

## 30 SEPTEMBER 2009 (UNAUDITED)



ERNST & YOUNG

**National Central Cooling Company PJSC**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 SEPTEMBER 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 September 2009, comprising of the interim consolidated statement of financial position as at 30 September 2009 and the related interim consolidated statements of income and comprehensive income, for the three month and nine month periods then ended and the related statements of changes in equity and cash flows for the nine months ended 30 September 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.



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

8 November 2009  
Abu Dhabi

# National Central Cooling Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF INCOME

Period ended 30 September 2009 (Unaudited)

|   |              | <i>Three months<br/>ended 30 September</i> |                 | <i>Nine months<br/>ended 30 September</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            | 196,916                                    | 190,741         | 570,704                                   | 498,343         |
| Operating costs   |              | (107,666)                                  | (105,206)       | (310,568)                                 | (260,297)       |
| <b>GROSS PROFIT</b>   |              | <b>89,250</b>                              | <b>85,535</b>   | <b>260,136</b>                            | <b>238,046</b>  |
| Administrative and other expenses   |              | (40,979)                                   | (42,174)        | (121,605)                                 | (118,030)       |
| Provision for doubtful debts  |              | (5,924)                                    | -               | (5,505)                                   | (26)            |
| Finance costs   | 3            | (20,461)                                   | (16,027)        | (68,971)                                  | (57,346)        |
| Finance income  | 3            | 329  | 4,524           | 4,079                                     | 13,888          |
| Changes in fair value of derivative liability   | 3            | (6,300)                                    | (3,800)         | (20,100)                                  | (6,100)         |
| Changes in fair value of investments carried<br>at fair value through income statement              | 3            | (45)                                       | (7,910)         | 1,246                                     | (9,727)         |
| Other income  |              | 685  | 634             | 2,992                                     | 2,862           |
| Share of results of associates  |              | 6,948                                      | 3,668           | 18,641                                    | 10,414          |
| <b>PROFIT FOR THE PERIOD</b>  |              | <b>23,503</b>                              | <b>24,450</b>   | <b>70,913</b>                             | <b>73,981</b>   |
| Attributable to:  |              |  |                 |   |                 |
| Equity holders of the parent  |              | 23,640                                     | 15,505          | 53,748                                    | 48,978          |
| Minority interests  |              | (137)                                      | 8,945           | 17,165                                    | 25,003          |
|   |              | <u>23,503</u>                              | <u>24,450</u>   | <u>70,913</u>                             | <u>73,981</u>   |
| Basic and diluted earnings per share attributable<br>to ordinary equity holders of the parent (AED) | 4            | <u>0.01</u>                                | <u>0.01</u>     | <u>0.03</u>                               | <u>0.03</u>     |

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

# National Central Cooling Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 September 2009 (Unaudited)

|   | <i>Three months<br/>ended 30 September</i> |                        | <i>Nine months<br/>ended 30 September</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>23,503</u></b>                       | <b><u>24,450</u></b>   | <b><u>70,913</u></b>                      | <b><u>73,981</u></b>   |
| <b>Other comprehensive income (loss)</b>                              |  |                        |   |                        |
| Changes in fair value of derivatives                                  | (8,138)                                    | (5,398)                | (3,694)                                   | (33,308)               |
| Changes in fair value of available<br>for sale investments            | 3,719                                      | (9,886)                | 5,787                                     | (11,405)               |
| Exchange differences arising on<br>translation of overseas operations | <u>391</u>                                 | <u>(31)</u>            | <u>(8)</u>                                | <u>(552)</u>           |
| <b>Other comprehensive income (loss)<br/>for the period</b>           | <b><u>(4,028)</u></b>                      | <b><u>(15,315)</u></b> | <b><u>2,085</u></b>                       | <b><u>(45,265)</u></b> |
| <b>TOTAL COMPREHENSIVE<br/>INCOME FOR THE PERIOD</b>                  | <b><u>19,475</u></b>                       | <b><u>9,135</u></b>    | <b><u>72,998</u></b>                      | <b><u>28,716</u></b>   |
| Attributable to:  |  |                        |   |                        |
| Equity holders of the parent  | 19,612                                     | 190                    | 55,833                                    | 3,713                  |
| Minority interests  | <u>(137)</u>                               | <u>8,945</u>           | <u>17,165</u>                             | <u>25,003</u>          |
|   | <b><u>19,475</u></b>                       | <b><u>9,135</u></b>    | <b><u>72,998</u></b>                      | <b><u>28,716</u></b>   |

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.



