



# National Central Cooling Company PJSC

28 April 2014

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# Agenda

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- Our 15 Year Journey
- Headline Performance
- Operational and Financial Highlights
- Chilled Water Performance
- Summary

# Our 15 Year Journey

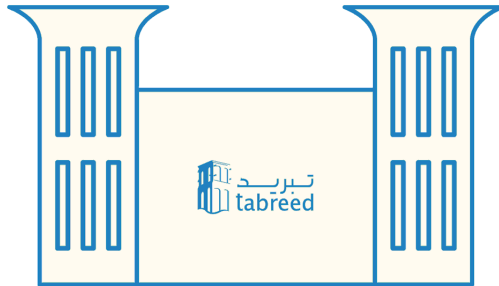
## World's Largest District Cooling Company

### Iconic Projects

66 Plants in the GCC

...delivering 856,000 RT

...equivalent to cooling  
85 Burj Khalifa towers



..of  
cooling  
to our  
clients



## High Contributor to the Environment

### Energy Efficiency

1.2 billion kWh

2013 reduction in energy consumption in the GCC by using our energy-efficient and environmentally-friendlier cooling services



40,000



Enough energy to power up to 40,000 homes in the UAE every year

### Elimination of

570,000 tons

Of CO<sub>2</sub> eliminated in 2013



110,000



The equivalent of removing 110,000 cars from our streets every year



Ferrari World



Dubai Metro



The Pearl Qatar

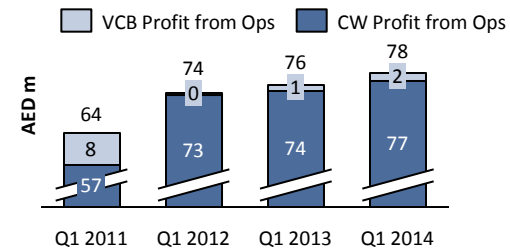


Jabal Omar Project  
The Holy City of Mecca

# Headline Performance

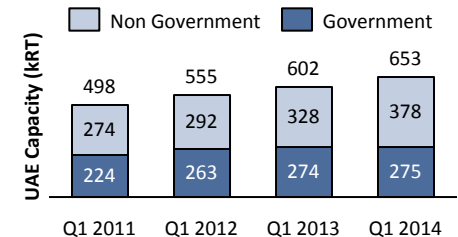
## Strong focus on Core Business

- Chilled Water Revenue up 3% to AED 208.2m
- 3% increase in Chilled Water Profit from Operations
- CW business represents 97% of Profit from Operations



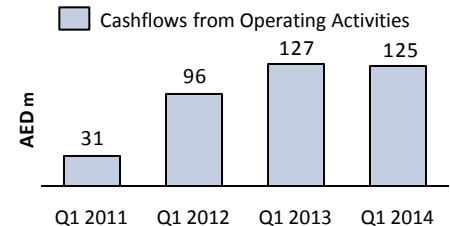
## Long-term stable customer base

- 42% of UAE capacity contracted to UAE Government clients
- 155,000 RT increase in UAE capacity contracted since 2011



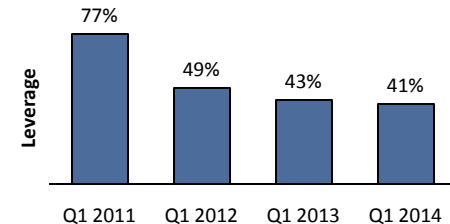
## Strong cash generation

- AED 125m of cash generated from operations
- Annualised growth of 59% since 2011
- Cash dividend paid to shareholders – second year in a row



## Reduction in leverage

- Meeting all debt obligations
- Over 35% reduction in leverage since the completion of the recapitalisation

