

National Central Cooling Company PJSC

23 July 2015



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Agenda

1. Introduction and Operational Highlights

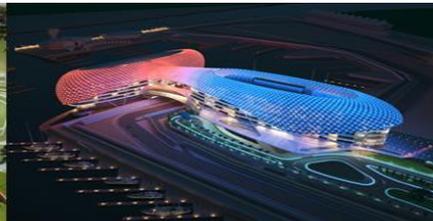
Jasim Thabet, CEO

2. Financial Results

Steve Ridlington, CEO

3. Conclusion

Jasim Thabet, CEO



OUR VISION

As an integral part of the region's growth, Tabreed will be the leading utility company, delivering and operating district cooling infrastructure, while creating sustainable value for our shareholders as we maintain the comfort of the communities we serve.

1

EFFICIENT AND ENVIRONMENT FRIENDLY OPERATION

We harness the most efficient technology and utilize our extensive experience to deliver reliable and energy efficient cooling solutions that are environmentally friendly

2

SHAREHOLDER RETURNS

We generate sustainable long-term returns for our stakeholders

3

BE A REGIONAL LEADER

As the region's preferred provider of cooling solutions, we focus on our customers' needs and deliver comfort, value and service to all the communities we serve.



Achievements at a glance

One of the World's Largest District Cooling Companies

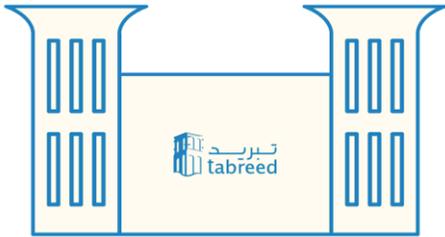
Iconic Projects

69 Plants in the GCC

...delivering 953,000 RT

...equivalent to cooling 96 Burj Khalifa towers

220,000+ RT growth in connections since 2012



..of cooling to our clients



High Contributor to Environmental Savings

Energy Efficiency

1.27 billion kWh

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



42,000



Enough energy to power up to 42,000 homes in the UAE every year



Elimination of

600,000 tons

Yearly elimination of CO₂



116,000



The equivalent of removing 116,000 cars from our roads every year



MCB repurchase approved

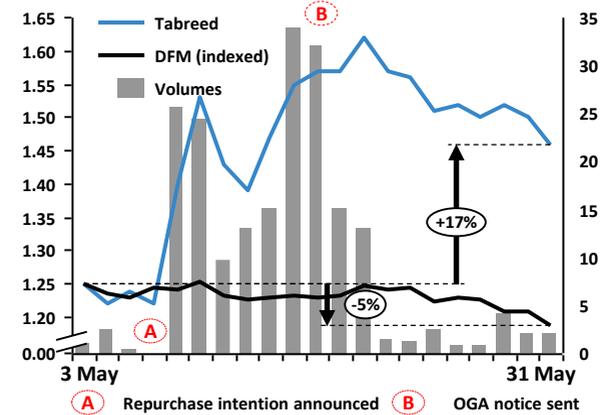
Repurchase process

- Leveraging its improved credit profile and availability of funding at attractive rates, Tabreed has substituted MCBs, which attract coupons and dividends, with cheaper debt financing
- The transaction was unanimously approved by voting shareholders at an OGA attended by 55% of shareholders. The repurchase was completed on 1 July 2015
- The market and analysts reacted positively to the news and Tabreed's share price rallied (+17% vs -5% for DFM in May)

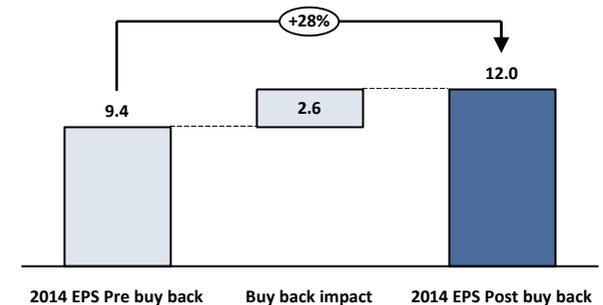
Financial Impact

- Repurchase of 28% MCBs will lead to financing cash flow savings of AED 30m per annum due to replacement of coupon and dividends with finance cost on loans
- The transaction also results in a 22% reduction in potential ordinary shares leading to a 28% increase in earnings per share (EPS) assuming no change in net income

Tabreed beats DFM index in May



Impact on annual EPS (fils/share)



MCB repurchase resulted in all ordinary shareholders owning 28% more of Tabreed and begins to address the minority shareholder's dilution concerns along with cash flow savings for Tabreed and increase in EPS



Headline Performance

Long-term stable customer base

- 45% of UAE capacity contracted to UAE Government clients
- 9% annual growth in connected capacity since 2012
- 110kRT increase in UAE capacity contracted since 2012