# National Central Cooling Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2009 (Unaudited)

|   |       | 30 September<br>2009<br>AED '000 | (Audited)<br>31 December<br>2008<br>AED '000 |
|---|-------|----------------------------------|--|
|   | Notes |                                  |  |
| <b>ASSETS</b>   |       |                                  |  |
| <b>Non-current assets</b>   |       |                                  |  |
| Capital work in progress  | 5     | 3,244,674                        | 2,764,733                                    |
| Property, plant and equipment   |       | 3,280,068                        | 2,626,587                                    |
| Intangible assets   |       | 38,878                           | 38,562                                       |
| Investments in associates   |       | 266,939                          | 243,232                                      |
| Available for sale investments  |       | 64,760                           | 58,973                                       |
| Loan to an associate  |       | 42,029                           | 42,029                                       |
|   |       | <u>6,937,348</u>                 | <u>5,774,116</u>                             |
| <b>Current assets</b>   |       |                                  |  |
| Inventories   |       | 37,378                           | 77,338                                       |
| Trade and other receivables   |       | 556,991                          | 449,279                                      |
| Financial assets carried at fair value through income statement                       |       | -                                | 58,840                                       |
| Contract work in progress   |       | 25,929                           | 207,563                                      |
| Prepayments   |       | 9,097                            | 8,787  |
| Bank balances and cash  |       | 526,573                          | 701,959                                      |
|   |       | <u>1,155,968</u>                 | <u>1,503,766</u>                             |
| <b>TOTAL ASSETS</b>   |       | <u>8,093,316</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   |       | 126,481                          | 72,733                                       |
| Foreign currency translation reserve  |       | (672)                            | (664)  |
| Cumulative changes in fair value of derivatives<br>and available for sale investments |       | (110,096)                        | (112,189)                                    |
| Convertible bond – equity component   |       | 1,301,679                        | 1,301,679                                    |
|   |       | 2,568,155                        | 2,512,322                                    |
| <b>Minority interests</b>   |       | 157,020                          | 161,766                                      |
| <b>Total equity</b>   |       | <u>2,725,175</u>                 | <u>2,674,088</u>                             |
| <b>Non-current liabilities</b>  |       |                                  |  |
| Accounts payable and accruals   |       | 96,795                           | 55,172                                       |
| Interest bearing loans and borrowings   | 7     | 915,258                          | 185,465                                      |
| Islamic financing arrangements  | 7     | 1,994,238                        | 1,669,209                                    |
| Obligations under finance lease   |       | 38,850                           | 41,272                                       |
| Convertible bond – liability component  |       | 163,165                          | 256,597                                      |
| Employees' end of service benefits  |       | 15,882                           | 17,254                                       |
|   |       | <u>3,224,188</u>                 | <u>2,224,969</u>                             |
| <b>Current liabilities</b>  |       |                                  |  |
| Bank overdrafts   |       | 142,411                          | 233,326                                      |
| Accounts payable and accruals   |       | 1,173,448                        | 1,458,051                                    |
| Advances  |       | 400,000                          | -  |
| Interest bearing loans and borrowings   | 7     | 264,061                          | 158,045                                      |
| Islamic financing arrangements  | 7     | 38,151                           | 403,576                                      |
| Convertible bond – liability component  |       | 118,518                          | 118,463                                      |
| Obligations under finance lease   |       | 7,364                            | 7,364  |
|   |       | <u>2,143,953</u>                 | <u>2,378,825</u>                             |
| <b>Total liabilities</b>  |       | <u>5,368,141</u>                 | <u>4,603,794</u>                             |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |       | <u>8,093,316</u>                 | <u>7,277,882</u>                             |

