National Central Cooling Company PJSC
Tabreed

1 August 2012

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Q2 2012 Results Presentation

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Agenda

- Business Overview
- Operational Review
- Financial Review
- Summary
- Q&A

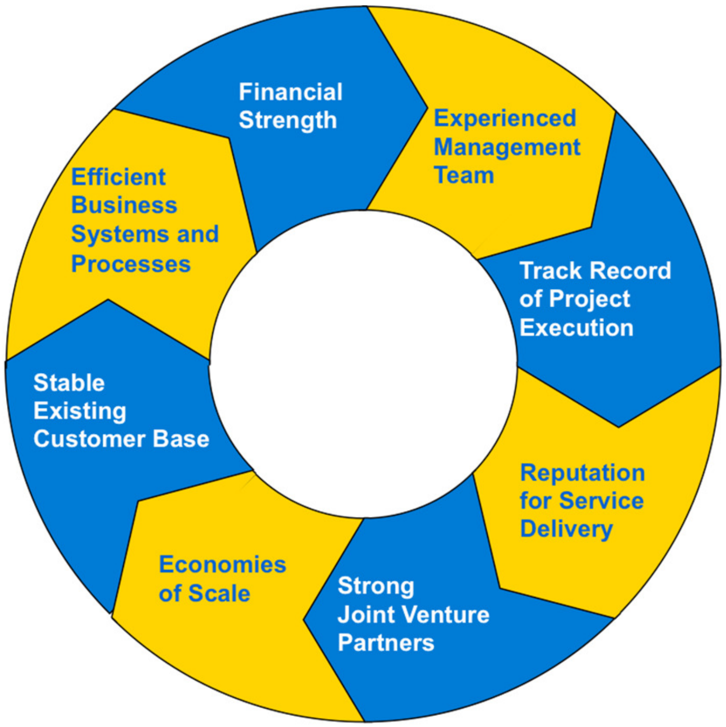
Overview

District cooling is an essential utility service in the region

It has a number of benefits over traditional air conditioning:

- Lower life cycle costs
- Lower operating costs
- Property owner benefits
- Energy reduction for governments
- Environmentally friendlier

Tabreed's Competitive Advantage







Foundations for Growth

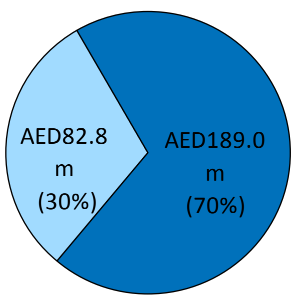
- We are a district cooling company in an economically strong region that requires year-round cooling
- Long-term, stable contracts
- High percentage of contracts are with UAE government entities
- Funds available to complete existing projects
- Substantially completed build out program

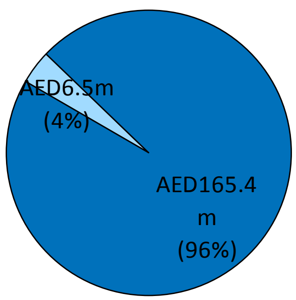
Core Business – Chilled Water

Plant Profit and Loss Account

	Consumption	Capacity	Total
Consumption revenue	82.8	-	82.8
Capacity revenue	-	189.0	189.0
Revenue	82.8	189.0	271.8
Electricity cost	58.7	-	58.7
Water cost	9.5	-	9.5
Other variable costs	8.1	-	8.1
Fixed costs	-	23.6	23.6
Total costs	76.4	23.6	100.0
EBITDA	6.5	165.4	171.8
Depreciation	-	35.6	35.6
EBIT	6.5	129.7	136.2

