

National Central Cooling Company PJSC Tabreed

31 October 2012



Q3 2012 Results Presentation

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Agenda

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

Jasim Thabet

- Jasim Thabet was appointed as Tabreed's Chief Executive Officer in August 2012
- Significant experience in the regional infrastructure and utilities industries, including the district cooling sector
- Prior to joining Tabreed, Jasim was Vice-President in Mubadala Development Company's Industry Unit
- He was also instrumental in the successful completion of major cooling infrastructure projects valued at over AED 1.2 billion
- Before joining Mubadala in 2009, Jasim held the position of Senior Project Manager at General Electric Power Systems



Overview

District cooling is an essential utility service in the region

It has a number of benefits over traditional air conditioning:

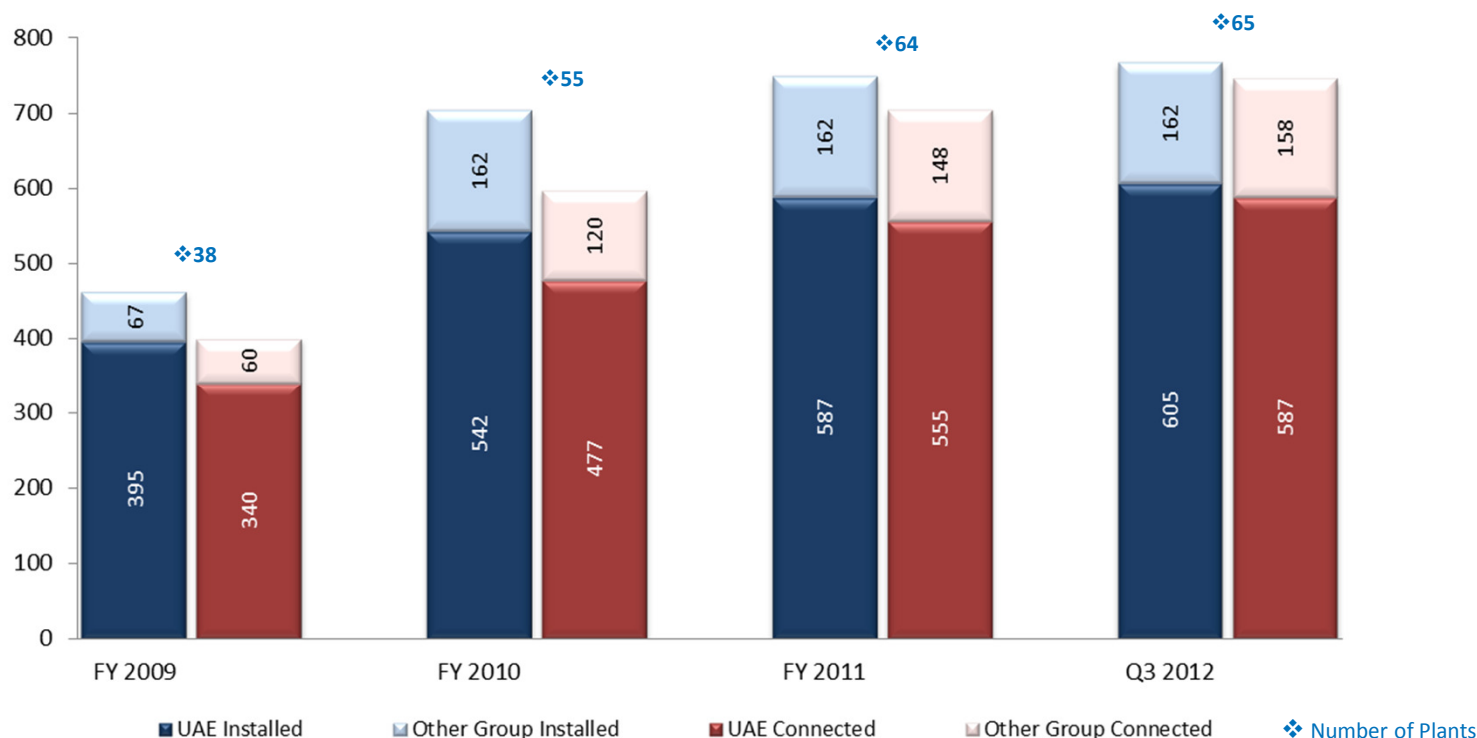
- Lower life cycle costs
- Lower operating costs
- Property owner benefits
- Energy reduction for governments
- Environmentally friendlier