Khadem Abdulla Al Qubaisi  
CHAIRMAN

Sujit S. Parhar  
CHIEF EXECUTIVE OFFICER

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

# National Central Cooling Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 September 2009 (Unaudited)

|   | Attributable to equity holders of the parent |                             |                               |                               |  |  |   |  |                   |                                |                          |
|---|--|-----------------------------|-------------------------------|-------------------------------|--|--|---|--|-------------------|--------------------------------|--------------------------|
|   | Share capital<br>AED '000                    | Treasury shares<br>AED '000 | Statutory reserve<br>AED '000 | Retained earnings<br>AED '000 | Foreign currency translation reserve<br>AED '000 | Cumulative changes in fair value of derivatives and available for sale investments<br>AED '000 | Convertible bond - equity component<br>AED '000 | Reserve for proposed bonus issue<br>AED '000 | Total<br>AED '000 | Minority interests<br>AED '000 | Total equity<br>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   | -  | -                           | -                             | 48,978                        | -  | -  | -   | -  | 48,978            | 25,003                         | 73,981                   |
| Other comprehensive loss for the period                                   | -  | -                           | -                             | -                             | (552)  | (44,713)   | -   | -  | (45,265)          | -                              | (45,265)                 |
| Total comprehensive income (loss) for the period                          | -  | -                           | -                             | 48,978                        | (552)  | (44,713)   | -   | -  | 3,713             | 25,003                         | 28,716                   |
| Bonus shares issued   | 79,380                                       | -                           | -                             | -                             | -  | -  | -   | (79,380)                                     | -                 | -                              | -                        |
| Dividend paid to minority interests                                       | -  | -                           | -                             | -                             | -  | -  | -   | -  | -                 | (18,680)                       | (18,680)                 |
| Share capital injection by minority interest shareholders of subsidiaries | -  | -                           | -                             | -                             | -  | -  | -   | -  | -                 | 29,414                         | 29,414                   |
| Convertible bond issued   | -  | -                           | -                             | -                             | -  | -  | 1,301,679                                       | -  | 1,301,679         | -                              | 1,301,679                |
| Balance at 30 September 2008 (unaudited)                                  | 1,213,380                                    | (10,050)                    | 36,478                        | 59,708                        | (697)  | (53,222)   | 1,301,679                                       | -  | 2,547,276         | 168,708                        | 2,715,984                |
| 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   | -  | -                           | -                             | 53,748                        | -  | -  | -   | -  | 53,748            | 17,165                         | 70,913                   |
| Other comprehensive income (loss) for the period                          | -  | -                           | -                             | -                             | (8)  | 2,093  | -   | -  | 2,085             | -                              | 2,085                    |
| Total comprehensive income (loss) for the period                          | -  | -                           | -                             | 53,748                        | (8)  | 2,093  | -   | -  | 55,833            | 17,165                         | 72,998                   |
| Dividend paid to minority interests                                       | -  | -                           | -                             | -                             | -  | -  | -   | -  | -                 | (21,911)                       | (21,911)                 |
| Balance at 30 September 2009 (unaudited)                                  | 1,213,380                                    | (10,050)                    | 47,433                        | 126,481                       | (672)  | (110,096)  | 1,301,679                                       | -  | 2,568,155         | 157,020                        | 2,725,175                |