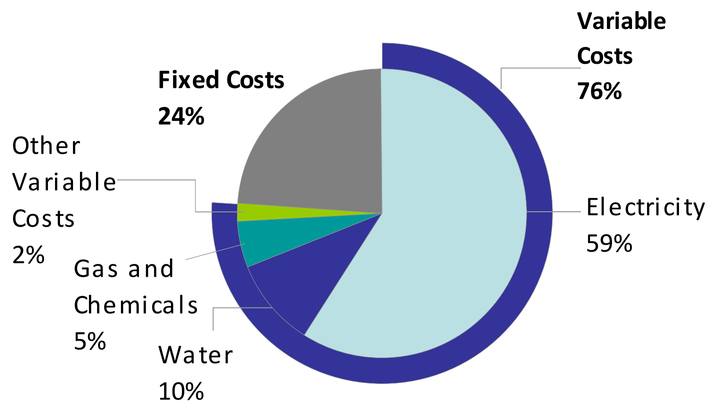
Revenue | EBITDA





Consumption Capacity

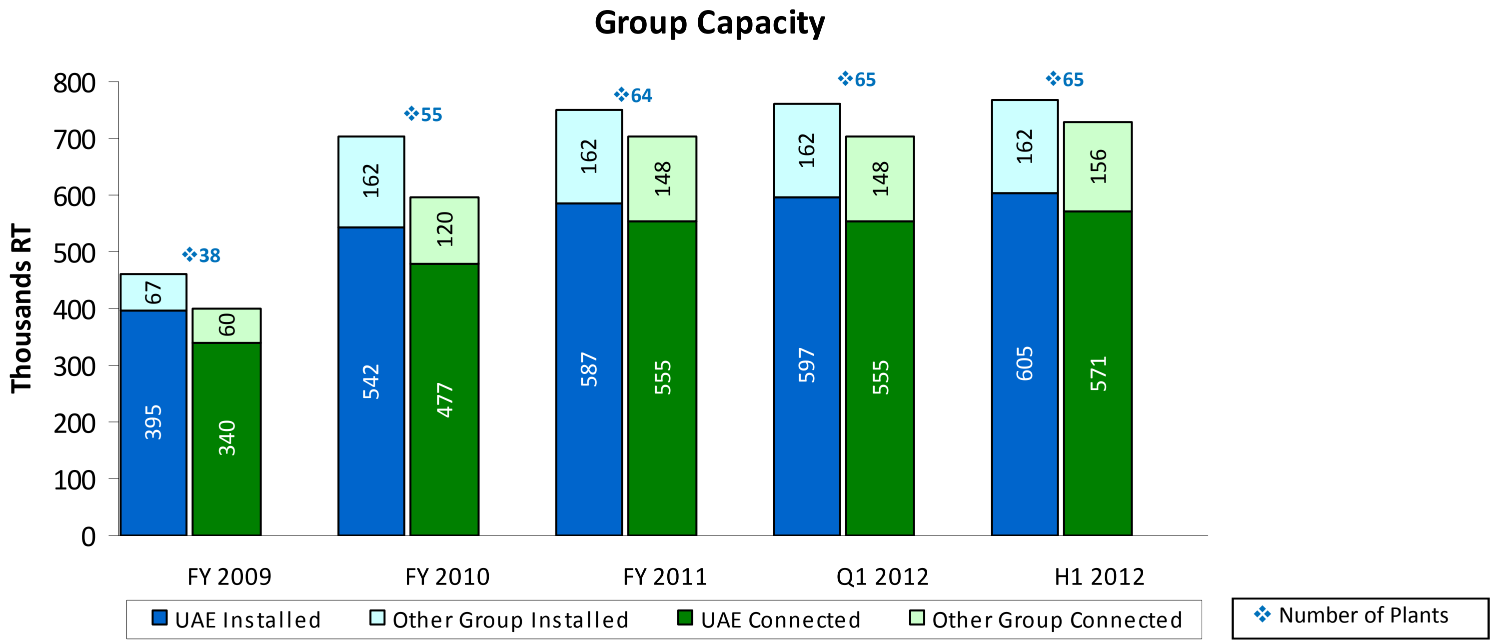
Fixed and Variable Costs as % of Total Cost



- Tabreed revenue has two key drivers: consumption and capacity
- Consumption revenue is "variable" and depends on the customers consumption / usage
- Variable costs are circa 80% of total costs
- Capacity revenue is a "fixed" charge to the customer for their allocation of the capacity
- Fixed costs relate to staff and maintenance costs at the plant level
- Circa 85% of EBITDA is driven by the capacity charge, which is based on the long term minimum off-take agreement

Operational Review

Operational Achievements



Group

- Additions of 8,000 RT to Installed Capacity during Q2 2012, which has increased Installed Capacity to 767,125 RT across 65 plants
- Connected Capacity increased to 727,256 RT and is now 95% of Installed Capacity