Tabreed's Competitive Advantage



Operational Review

Operational Achievements



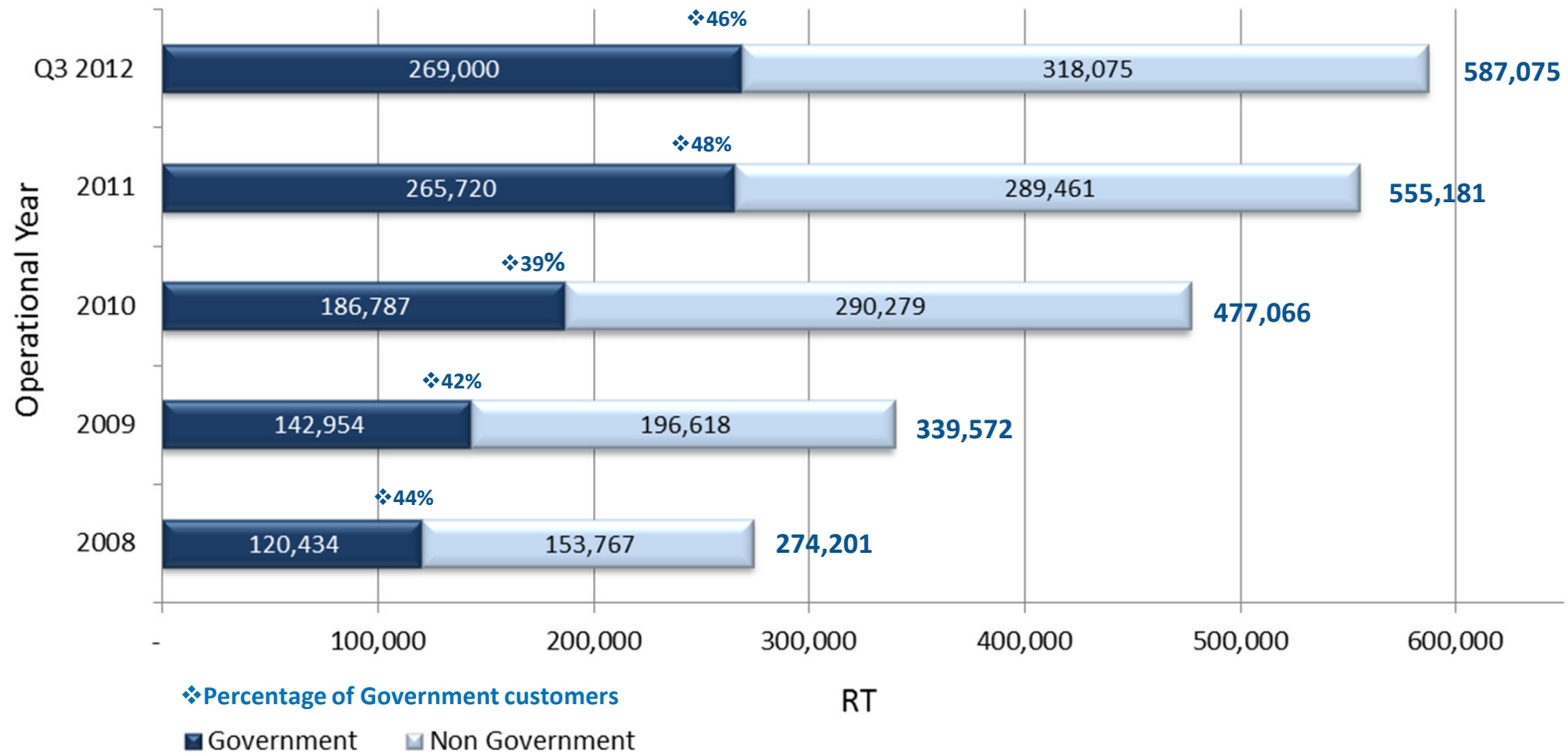
Group

- Installed Capacity remains unchanged this quarter at 767,125 RT across 65 plants
- Connected Capacity for the Group increased to 745,025 RT and is now 97% of Installed Capacity

