

**National Central Cooling Company PJSC**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 JUNE 2009 (UNAUDITED)**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF NATIONAL CENTRAL COOLING COMPANY PJSC**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated financial statements of National Central Cooling Company PJSC (the "Company") and its subsidiaries (the "Group") as at 30 June 2009, comprising of the interim consolidated statement of financial position as at 30 June 2009 and the related interim consolidated statements of income, and comprehensive income, for the three month and six month periods then ended and the related statements of changes in equity and cash flows for the six months ended 30 June 2009 and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### ***Scope of review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Signed by:  
Mohammad Mobin Khan  
Partner  
Ernst & Young  
Registration No. 532

11 August 2009  
Abu Dhabi

# National Central Cooling Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF INCOME

Period ended 30 June 2009 (Unaudited)

		<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>Notes</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Revenues	3	184,066	178,591	373,788	307,602
Operating costs		(93,357)	(97,024)	(202,902)	(155,091)
<b>GROSS PROFIT</b>		<b>90,709</b>	<b>81,567</b>	<b>170,886</b>	<b>152,511</b>
Administrative and other expenses		(39,571)	(39,734)	(80,207)	(75,882)
Finance costs	3	(22,522)	(20,991)	(48,510)	(41,319)
Finance income	3	153	7,521	3,750	9,364
Changes in fair value of derivative liability	3	(11,900)	(2,300)	(13,800)	(2,300)
Changes in fair value and loss on disposal of investments carried at fair value through income statement	3	1,206	1,567	1,291	(1,817)
Other income		642	1,610	2,307	2,228
Share of results of associates	3	<u>6,983</u>	<u>3,785</u>	<u>11,693</u>	<u>6,746</u>
<b>PROFIT FOR THE PERIOD</b>		<b><u>25,700</u></b>	<b><u>33,025</u></b>	<b><u>47,410</u></b>	<b><u>49,531</u></b>
Attributable to:					
Equity holders of the parent		19,337	23,497	30,108	33,473
Minority interests		<u>6,363</u>	<u>9,528</u>	<u>17,302</u>	<u>16,058</u>
		<b><u>25,700</u></b>	<b><u>33,025</u></b>	<b><u>47,410</u></b>	<b><u>49,531</u></b>
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (AED)	4	<u>0.01</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

# National Central Cooling Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2009 (Unaudited)

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
<b>Profit for the period</b>	<b><u>25,700</u></b>	<b><u>33,025</u></b>	<b><u>47,410</u></b>	<b><u>49,531</u></b>
<b>Other comprehensive income (loss)</b>				
Changes in fair value of derivatives	16,375	14,748	4,444	(27,910)
Changes in fair value of available for sale investments	1,935	(13)	2,068	(1,519)
Exchange differences arising on translation of overseas operations	<u>(2)</u>	<u>(54)</u>	<u>(399)</u>	<u>(521)</u>
<b>Other comprehensive income (loss) for the period</b>	<b><u>18,308</u></b>	<b><u>14,681</u></b>	<b><u>6,113</u></b>	<b><u>(29,950)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>44,008</u></b>	<b><u>47,706</u></b>	<b><u>53,523</u></b>	<b><u>19,581</u></b>
Attributable to:				
Equity holders of the parent	37,645	38,178	36,221	3,523
Minority interests	<u>6,363</u>	<u>9,528</u>	<u>17,302</u>	<u>16,058</u>
	<b><u>44,008</u></b>	<b><u>47,706</u></b>	<b><u>53,523</u></b>	<b><u>19,581</u></b>

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.