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

# National Central Cooling Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended 30 September 2009 (Unaudited)

|   | <i>Nine month<br/>period ended<br/>30 September<br/>2009<br/>AED '000</i> | <i>Nine month<br/>period ended<br/>30 September<br/>2008<br/>AED '000</i> |
|---|---|---|
| <b>OPERATING ACTIVITIES</b>   |   |   |
| Profit for the period   | 70,913  | 73,981  |
| Non cash adjustments to reconcile profit for the period to net cash flows:                        |   |   |
| Depreciation of property, plant and equipment   | 60,287  | 40,954  |
| Share of results of associates  | (16,649)  | (8,000)   |
| Net movement in employees' end of service benefits  | (1,372)   | 4,439   |
| Finance income  | (4,079)   | (13,888)  |
| Finance costs   | 68,971  | 57,346  |
| Gain on disposal of property plant and equipment  | (674)   | (782)   |
| Loss on disposal of financial assets carried at fair value through income statement               | 79  | 60  |
| Changes in fair value relating to financial assets carried at fair value through income statement | (1,325)   | 9,667   |
| Changes in fair value of derivative liability   | <u>20,100</u>   | <u>6,100</u>  |
|   | 196,251   | 169,877   |
| Working capital adjustments:  |   |   |
| Inventories   | 39,960  | (21,539)  |
| Trade and other receivables and prepayments   | (108,022)   | (91,715)  |
| Contract work in progress   | 181,634   | 14,670  |
| Accounts payable and accruals   | (45,750)  | 302,869   |
| Interest paid   | <u>(143,794)</u>  | <u>(115,882)</u>  |
| Net cash flows from operating activities  | <u>120,279</u>  | <u>258,280</u>  |
| <b>INVESTING ACTIVITIES</b>   |   |   |
| Purchase of property, plant and equipment   | (8,200)   | (81,804)  |
| Proceeds from disposal of property, plant and equipment   | 706   | 1,444   |
| Investment in associates  | (100)   | (42,861)  |
| Purchase of intangible assets   | (316)   | -   |
| Additions to available for sale investments   | -   | (69,806)  |
| Additions to capital work in progress   | (1,298,642)   | (1,444,761)   |
| Proceeds from disposal of financial assets carried at fair value through income statement         | 60,086  | 43,430  |
| Advances received   | 400,000   | -   |
| Investment in bank deposits   | -   | (395,003)   |
| Proceeds from disposal of investment in bank deposits   | 226,788   | -   |
| Interest received   | 4,079   | 13,888  |
| Net cash flows used in investing activities   | <u>(615,599)</u>  | <u>(1,975,473)</u>  |
| <b>FINANCING ACTIVITIES</b>   |   |   |
| Interest bearing loans and borrowings received  | 942,763   | 171,348   |
| Interest bearing loans and borrowings repaid  | (96,848)  | (972,020)   |
| Islamic financing arrangement received  | 368,000   | 1,000,000   |
| Islamic financing arrangement repaid  | (405,845)   | (7,295)   |
| Proceeds from issue of convertible bond   | -   | 1,656,146   |
| Coupon payment of convertible bond  | (123,250)   | -   |
| Transaction cost on interest bearing loans and borrowings   | (14,175)  | -   |
| Transaction cost on Islamic financing arrangements  | (8,675)   | (20,968)  |
| Payments for obligations under finance lease  | (2,422)   | (2,204)   |
| Share capital injection by minority interest shareholders of subsidiaries                         | -   | 29,414  |
| Dividends paid to minority interests  | <u>(21,911)</u>   | <u>(18,680)</u>   |
| Net cash flows from financing activities  | <u>637,637</u>  | <u>1,835,741</u>  |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>  | <u>142,317</u>  | <u>118,548</u>  |
| Cash and cash equivalents at 1 January  | <u>241,845</u>  | <u>368,636</u>  |
| <b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>  | <u><u>384,162</u></u>   | <u><u>487,184</u></u>   |

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 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 and its subsidiaries (the "Group") are described in note 3 to the interim condensed consolidated financial statements. 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 8 November 2009.

### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### 2.1 FUNDAMENTAL ACCOUNTING CONCEPT

At 30 September 2009, the Group's current liabilities exceeded its current assets by AED 988 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.