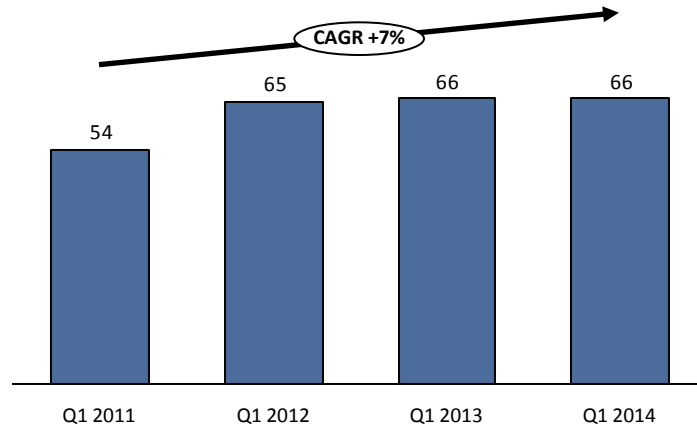


## Well Positioned for Growth

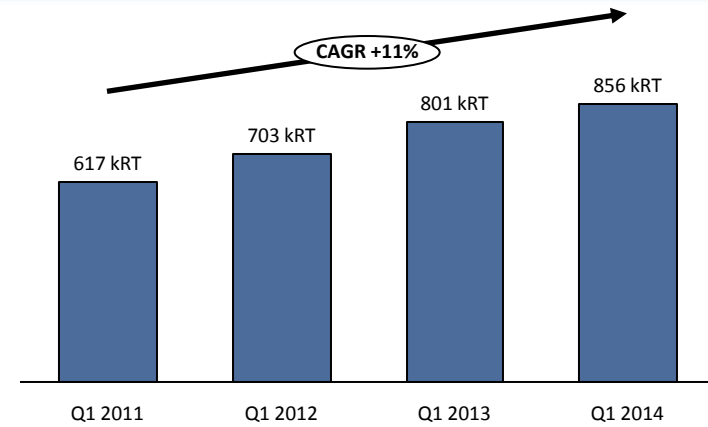
**2000-2011** Build the Plants    **2012** Connect the Customers    **2013** Collect the Cash