# National Central Cooling Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2009 (Unaudited)

		30 June 2009 AED '000	(Audited) 31 December 2008 AED '000
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capital work in progress	6	3,440,876	2,764,733
Property, plant and equipment		2,913,832	2,626,587
Intangible assets		38,878	38,562
Investments in associates		262,271	243,232
Available for sale investments		61,041	58,973
Loan to an associate		42,029	42,029
		<u>6,758,927</u>	<u>5,774,116</u>
<b>Current assets</b>			
Inventories		38,808	77,338
Trade and other receivables		607,896	449,279
Financial assets carried at fair value through income statement		56,493	58,840
Contract work in progress		30,584	207,563
Prepayments		8,874	8,787
Bank balances and cash		174,772	701,959
		<u>917,427</u>	<u>1,503,766</u>
<b>TOTAL ASSETS</b>		<u>7,676,354</u>	<u>7,277,882</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		1,213,380	1,213,380
Treasury shares		(10,050)	(10,050)
Statutory reserve		47,433	47,433
Retained earnings		102,841	72,733
Foreign currency translation reserve		(1,063)	(664)
Cumulative changes in fair value of derivatives and available for sale investments		(105,677)	(112,189)
Convertible bond – equity component		<u>1,301,679</u>	<u>1,301,679</u>
		2,548,543	2,512,322
<b>Minority interests</b>		<u>174,924</u>	<u>161,766</u>
<b>Total equity</b>		<u>2,723,467</u>	<u>2,674,088</u>
<b>Non-current liabilities</b>			
Accounts payable and accruals		89,498	55,172
Interest bearing loans and borrowings	5	180,526	185,465
Islamic financing arrangements	5	2,012,617	1,669,209
Obligations under finance lease		39,677	41,272
Convertible bond – liability component	5	152,841	256,597
Employees' end of service benefits		18,017	17,254
		<u>2,493,176</u>	<u>2,224,969</u>
<b>Current liabilities</b>			
Bank overdrafts		136,598	233,326
Accounts payable and accruals		1,520,997	1,458,051
Advances		400,000	-
Interest bearing loans and borrowings	5	229,731	158,045
Islamic financing arrangements	5	45,219	403,576
Convertible bond – liability component	5	119,802	118,463
Obligations under finance lease		7,364	7,364
		<u>2,459,711</u>	<u>2,378,825</u>
<b>Total liabilities</b>		<u>4,952,887</u>	<u>4,603,794</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,676,354</u>	<u>7,277,882</u>

Khaden, Abdulla Al Qubaisi  
CHAIRMAN

Sujit S. Parhar  
CHIEF EXECUTIVE OFFICER

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

# National Central Cooling Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 June 2009 (Unaudited)

Attributable to equity holders of the parent										
	Cumulative changes in fair value of derivatives									
	Share capital AED '000	Treasury shares AED '000	Statutory reserve AED '000	Retained earnings AED '000	Foreign currency translation reserve AED '000	Convertible bond - equity component AED '000	Reserve for proposed bonus issue AED '000	Total AED '000	Minority interests AED '000	Total equity AED '000
Balance at 1 January 2008	1,134,000	(10,050)	36,478	10,730	(145)	(8,509)	79,380	1,241,884	132,971	1,374,855
Profit for the period	-	-	-	33,473	-	-	-	33,473	16,058	49,531
Other comprehensive loss for the period	-	-	-	-	(521)	(29,429)	-	(29,950)	-	-
Total comprehensive income for the period	-	-	-	33,473	(521)	(29,429)	-	3,523	16,058	19,581
Bonus shares issued	79,380	-	-	-	-	-	(79,380)	-	-	-
Dividend paid to minority interests	-	-	-	-	-	-	-	-	(14,259)	(14,259)
Share capital injection by minority interest shareholders of subsidiaries	-	-	-	-	-	-	-	29,414	29,414	29,414
Convertible bond issued	-	-	-	-	-	1,301,679	-	1,301,679	-	1,301,679
Balance at 30 June 2008 (unaudited)	1,213,380	(10,050)	36,478	44,203	(666)	(37,938)	-	2,547,086	164,184	2,711,270
Balance at 1 January 2009	1,213,380	(10,050)	47,433	72,733	(664)	(112,189)	1,301,679	2,512,322	161,766	2,674,088
Profit for the period	-	-	-	30,108	-	-	-	30,108	17,302	47,410
Other comprehensive income (loss) for the period	-	-	-	-	(399)	6,512	-	6,113	-	6,113
Total comprehensive income for the period	-	-	-	30,108	(399)	6,512	-	36,221	17,302	53,523
Dividend paid to minority interests	-	-	-	-	-	-	-	-	(4,144)	(4,144)
Balance at 30 June 2009 (unaudited)	1,213,380	(10,050)	47,433	102,841	(1,063)	(105,677)	-	2,548,543	174,924	2,723,467