#### 2.2 BASIS OF PREPARATION

The interim condensed consolidated financial statements of 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 Company. 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 Group's annual consolidated financial statements for the year ended 31 December 2008. In addition, results for the nine months ended 30 September 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 requires changes in equity arising from transactions with owners in their capacity as owners (ie. owner changes in equity) to be presented in the statement of changes in equity. All other changes in equity (ie. non-owner changes in equity) are required to be presented separately in a performance statement (statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

##### *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 September 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 minor 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 nine months ended 30 September 2009 and 2008, respectively.

|   | Chilled<br>water<br>AED '000 | Contracting<br>AED '000 | Manufacturing<br>AED '000 | Services<br>AED '000 | Others<br>AED '000 | Eliminations<br>AED '000 | Total<br>AED '000    |
|---|------------------------------|-------------------------|---------------------------|----------------------|--------------------|--------------------------|----------------------|
| <b>Nine months ended 30 September 2009 (unaudited):</b> |                              |                         |                           |                      |                    |                          |                      |
| <b>Revenue</b>  |                              |                         |                           |                      |                    |                          |                      |
| External revenue  | 258,478                      | 126,543                 | 129,362                   | 43,794               | 12,527             | -                        | 570,704              |
| Inter-segment revenue                                   | <u>1,607</u>                 | <u>-</u>                | <u>527</u>                | <u>2,948</u>         | <u>5,883</u>       | <u>(10,965)</u>          | <u>-</u>             |
| <b>Total revenue</b>                                    | <b>260,085</b>               | <b>126,543</b>          | <b>129,889</b>            | <b>46,742</b>        | <b>18,410</b>      | <b>(10,965)</b>          | <b>570,704</b>       |
| <b>Results</b>  |                              |                         |                           |                      |                    |                          |                      |
| Segment results   | <u>74,109</u>                | <u>32,387</u>           | <u>36,043</u>             | <u>14,021</u>        | <u>(1,901)</u>     | <u>-</u>                 | <u>154,659</u>       |
| Finance costs   |                              |                         |                           |                      |                    |                          | (68,971)             |
| Changes in fair value of derivative liability           |                              |                         |                           |                      |                    |                          | (20,100)             |
| Finance income  |                              |                         |                           |                      |                    |                          | 4,079                |
| Changes in fair value of investments, net               |                              |                         |                           |                      |                    |                          | <u>1,246</u>         |
| <b>Profit for the period</b>                            |                              |                         |                           |                      |                    |                          | <b><u>70,913</u></b> |
| <b>Nine months ended 30 September 2008 (unaudited):</b> |                              |                         |                           |                      |                    |                          |                      |
| <b>Revenue</b>  |                              |                         |                           |                      |                    |                          |                      |
| External revenue  | 202,978                      | 83,121                  | 128,090                   | 71,696               | 12,458             | -                        | 498,343              |
| Inter-segment revenue                                   | <u>2,823</u>                 | <u>-</u>                | <u>1,068</u>              | <u>6,052</u>         | <u>4,073</u>       | <u>(14,016)</u>          | <u>-</u>             |
| <b>Total revenue</b>                                    | <b>205,801</b>               | <b>83,121</b>           | <b>129,158</b>            | <b>77,748</b>        | <b>16,531</b>      | <b>(14,016)</b>          | <b>498,343</b>       |
| <b>Results</b>  |                              |                         |                           |                      |                    |                          |                      |
| Segment results   | <u>49,578</u>                | <u>19,809</u>           | <u>28,925</u>             | <u>37,632</u>        | <u>(2,678)</u>     | <u>-</u>                 | <u>133,266</u>       |
| Finance costs   |                              |                         |                           |                      |                    |                          | (57,346)             |
| Finance income  |                              |                         |                           |                      |                    |                          | 13,888               |
| Changes in fair value of derivative liability           |                              |                         |                           |                      |                    |                          | (6,100)              |
| Changes in fair value of investments, net               |                              |                         |                           |                      |                    |                          | <u>(9,727)</u>       |
| <b>Profit for the period</b>                            |                              |                         |                           |                      |                    |                          | <b><u>73,981</u></b> |