UAE

- In total, 8,000 RT of gross Capacity came online in Q2 2012, increasing Installed Capacity to 605,325 RT * (gross) across 59 plants
- The Capacity increase is a result of the completion of a plant expansion in Al Ain
- Total Connected Capacity of chilled water in Q2 2012 was (gross) 570,812 RT, 94% of total Installed Capacity

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

Long-term, Stable, Customer Base

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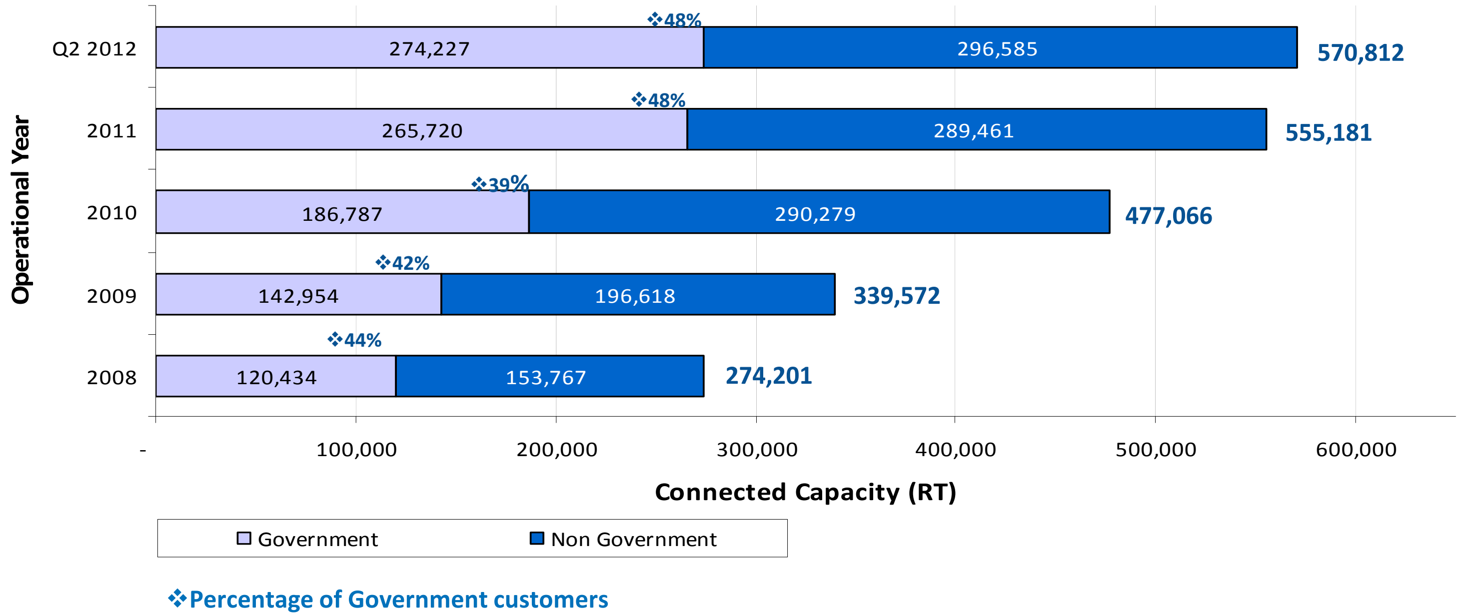

- The graph shows the split in the UAE Connected Capacity between our government and non government customers
- In 2011 and in 2012 to date, 48% of our Capacity has been contracted to government clients. This has been steadily increasing over the past few years
- These are long term stable contracts with guaranteed returns

Q2 2012 Results Summary

Financial Highlights

Strong Q2 2012 results continue to demonstrate strength of our underlying business

- Q2 2012 Revenue up 3% to AED 296.6m (Q2 2011: AED 286.6m)
- Q2 2012 Operating Profit up by 4% to AED 83.5m (Q2 2011: AED 80.4m)
- Q2 2012 Net Profit attributable to Parent up by 32% to AED 57.9m (Q2 2011: AED 43.8m)

Operational Highlights

Focus on Chilled Water

- Increased contribution from Chilled Water – Contribution to EBITDA up to 98% (Q2 2011: 92%)
- Utility efficiency gains and cost discipline continue
- One plant expansion in Al-Ain
- Additions to Connected Capacity – 15,600 RT