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

# National Central Cooling Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended 30 June 2009 (Unaudited)

	<i>Six month period ended 30 June 2009 AED '000</i>	<i>Six month period ended 30 June 2008 AED '000</i>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	47,410	49,531
Non cash adjustments to reconcile profit for the period to net cash flows:		
Depreciation of property, plant and equipment	37,974	28,640
Share of results of associates	(10,424)	(5,385)
Net movement in employees' end of service benefits	763	2,305
Finance income	(3,750)	(7,064)
Finance costs	48,510	41,319
Gain on disposal of property plant and equipment		(518)
Loss on disposal of financial assets carried at fair value through income statement	3	60
Changes in fair value relating to financial assets carried at fair value through income statement	(1,294)	1,757
Changes in fair value of derivative liability	13,800	2,300
	<b>132,992</b>	<b>112,945</b>
Working capital adjustments:		
Inventories	38,530	(18,192)
Trade and other receivables and prepayments	(161,204)	(97,494)
Contract work in progress	179,479	32,405
Accounts payable and accruals	297,309	97,926
Interest paid	(99,910)	(81,429)
Net cash flows from operating activities	<b>387,196</b>	<b>46,161</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(5,116)	(56,104)
Proceeds from disposal of property, plant and equipment	-	1,132
Investment in associates	(99)	(42,861)
Purchase of intangible assets	(316)	-
Additions to capital work in progress	(1,137,177)	(836,962)
Proceeds on disposal of financial assets carried at fair value through income statement	3,638	43,430
Advances received	400,000	-
Investment in bank deposits	-	(832,617)
Interest received	3,750	7,064
Net cash flows used in investing activities	<b>(735,320)</b>	<b>(1,716,918)</b>
<b>FINANCING ACTIVITIES</b>		
Interest bearing loans and borrowings received	163,375	166,892
Interest bearing loans and borrowings repaid	(94,843)	(972,020)
Islamic financing arrangement received	368,000	1,000,000
Islamic financing arrangement repaid	(378,735)	(205)
Proceeds from issue of convertible bond	-	1,656,146
Coupon payment of convertible bond	(123,250)	-
Transaction cost on interest bearing loans and borrowings	(3,213)	-
Transaction cost on Islamic financing arrangements	(7,930)	(20,968)
Payments for obligations under finance lease	(1,595)	(1,452)
Dividends paid to minority interests	(4,144)	(14,259)
Net cash flows (used in) from financing activities	<b>(82,335)</b>	<b>1,814,134</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(430,459)</b>	<b>143,377</b>
Cash and cash equivalents at 1 January	<b>468,633</b>	<b>368,636</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>38,174</b>	<b>512,013</b>

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.



# National Central Cooling Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2009 (Unaudited)

### 1 ACTIVITIES

National Central Cooling Company PJSC ("Tabreed" or the "Company") is registered in the United Arab Emirates as a Public Joint Stock Company pursuant to the U.A.E. Commercial Companies Law No. 8 of 1984 (as amended). The principal activities of the Company are owning, operating, distributing and selling chilled water. In addition, the Company constructs plants and piping networks and manufactures pipes. The Company's registered office is located at P.O. Box 32444, Dubai, United Arab Emirates.

The interim condensed consolidated financial statements of the Group were authorised for issuance by the Board of Directors on 11 August 2009.

### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### 2.1 FUNDAMENTAL ACCOUNTING CONCEPT

At 30 June 2009, the Company's current liabilities exceeded its current assets by AED 1,543 million (31 December 2008: AED 875 million). The interim condensed consolidated financial statements have been prepared on a going concern basis as management of the Company supported by the Board of Directors have expressed confidence in generating funds through working capital and additional bank funding to enable the Company to meet its liabilities as they fall due in the foreseeable future. At the date of approval of these interim condensed consolidated financial statements, the Company is in discussions with various financial institutions for the purpose of securing additional borrowings (note 11).

#### 2.2 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Company and its subsidiaries ("the Group") are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirhams (AED), which is the functional currency of the Group. All values are rounded to the nearest thousand (AED '000) except otherwise indicated.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 December 2008. In addition, results for the six months ended 30 June 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.

#### 2.3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2008, except for the adoption of the following new standards as of 1 January 2009, noted below:

##### *IAS 1 Presentation of Financial Statements (Revised)*

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

##### *IFRS 8 Operating segments*

The standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this standard did not have any effect on financial position or performance of the Group.