UAE

- UAE Installed Capacity 605,325 RT * (gross) across 59 plants
- Total Connected Capacity of Chilled Water for the UAE in Q3 2012 was (gross) 587,075 RT, 97% of total Installed Capacity

Long-term, Stable, Customer Base



- The graph shows the split in the UAE Connected Capacity between our government and non government customers
- At the end of September 2012, 46% of our Capacity has been contracted to government clients
- These are long term stable contracts with guaranteed returns from well established government entities

Q3 2012 Results Summary

Financial Highlights

Strong Q3 2012 results continue to demonstrate strength of our underlying business

- Q3 2012 Revenue up 5% to AED 326.4m (Q3 2011: AED 309.8m)
- Q3 2012 Operating Profit up by 19% to AED 104.4m (Q3 2011: AED 87.4m)
- Q3 2012 Net Profit attributable to Parent up by 35% to AED 73.0m (Q3 2011: AED 54.1m)

Operational Highlights

Focus on Chilled Water

- Increased contribution from Chilled Water – Contribution to EBITDA up to 97% (Q3 2011: 94 %)
- Utility efficiency gains and cost discipline continue
- Additions to Connected Capacity – 17,769 RT

Value Chain Businesses

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

Financial & Operational Metrics

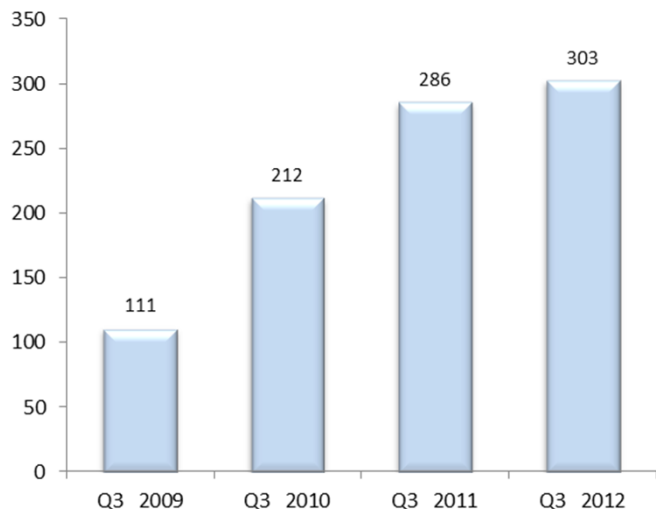
Key Metrics - UAE	Q3 2012	Q3 2011	% Change	Comment	FY 2011
Number of Plants	59	60	-2%	2 small plants closed (total of 400 RT) One new plant in Q1 2012	58
Installed Capacity (RT)	605,325	587,725	3%	Increase of 18,000 RT in 2012	587,325
Connected Capacity (RT)	587,075	554,985	6%	Increase of 32,090 RT since Q3 2011	555,181
Percentage of Installed Capacity	97%	94%			95%
EBITDA margin	43%	38%			44%
Capex Payments (AED m)	123	521	-76%		607
Net Debt:EBITDA *	6.4x	7.6x			7.2x
Loan to cost	52%	54%			51%

Financial Review

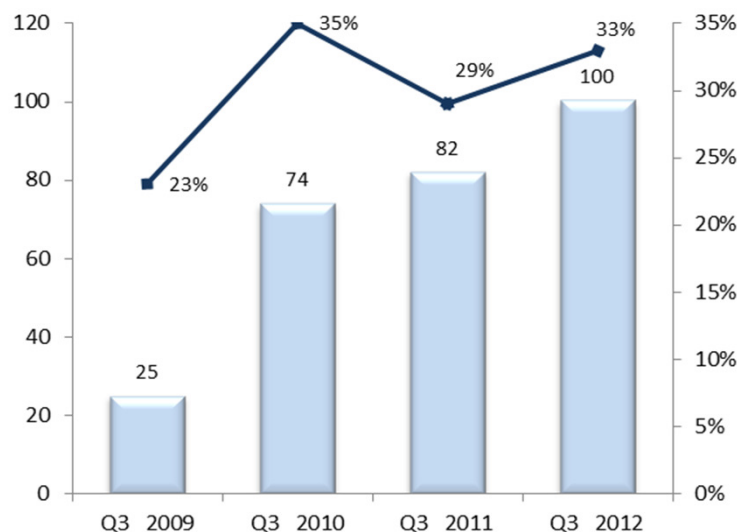
Chilled Water

Contribution to Revenue 93% (Q3 2011: 92%)