Value Chain Businesses

- Reduced contribution driven by completion of Tabreed's build-out program in line with expectations

Financial & Operational Metrics

Key Metrics - UAE	Q2 2012	Q2 2011	% Change	Comment	FY 2011
Number of Plants	59	49	20%	11 new plants in 2011, 2 small plants closed (total of 400 RT) One new plant in Q1 2012, and one plant expansion in Q2 2012	58
Installed Capacity (RT)	605,325	551,525	10%	Increase of 53,800 RT, 35,800 RT in 2011 and 18,000 RT in 2012	587,325
Connected Capacity (RT)	570,812	520,016	10%	Increase of 50,796 RT since Q2 2011	555,181
Percentage of Installed Capacity	94%	94%			95%
EBITDA margin	40%	38%			44%
Capex Payments (AED m)	31	152	-80%	Reduced cash payments as build out program nears completion	607
Net Debt:EBITDA	6.5x	8.0x		Declined post repayment of Sukuk 06 and increased EBITDA and repayment of bridging loan.	7.2x
Loan to cost	52%	54%			51%

Financial Review

Chilled Water Contribution to Revenue 85% (Q2 2011: 84%)

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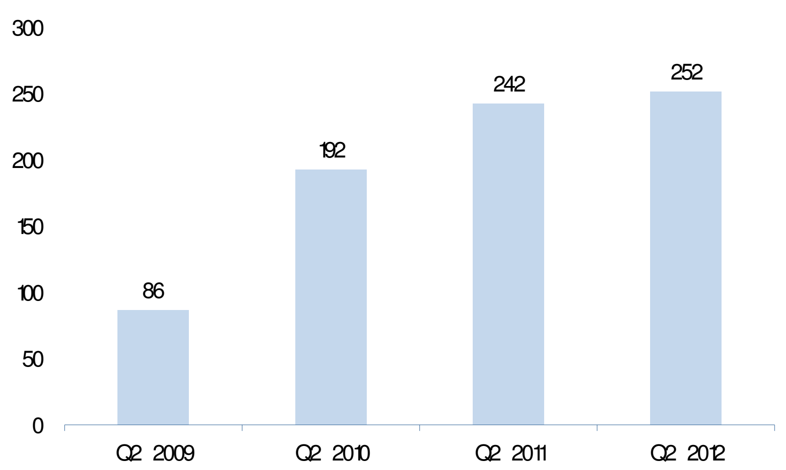
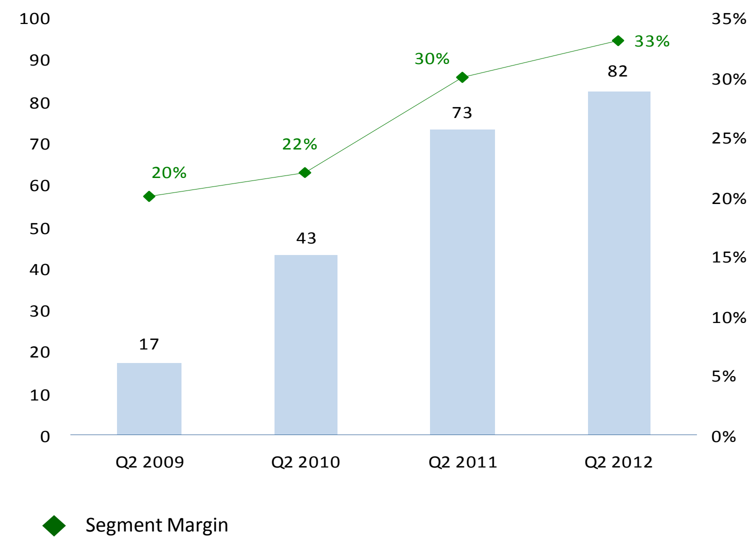
Key Metrics (AED m)	Q2 2012	Q2 2011	% Change
Revenues	**251.7**	**242.0**	**4%**
Operating Costs	**(138.8)**	**(138.1)**	**-**
Gross Profit	**112.9**	**103.9**	**9%**
Profit from Operations	**82.3**	**73.2**	**12%**
Net Profit Margin	***33%***	***30%***	
EBITDA Margin	***46%***	***42%***	