# Operational Highlights

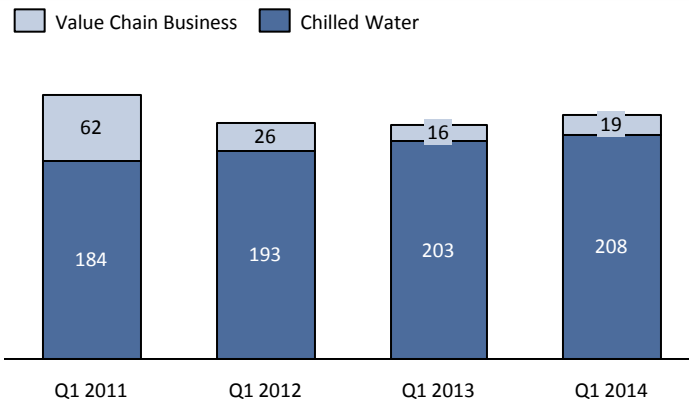
## Number of Plants



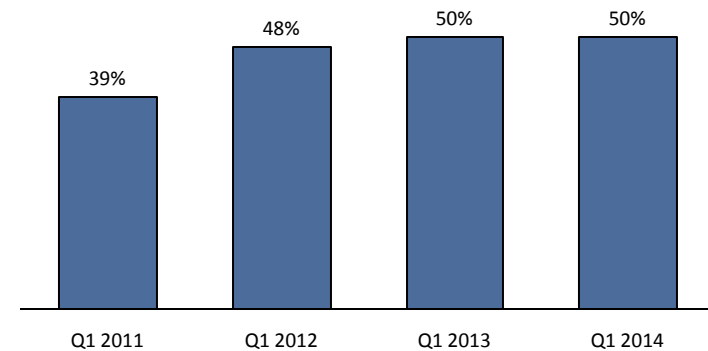
## Gross Capacity



## Group Revenue (AED m)



## Group EBITDA Margin



**Consistent and sustainable results, as expected from a utility infrastructure business**

# Financial Highlights – Income Statement

Unaudited Consolidated Financials (AED m)	Q1 2014	Q1 2013	
Revenue	227.2	218.6	4% increase in revenue
<i>Chilled Water (92% of revenue)</i>	208.2	202.7	
<i>Value Chain Businesses (8% of revenue)</i>	19.0	15.9	
Operating Costs	(108.2)	(106.9)	
<b>Gross Profit</b>	<b>119.0</b>	<b>111.7</b>	
<i>Gross Profit Margin</i>	52%	51%	1% increase in gross profit margin, due to focus on CW
Admin & Other Expenses	(40.7)	(36.1)	13% increase as vacancies for 2013 have now been filled
<b>Profit from Operations</b>	<b>78.3</b>	<b>75.6</b>	
<i>Operating Profit Margin</i>	34%	35%	
Net Finance Costs	(32.7)	(38.7)	15% reduction due to lower EIBOR rates and debt repayment
Share of Results of Associates	11.4	10.4	10% increase driven by Qatar Cool
<b>Net Profit attributable to Parent</b>	<b>58.2</b>	<b>47.8</b>	22% year on year growth
<b>EBITDA</b>	<b>112.8</b>	<b>110.4</b>	
<i>EBITDA Margin</i>	50%	50%	

**Transformation into a utility infrastructure business complete enabling stable, steady results**

# Financial Highlights – Balance Sheet

Unaudited Consolidated Financials (AED m)	Q1 2014	Q1 2013	
Fixed Assets	6,637.3	6,748.9	
Associates and Joint Ventures	537.4	471.1	14% increase, mainly as a result of increased profits from Qatar Cool
Accounts Receivable	264.6	377.9	30% reduction as a result of continued focus on cash collections
Other Receivables & Prepayments	174.1	146.6	
Cash and Short Term Deposits	732.7	597.2	Higher cash generation, together with debt repayments, dividends and MCB cash coupon payments
Other Assets	139.3	123.4	
<b>Total Assets</b>	<b>8,485.4</b>	<b>8,465.1</b>	
Equity and Reserves	2,223.3	2,118.3	
Mandatory Convertible Bonds – equity portion	2,487.0	2,353.1	Dividend paid in shares to the bondholder (issued in May 2013)
Debt	3,076.7	3,313.6	Debt repayment now every 6 months
Other Liabilities	698.3	680.1	
<b>Total Liabilities and Equity</b>	<b>8,485.3</b>	<b>8,465.1</b>	

Balance sheet continues to show strength and the benefit of receivables optimization



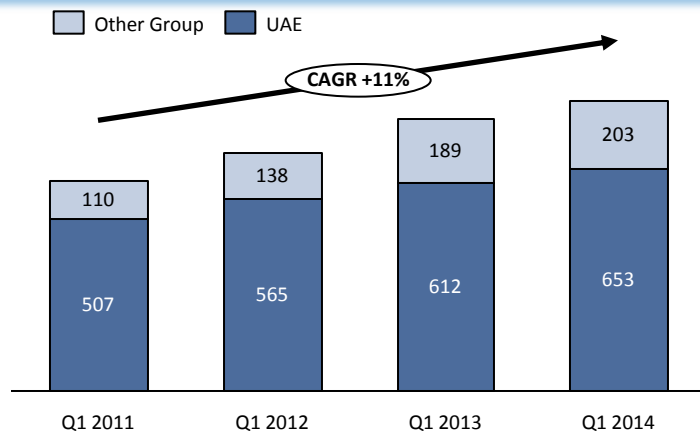
# Financial Highlights – Cashflow

Unaudited Consolidated Financials (AED m)	Q1 2014	Q1 2013	
EBITDA for the period	112.8	110.4	
Finance Income relating to Finance Lease receivable	(30.4)	(30.5)	
Lease Rentals received	35.9	36.0	
Working Capital Adjustments	6.2	10.8	
<b>Net Cashflows from Operating Activities</b>	<b>124.5</b>	<b>126.7</b>	• Strong stable cashflows, as expected from a utility infrastructure business
Investing Activities	(10.1)	(26.7)	
Financing Activities	(52.1)	(63.2)	• Driven by Tabreed debt repayments and MCB cash coupon payments
<b>Net Movement in Cash and Cash Equivalents</b>	<b>62.3</b>	<b>36.8</b>	• 70% increase Year on Year
Cash and Cash Equivalents at 1 January	670.4	560.4	• Significant improvement in collection of receivables in 2013
<b>Cash and Cash Equivalents at 31 March</b>	<b>732.7</b>	<b>597.2</b>	• Higher cash available for future growth opportunities