# National Central Cooling Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2009 (Unaudited)

### 3 SEGMENT INFORMATION

For management purposes, the Group is organised into five operating segments based on their products and services, as follows:

- The 'chilled water' segment constructs, owns, assembles, installs, operates and maintains cooling and conditioning systems. In addition, the segment distributes and sells chilled water for use in district cooling technologies.
- The 'contracting' segment is involved in construction of air conditioning chilled water central plants and networks for new or existing buildings. This also includes Tabreed's share in a joint venture which is involved in engineering, procurement, construction and construction management in the field of District Cooling.
- The 'manufacturing' segment is engaged in production of pre-insulated piping systems for chilled and hot water, gas and other energy related applications and provision of pipe protection services.
- The 'services' segment is involved in design and supervision of electrical, mechanical coding and sanitary engineering works.
- "Others" represent aggregation of five segments.

Operating segments which have similar economic characteristics are aggregated to form the above reportable operating segments.

#### Operating segments

The following table present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2009 and 2008, respectively.

	<i>Chilled water AED '000</i>	<i>Contracting AED '000</i>	<i>Manufacturing AED '000</i>	<i>Services AED '000</i>	<i>Others AED '000</i>	<i>Eliminations AED '000</i>	<i>Total AED '000</i>
<b>Six months ended 30 June 2009 (unaudited):</b>							
<b>Revenue</b>							
External revenue	147,235	69,737	116,268	31,263	9,285	-	373,788
Inter-segment revenue	<u>983</u>	<u>-</u>	<u>472</u>	<u>1,991</u>	<u>2,870</u>	<u>(6,316)</u>	<u>-</u>
<b>Total revenue</b>	<b><u>148,218</u></b>	<b><u>69,737</u></b>	<b><u>116,740</u></b>	<b><u>33,254</u></b>	<b><u>12,155</u></b>	<b><u>(6,316)</u></b>	<b><u>373,788</u></b>
<b>Results</b>							
Segment results	<u>29,244</u>	<u>14,982</u>	<u>35,916</u>	<u>13,981</u>	<u>(1,137)</u>	<u>-</u>	<u>92,986</u>
Finance costs	-	-	-	-	-	-	(48,510)
Changes in fair value of derivative liability	-	-	-	-	-	-	(13,800)
Finance income	-	-	-	-	-	-	3,750
Changes in fair value of investments, net	-	-	-	-	-	-	1,291
Share of results of associates	<u>11,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,693</u>
<b>Profit for the period</b>							<b><u>47,410</u></b>
<b>Six months ended 30 June 2008 (unaudited):</b>							
<b>Revenue</b>							
External revenue	121,204	62,493	66,184	48,244	9,477	-	307,602
Inter-segment revenue	<u>1,065</u>	<u>-</u>	<u>898</u>	<u>4,892</u>	<u>1,877</u>	<u>(8,732)</u>	<u>-</u>
<b>Total revenue</b>	<b><u>122,269</u></b>	<b><u>62,493</u></b>	<b><u>67,082</u></b>	<b><u>53,136</u></b>	<b><u>11,354</u></b>	<b><u>(8,732)</u></b>	<b><u>307,602</u></b>
<b>Results</b>							
Segment results	<u>23,309</u>	<u>15,622</u>	<u>14,616</u>	<u>27,072</u>	<u>(1,762)</u>	<u>-</u>	<u>78,857</u>
Finance costs	-	-	-	-	-	-	(41,319)
Finance income	-	-	-	-	-	-	9,364
Changes in fair value of derivative liability	-	-	-	-	-	-	(2,300)
Changes in fair value of investments, net	-	-	-	-	-	-	(1,817)
Share of results of associates	<u>6,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,746</u>
<b>Profit for the period</b>							<b><u>49,531</u></b>

Inter-segment revenues are eliminated on consolidation.