- Revenues increased
  - 11 new plants have come online since Q2 2011 and we are now seeing the full impact
- Chilled water has contributed 99% of our Profit from Operations for Q2 2012
- Net Profit Margin increased to 33% (Q2 2011: 30%), driven by new connections and operational efficiencies
- Profit from Operations grew 12% from AED 73.2m to AED 82.3m, due to rising revenues when our corporate cost base is relatively fixed
- EBITDA of AED 114.9m against AED 101.0m in Q2 2011

Revenue (AED m)



Profit from operations (AED m)



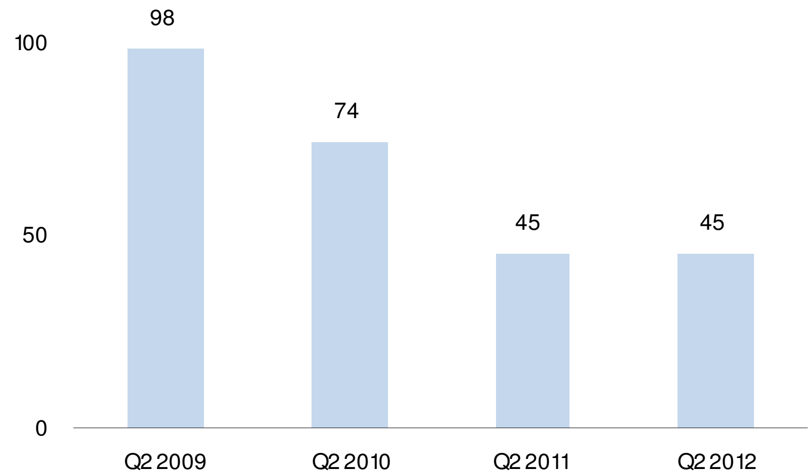
Value Chain Businesses

Contribution to Revenue 15% (Q2 2011: 16%)

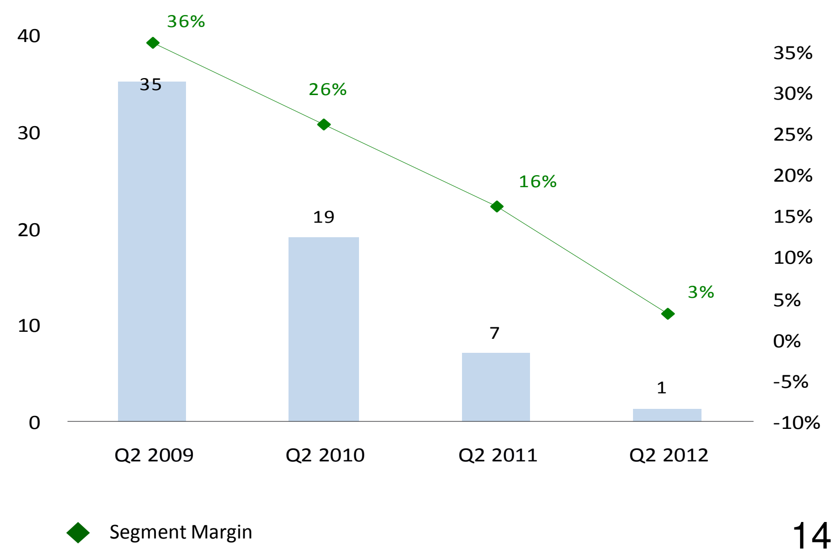
Key Metrics (AED m)	Q2 2012	Q2 2011	% Change
Revenues	**44.9**	**44.6**	**1%**
Operating costs	**(39.4)**	**(31.2)**	**-27%**
Gross Profit	**5.5**	**13.4**	**-59%**
Profit from Operations	**1.2**	**7.2**	**-83%**
Net Profit Margin	**3%**	**16%**	
EBITDA Margin	**6%**	**20%**	

- Continued and expected contraction of contribution from value chain businesses, driven by the completion of Tabreed's build-out program
  - Real estate slowdown impacts services segment
  - Reduced capex commitments impact Contracting and Manufacturing segments
- Profit from operations decreased 83% to AED 1.2m (Q2 2011: AED 7.2m)
- Reduction in margins – net profit margin reduced from 16% to just 3%
- EBITDA of AED 2.7m against AED 9.1m in Q2 2011, with EBITDA margin reducing from 20% to 6%

Revenue (AED m)



Profit from operations (AED m)