Inter-segment revenues are eliminated on consolidation.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
30 September 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<br/>ended 30 September</i> |                  | <i>Nine months<br/>ended 30 September</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)      | <b>23,640</b>                              | 15,505           | <b>53,748</b>                             | 48,978           |
| Weighted average number of ordinary shares (excluding treasury shares) outstanding during the period ('000)                | <b>1,203,330</b>                           | 1,203,330        | <b>1,203,330</b>                          | 1,203,330        |
| Effect of convertible bonds ('000)   | <u><b>674,603</b></u>                      | <u>674,603</u>   | <u><b>674,603</b></u>                     | <u>329,806</u>   |
| Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of convertible bonds ('000) | <u><b>1,877,933</b></u>                    | <u>1,877,933</u> | <u><b>1,877,933</b></u>                   | <u>1,533,136</u> |
| Basic and diluted earnings per share (AED)   | <u><b>0.01</b></u>                         | <u>0.01</u>      | <u><b>0.03</b></u>                        | <u>0.03</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 CAPITAL WORK IN PROGRESS**

During the nine month period ended 30 September 2009 the Group has incurred expenditure of AED 1,186 million (period ended 30 September 2008: AED 1,404 million) primarily relating to construction of district cooling plants.

**6 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.

**7 INTEREST BEARING LOANS AND BORROWINGS AND ISLAMIC FINANCING ARRANGEMENTS**

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 September 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 September 2009 the Company has fully availed the facility.

# National Central Cooling Company PJSC

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

### 7 INTEREST BEARING LOANS AND BORROWINGS AND ISLAMIC FINANCING ARRANGEMENTS continued

In July 2009, the Company obtained an interest bearing loan of AED 750 million from a local bank, repayable in a single bullet payment in June 2011. The loan carries interest rate at EIBOR plus a margin. The loan is secured against property plant and equipment.

In July 2009, the Company obtained a short term borrowing facility of AED 29.4 million from a managed fund, repayable on demand and secured against the Company's investment in that managed fund (classified as available for sale investment). The facility carries interest rate at LIBOR plus a margin. As at 30 September 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>Drawdowns</i><br><i>AED '000</i> | <i>Repayments</i><br><i>AED '000</i> |
|--------------------------------|-------------------------------------|--------------------------------------|
| Interest bearing loans         | 942,763                             | 96,848                               |
| Islamic financing arrangements | 368,000                             | 405,845                              |

### 8 COMMITMENTS

The authorised capital expenditure (including the share of Company's interest in the joint venture investments) contracted for at 30 September 2009 but not provided for amounted to AED 1,265 million (31 December 2008: AED 2,280 million).

The notional amount of the Company's currency and interest rate swap and cap deals outstanding at 30 September 2009 was AED 1,814 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 September 2009 was AED 98 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 September</i><br><i>2009</i><br><i>AED '000</i> | <i>31 December</i><br><i>2008</i><br><i>AED '000</i> |
|----------------------------|---|--|
| Performance guarantees     | 58,891  | 45,686   |
| Advance payment guarantees | 20,471  | 12,776   |
| Financial guarantees       | <u>10,587</u>   | <u>45,137</u>  |
|                            | <u>89,949</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 4.3 million (31 December 2008: AED 2.2 million) and investment in a managed fund with a carrying amount of AED 60.4 million (31 December 2008: AED 56.7 million).



# National Central Cooling Company PJSC

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

### 10 INVESTMENTS, BANK BALANCES AND CASH continued

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 September<br/>2009<br/>AED '000</i> | <i>31 December<br/>2008<br/>AED '000</i> |
|-------------|---|--|
| Within UAE  | 468,669                                   | 612,565                                  |
| Outside UAE | <u>122,664</u>                            | <u>207,207</u>                           |
|             | <u>591,333</u>                            | <u>819,772</u>                           |

