed	100	2024
Total		3,062	455			53	

Manageable debt portfolio with major repayments due in 2021

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Key Recent Developments

June 2014
New Agreement signed with UAF valued at AED 6 billion

July 2014
Acquisition of a 30 year concession on Al Maryah Island in partnership with MIP with 43kRT currently connected

Sep 2014
Concession signed with Meraas for Dubai Parks development

Dec 2014
Re-financing of AED 2.6 bn of loans with increased tenor and up to 25% reduction in margin

Jan 2015
30-year contract renewed with Aldar and framework set out for future connections

April 2015
5 fils dividend paid for 3rd consecutive year

July 2015
Repurchased 28% of MCBs financed with new bank loan

December 2015
AED 193m Long-term project financing deal signed for Dubai Parks plant

2015 announcements

Tabreed has achieved significant business and investors objectives in the past 18 months

In Conclusion

Why District Cooling	• Air conditioning is a critical part of the GCC infrastructure • District Cooling enables a 50% reduction in energy consumption, carbon footprint and state subsidies • District Cooling is 16% cheaper than conventional cooling
Why Tabreed	• One of the largest district cooling companies in the world • Track record of delivering infrastructure projects on time • 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	• 2015 Net Profit of AED 345m, up 6% on 2014 and growing at 12% annually since 2012 • Strong cash generating ability, sufficient to fund growth capex and dividends • Group EBITDA of AED 545m and operating cash flows of AED 605m allowing for investment in new projects and increasing dividend payout
Core Business Focus Delivering Value	• Focus on Chilled Water leading to enhanced value from existing plants while maximizing operational efficiencies • Stable utility business model ensure consistent results • Investing in sanctioned projects on "take or pay" billing basis to reduce real estate risk • Project financing new plants to reduce equity capital and increase shareholder returns
Delivering growth	• GCC economies continue to grow and district cooling is a vital component of economic growth • Over 200 kRT increase in contracted capacity since 2012 and a further ~100 kRT of fully contracted capacity currently under construction in UAE (Dubai Parks and others), Qatar and Oman • Agreement signed with Qatar Railways to provide cooling to 7 metro stations in Doha starting 2019

Questions

IR Contacts

Faisal Tahir Bhatti
Senior Analyst

Tel: +971 2 2020336
Email: FBhatti@tabreed.ae

Ahmed Al Nowais
Senior Manager

Tel: +971 2 2020333
Email: AAlnowais@tabreed.ae