# National Central Cooling Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2009 (Unaudited)

### 4 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic and diluted earnings per share are calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of mandatory convertible bond.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
Profit for the period attributable to ordinary equity holders of the parent for basic and diluted earnings (AED '000)	<u>19,337</u>	<u>23,497</u>	<u>30,108</u>	<u>33,473</u>
Weighted average number of ordinary shares (excluding treasury shares) outstanding during the period ('000)	1,203,330	1,203,330	1,203,330	1,203,330
Effect of convertible bonds ('000)	<u>674,603</u>	<u>314,815</u>	<u>674,603</u>	<u>157,407</u>
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of convertible bonds ('000)	<u>1,877,933</u>	<u>1,518,145</u>	<u>1,877,933</u>	<u>1,360,737</u>
Basic and diluted earnings per share (AED)	<u>0.01</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>

Basic and diluted earnings per share has been calculated on the basis of maximum number of shares that may be issued for convertible bond.

### 5 INTEREST BEARING LOANS AND BORROWINGS, ISLAMIC FINANCING ARRANGEMENTS AND CONVERTIBLE BOND – LIABILITY COMPONENT

In February 2009, the Company obtained a short term interest bearing facility of AED 128.5 million from a local bank, repayable within nine months from the date of signing the arrangement letter. The loan carries interest rate at LIBOR plus a margin. As at 30 June 2009 the Company has fully availed the facility.

In March 2009, the Company obtained an unsecured Islamic financing arrangement of AED 368 million from a local bank, repayable in a single bullet installment in March 2011. The loan carries interest rate at EIBOR plus a margin. As at 30 June 2009 the Company has fully availed the facility.

Including the above mentioned financing facilities, the Group made the following total drawdowns and repayments of debt during the period:

	<i>Drawdown</i> <i>AED '000</i>	<i>Repayments</i> <i>AED '000</i>
Interest bearing loans	163,375	94,843
Islamic financing arrangements	368,000	378,735
Convertible bond – liability component	-	123,250

### 6 CAPITAL WORK IN PROGRESS

During the six month period ended 30 June 2009 the Group has incurred expenditure of AED 996 million (period ended 30 June 2008: AED 922 million) primarily relating to construction of district cooling plants.



## National Central Cooling Company PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2009 (Unaudited)

#### 7 INVESTMENT IN JOINT VENTURE

During the period, Tabreed made an investment of AED 2,500 thousand (2008: AED nil) in 50% equity interest in S&T Cool District Cooling Company LLC, a jointly controlled limited liability company, incorporated in Emirate of Abu Dhabi. The joint venture is involved in the same business activity as Tabreed. The reporting date for the joint venture is identical to Tabreed.

#### 8 COMMITMENTS

The Board of Directors have authorised future capital expenditure amounting to AED 836 million at the balance sheet date (31 December 2008: AED 1,449 million).

The Company also had capital commitments of AED 396 million (31 December 2008: AED 831 million) in relation to the Company's interest in the joint venture investments.

The notional amount of the Company's currency and interest rate swap and cap deals outstanding at 30 June 2009 was AED 1,925 million (31 December 2008: AED 1,718 million). The notional amount of Company's share in interest rate swap deal of an associate outstanding at 30 June 2009 was AED 100 million (31 December 2008: AED 101 million).

#### 9 CONTINGENCIES

The bankers have issued guarantees on behalf of the Company and its subsidiaries as follows:

	<i>30 June 2009 AED '000</i>	<i>31 December 2008 AED '000</i>
Performance guarantees	56,343	45,686
Advance payment guarantees	13,788	12,776
Financial guarantees	<u>10,117</u>	<u>45,137</u>
	<u>80,248</u>	<u>103,599</u>

#### 10 INVESTMENTS, BANK BALANCES AND CASH

Available for sale investments consist of investment in a listed equity with a carrying amount of AED 3 million (31 December 2008: AED 2.2 million) and investment in a managed fund with a carrying amount of AED 58.1 million (31 December 2008: AED 56.7). Financial assets carried at fair value through income statement comprise of investments in several managed funds with a carrying amount of AED 56.5 million (31 December 2008: AED 58.8 million).

Geographical concentration of available for sale investments, financial assets carried at fair value through income statement and bank balances and cash is as follows:

	<i>30 June 2009 AED '000</i>	<i>31 December 2008 AED '000</i>
Within UAE	120,599	612,565
Outside UAE	<u>171,707</u>	<u>207,207</u>
	<u>292,306</u>	<u>819,772</u>



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**11 SUBSEQUENT EVENTS**

Subsequent to the balance sheet date, the Company has secured a financing facility of AED 750 million from a local bank.