Q2 2012 Financial Highlights

- Revenues increased by 3% driven by Chilled Water
- Operating Costs are up 5% as a result of higher costs (increase of AED 8.2m) in the Value Chain Businesses
- Q2 2012 Operating Profit is up 4% as a result of the improvement in the Chilled Water Business
- Net finance costs reduced by 19% as we have repaid the Sukuk 06, EIBOR rates have reduced, and we have higher deposit income
- Net Profit attributable to Parent increased by 32%
- EBITDA is now AED 117.6m, a 7% increase from the same period last year

Key Figures – Unaudited Consolidated Financials			
	3 months ended 30 June		
All figures in AED m	2012	2011	% change
Revenues	296.6	286.6	3%
Operating Costs	(178.2)	(169.3)	-5%
Gross Profit	**118.4**	**117.3**	**1%**
Gross Profit Margin	*40%*	*41%*	
Admin & Other Expenses	(34.9)	(37.0)	6%
Operating Profit	**83.5**	**80.3**	**4%**
Operating Profit Margin	*28%*	*28%*	
Net Finance Costs	(42.2)	(52.3)	19%
Share of Results of Associates	16.0	14.7	9%
Net Profit attributable to Parent	**57.9**	**43.8**	**32%**
EBITDA	117.6	110.1	7%
Capex incurred	30	148	

H1 2012 Financial Highlights

- Chilled Water Revenue increased 5%, but there was an overall decrease in revenues of 3% due to the expected decrease in revenues of 34% from the Value Chain Businesses
- Operating Costs are down 8% due to the Chilled Water Business
- Operating Profit is up 8% as a result of the continued improvement in the Chilled Water Business
- Net finance costs reduced by 33% as we are now paying a lower cost of debt on the syndicated loan following the recapitalisation last year
- Net Profit attributable to Parent increased by 25%
- EBITDA of AED 223m, a 9% increase from the same period last year

Key Figures – Unaudited Consolidated Financials			
	6 months ended 30 June		
All figures in AED m	2012	2011	% change
Revenues	515.7	532.2	-3%
Operating Costs	(286.3)	(312.9)	8%
Gross Profit	**229.3**	**219.3**	**5%**
Gross Profit Margin	*44%*	*41%*	
Admin & Other Expenses	(72.3)	(74.6)	3%
Operating Profit	**157.0**	**144.7**	**8%**
Operating Profit Margin	*30%*	*27%*	
Net Finance Costs	(87.2)	(129.5)	33%
Share of Results of Associates	23.3	24.8	-6%
Net Profit attributable to Parent	**94.7**	**75.7**	**25%**
EBITDA	223.0	204.7	9%
Capex incurred	43	340	

Summary

Summary

Financial and Operational Successes

Q2 2012

- **Robust Q2 2012 results**
  - Q2 2012 Revenue up 3% to AED 296.6m (Q2 2011: AED 286.6m)
  - Q2 2012 Operating Profit up 4% to AED 83.5m (Q2 2011: AED 80.4m)
  - Q2 2012 Net Profit attributable to Parent up by 32% to AED 57.9m (Q2 2011: AED 43.8m)

- **Strong cash generating capability**
  - Q2 2012 Group EBITDA up by 7% to AED 117.6m (Q2 2011: AED 110.1m)

H1 2012

- **Strong results for H1 2012**
  - H1 2012 Chilled Water Revenue up 5% to AED 444.9m (H1 2011: AED 425.6m)
  - H1 2012 Gross Profit up 5% to AED 229.3m (H1 2011: AED 219.3m)
  - H1 2012 Net Profit attributable to Parent up by 25% to AED 94.7m (H1 2011: AED 75.7m)

- **We continue to focus on and grow our core chilled water business, and this trend is evident in our results**
  - Profit from Operations in chilled water continues to increase, from AED 63m for the full year 2009 to AED 274 m for the full year 2011. We are already at AED 155.5m for the first half of 2012

- **Management continues to focus on building the business and creating value for shareholders:**
  - Delivering on its business plan
  - Enhancing value from existing plants while maximizing organizational and operational efficiencies
  - Achieving its full earning potential
  - Growing the Company's core chilled water business

Looking Forward

- 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
- Our fundamental business model is strong:
  - 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
  - Majority of projects are now complete
  - Cash is available to fund the completion of remaining projects

Q & A

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