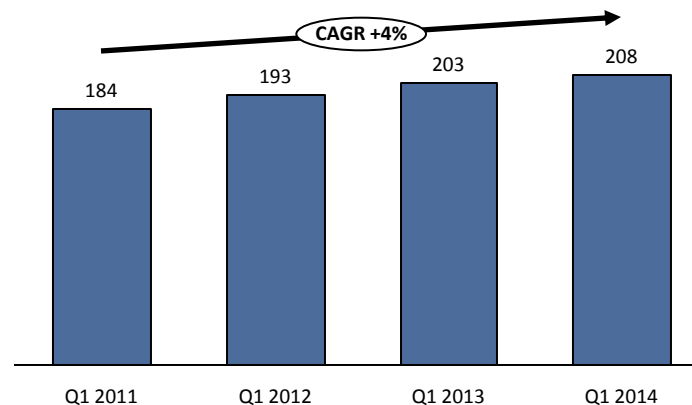
**Continued strong cashflows, positioning us well for future growth**

# Chilled Water Performance

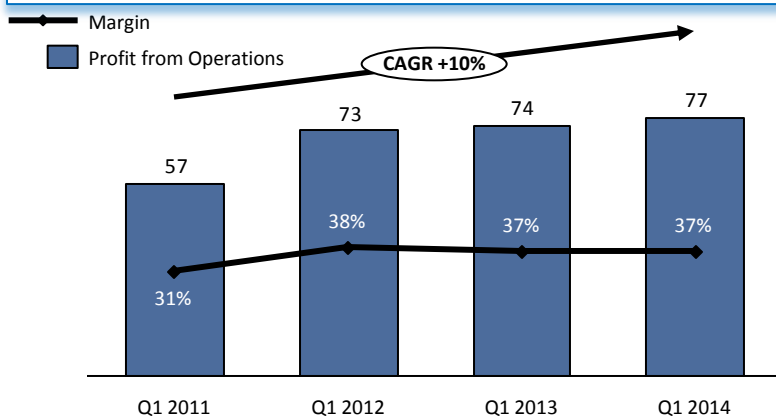
## Gross Capacity (kRT)



## Revenue (AED m)



## Profit from Operations (AED m)



Chilled Water (AED m)	UAE	Bahrain	Qatar	Other	Total
Revenue	201.1	4.7	-	2.4	208.2
Operating Costs	(92.3)	(3.5)	-	(0.6)	(96.4)
<b>Gross Profit</b>	<b>108.8</b>	<b>1.2</b>	-	<b>1.8</b>	<b>111.8</b>
<i>Gross Profit Margin</i>	54%	26%	-	75%	54%
<b>Profit from Operations</b>	<b>76.0</b>	<b>(0.2)</b>	-	<b>0.8</b>	<b>76.6</b>
<b>Share of results of Associates</b>	<b>3.3</b>	-	<b>5.6</b>	<b>2.5</b>	<b>11.4</b>

**Core Chilled Water business continues to deliver consistent performance**

## Why District Cooling?

- Air conditioning is an absolute necessity in the GCC
- District Cooling enables a 50% reduction in energy consumption and carbon footprint
- District Cooling is 16% cheaper than conventional cooling

## Why Tabreed?

- Tabreed is the largest utility infrastructure business offering cooling services in the Middle East
- Proven track record in its operations and the industry leading in-house O & M team
- Long-term, stable, price certain contracts with guaranteed returns
- 42% of contracts with UAE Government entities

## Robust Financial Results

- Q1 2014 Chilled Water Revenue up 3% to AED 208.2m
- Q1 2014 Net Profit attributable to Parent now at AED 58.2m, up 22%
- Q1 2014 Group EBITDA up 2% to AED 112.8m
- Q1 2014 Cashflow from Operations at AED 124.5m
- Strong cash generating ability, enabling reduction in leverage to 41%

## Core Business Focus Delivering Value

- Robust financial results with strong cashflows
- Cash dividend 5 fils per share
- Delivering on its strategy; enhancing value from existing plants while maximizing operational efficiencies
- Evolution from a business in development to a low risk utility infrastructure business

## Well positioned for growth

- GCC economies continue to grow and district cooling is a vital component of economic growth
- Tabreed is well positioned to capitalize on future growth opportunities

## Q & A

# Contact Details

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For further information please contact