Revenue (AED m)



Profit from Operations (AED m)



◆ Segment Margin

Key Metrics (AED m)	Q3 2012	Q3 2011	% Change
Revenues	302.7	285.9	6%
Operating Costs	(172.8)	(172.1)	-
Gross Profit	129.9	113.8	14%
Profit from Operations	100.4	82.1	22%
Operating Profit Margin	33%	29%	
EBITDA Margin	44%	39%	

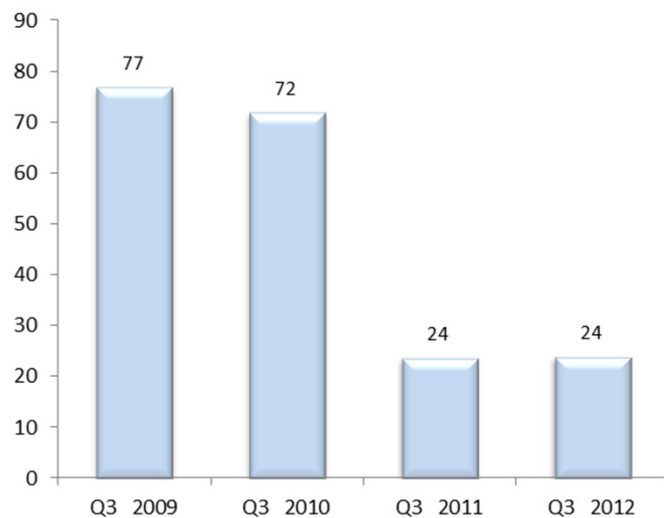
- Revenues increased
 - 11 new plants have come online in Q3 2011 and we are now seeing the full impact
- Chilled Water has contributed 96% of our Profit from Operations for Q3 2012
- Operating Profit Margin increased to 33% (Q3 2011: 29%), driven by new connections and operational efficiencies
- Profit from Operations grew 22% from AED 82.1m to AED 100.4m, due to rising revenues when our corporate cost base is relatively fixed
- EBITDA of AED 134.3m against AED 112.2m in Q3 2011

Value Chain Businesses

Contribution to Revenue 7%
(Q3 2011: 8%)

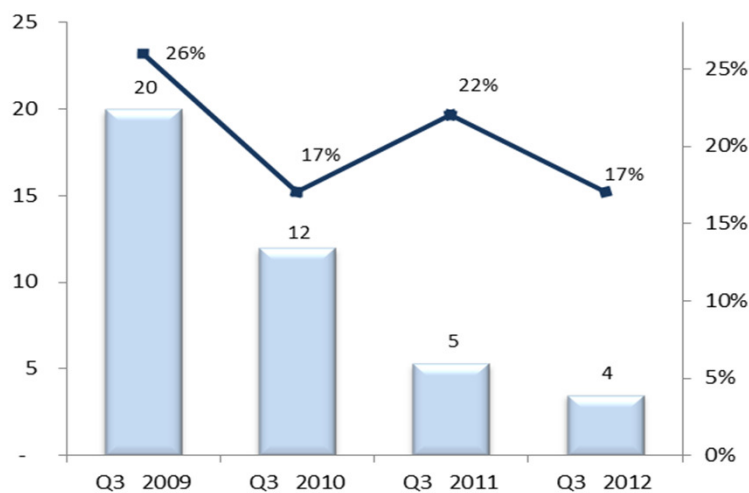


Revenue
(AED m)



Key Metrics (AED m)	Q3 2012	Q3 2011	% Change
Revenues	23.6	23.8	-1%
Operating costs	(13.8)	(11.9)	1%
Gross Profit	9.8	11.9	-18%
Profit from Operations	4.0	5.3	-24%
Operating Profit Margin	17%	22%	
EBITDA Margin	20%	29%	