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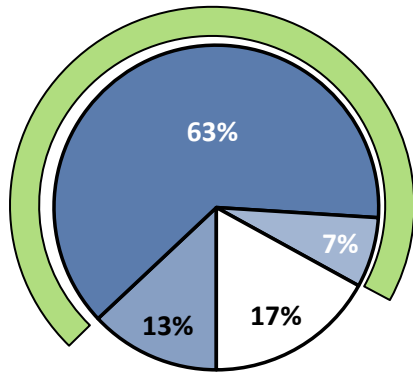
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# Appendix

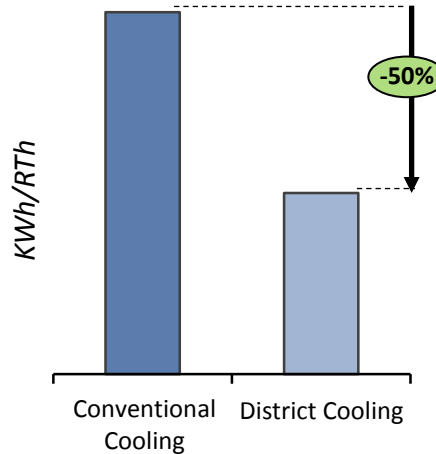
# Tabreed's Story

Overall cooling represents **70%** of the GCC's energy peak consumption...

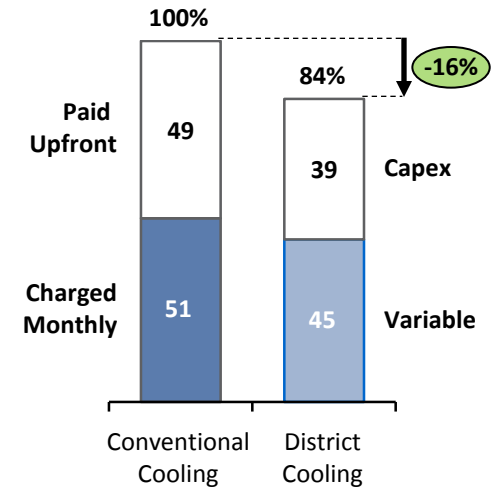


■ Industry      ■ Conventional Cooling  
■ District Cooling      ■ Other

...District Cooling (DC) is **50%** more energy efficient than Conventional Cooling (CC)...



...DC comes at ~**16%** lower life cycle cost than CC



Translates into substantial energy, economic and environmental benefits



## Ferrari World Abu Dhabi

- 15 million kWh - Reduction in Energy Consumption per Year
- AED 2 million - Cost Savings per Year
- 6,900 Tons - Reduction in Carbon Dioxide Emissions per Year



## Etihad Towers

- 19 million kWh - Reduction in Energy Consumption per Year
- AED 2.8 million - Cost Savings per Year
- 8,500 Tons - Reduction in Carbon Dioxide Emissions per Year

# Company Overview

## World's Largest District Cooling Company

- 60 district cooling plants across the UAE and an additional 6 district cooling plants across the GCC
- Total connected capacity of 856,000 RT
- Over 23,000 shareholders including Mubadala, ACWA and the Retirement fund

## Operational Excellence & Reliability

- Provides energy efficient district cooling systems with highest reliability
- Continuous operational improvements; (e.g. 10% electricity and 13% water efficiency gains over last 4 years)
- ~12,000 RT in temporary mobile capacity available for any interruption risk

## O&M Excellence

- Strong, committed O&M employees guaranteeing around the clock full availability and reliability of equipment
- Operate 11 third party plants
- Centre of excellence for training of JV operators and subsidiaries

## Track Record

- Providing critical cooling infrastructure to government, commercial, residential and private organizations in the GCC since 1998
- Historically high levels of reliability

## Regional Presence

- Owns and operates numerous plants in the GCC, including Bahrain, Oman, Saudi Arabia, and Qatar (including the world's largest district cooling plant in The Pearl, with a capacity of 130,000 RT)
- 600 employees in the UAE and 300 outside of the UAE

## Partner of Choice

- Some of the high profile projects include Yas Island, Sheikh Zayed Grand Mosque, Dubai Metro, Etihad Towers, The Pearl Qatar, Bahrain Financial Harbour and Saudi Aramco
- District cooling partner for leading developers (for example, Aldar)