Profit from Operations
(AED m)



- 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 24% to AED 4.0m (Q3 2011: AED 5.3m)
- Reduction in margins – Operating Profit margin reduced from 22% to 17%
- EBITDA of AED 4.8m against AED 6.8m in Q3 2011, with EBITDA margin reducing from 29% to 20%

◆ Segment Margin

Q3 2012 Financial Highlights

- Revenues increased by 5% driven by Chilled Water
- Costs are consistent with the same quarter last year due to continued cost control, efficiencies and economies of scale
- The 19% increased in Operating Profit is driven by the core Chilled Water Business
- Net finance costs reduced by 8% as EIBOR rates have reduced, and we have higher deposit income
- Net Profit attributable to Parent increased by 35%
- EBITDA is now AED 139.1m, a 17% increase from the same period last year

Key Figures – Unaudited Consolidated Financials			
	3 months ended 30 September		
<i>All figures in AED m</i>	2012	2011	% change
Revenues	326.4	309.8	5%
Operating Costs	(186.6)	(184.0)	1%
Gross Profit	139.8	125.8	11%
<i>Gross Profit Margin</i>	43%	41%	
Admin & Other Expenses	(35.3)	(38.4)	-8%
Operating Profit	104.4	87.4	19%
<i>Operating Profit Margin</i>	32%	28%	
Net Finance Costs	(41.4)	(45.1)	-8%
Share of Results of Associates	9.6	10.2	-6%
Net Profit attributable to Parent	73.0	54.1	35%
EBITDA	139.1	119.1	17%
Capex incurred	14.0	147.0	

YTD 2012 Financial Highlights

- Whilst the core Chilled Water Revenue increased 5%, total revenue remains unchanged
- Operating Costs are down 5% mainly due to the contraction of the Value Chain Businesses
- Operating Profit is up 13% as a result of the continued improvement in the Chilled Water Business
- Net finance costs reduced by 26% 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 29%
- EBITDA of AED 362.2m, a 12% increase from the same period last year

Key Figures – Unaudited Consolidated Financials			
	9 months ended 30 September		
<i>All figures in AED m</i>	2012	2011	% change
Revenues	842.0	842.0	-
Operating Costs	(473.0)	(496.9)	-5%
Gross Profit	369.1	345.1	7%
<i>Gross Profit Margin</i>	44%	41%	
Admin & Other Expenses	(107.6)	(112.9)	-5%
Operating Profit	261.4	232.2	13%
<i>Operating Profit Margin</i>	31%	28%	
Net Finance Costs	(128.6)	(174.7)	26%
Share of Results of Associates	32.9	35.0	-6%
Net Profit attributable to Parent	167.6	129.8	29%
EBITDA	362.2	323.7	12%
Capex incurred	57.0	487.0	

Summary

Financial and Operational Successes

Q3 2012

- **Robust Q3 2012 results**
 - Q3 2012 Revenue up 5% to AED 326.4m (Q3 2011: AED 309.8m)
 - Q3 2012 Operating Profit up 19% to AED 104.4m (Q3 2011: AED 87.4m)
 - Q3 2012 Net Profit attributable to Parent up by 35% to AED 73.0m (Q3 2011: AED 54.1m)
- **Strong cash generating capability**
 - Q3 2012 Group EBITDA up by 17% to AED 139.1m (Q3 2011: AED 119.1m)

YTD 2012

- **Strong results for YTD 2012**
 - YTD 2012 Chilled Water Revenue up 5% to AED 747.6m (YTD 2011: AED 711.5m)
 - YTD 2012 Operating Profit up 13% to AED 261.4m (YTD 2011: AED 232.2m)
 - YTD 2012 Net Profit attributable to Parent up by 29% to AED 167.6m (YTD 2011: AED 129.8m)
- **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 274m for the full year 2011. We are now at AED 255.9m for the first nine months of 2012
- **Management continues to focus on building the business and creating value for shareholders:**
 - Delivering on our business plan
 - Maximizing the yield from existing plants
 - Enhancing organizational and operational efficiencies
 - Achieving our 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



Q & A

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