Strong earnings growth and payout

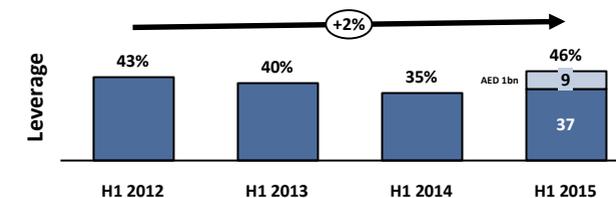
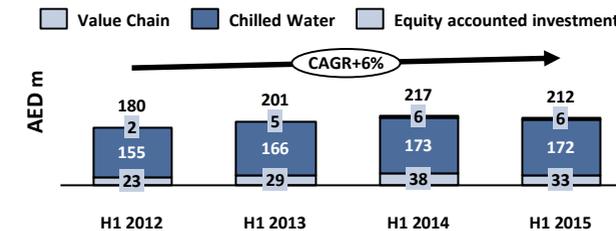
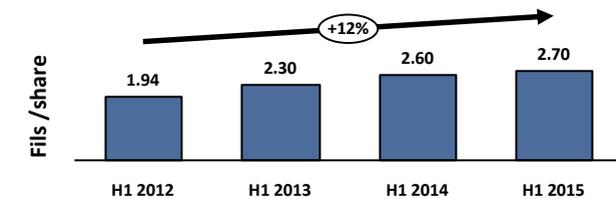
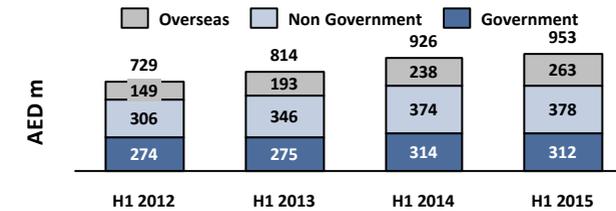
- 12% annual growth in EPS since 2012 with further increase in prospect from 1 July 2015 after MCB repurchase
- 5% cash dividend (AED 173m) paid out to all shareholders in April
- Predictability in quarterly earnings due to high contribution from fixed charges in chilled water revenue

Strong operating performance

- 6% annual increase in Operating profit since 2012
- Cost efficiencies and economies of scale increase income margin
- Achieved 3 million man- hours without any Lost Time Injury (LTI), a significant HSE milestone.

Stable Leverage ratios

- Bank leverage up due to substitution of MCBs for debt
- Leverage ratios in line with global utility industry averages

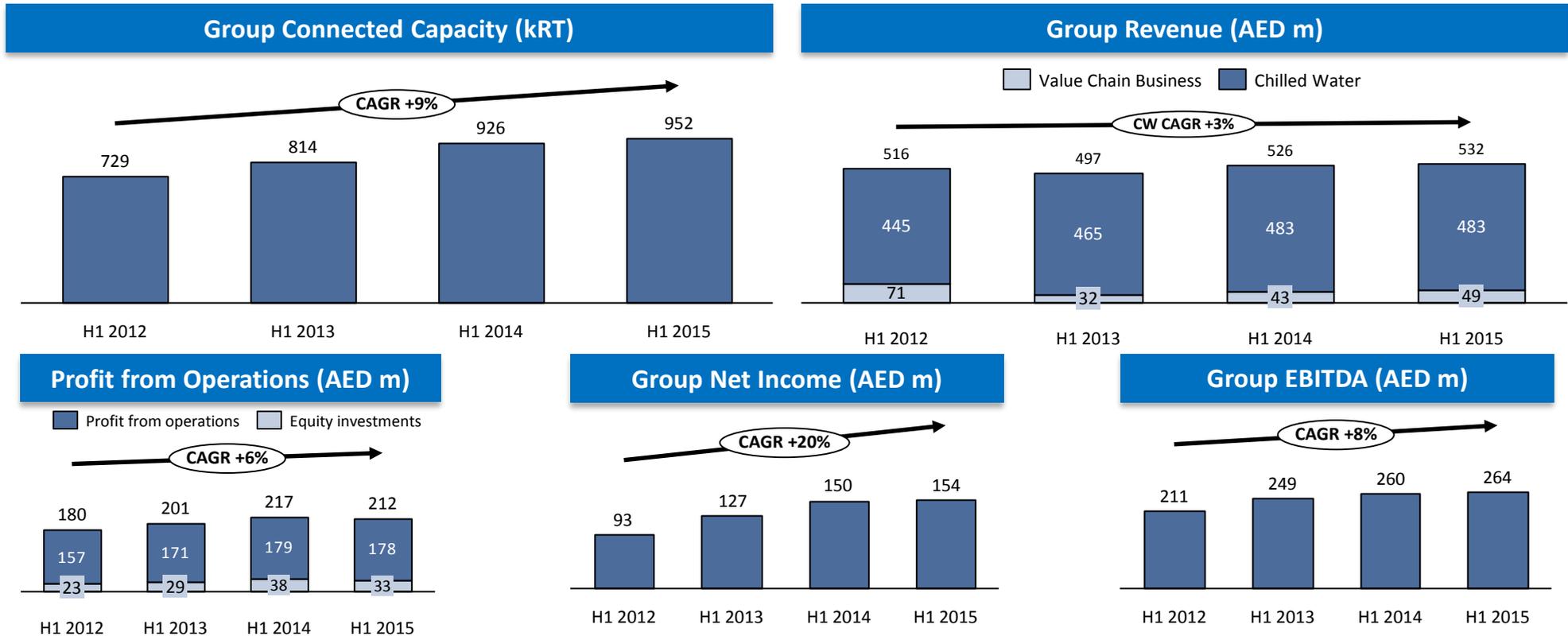


Stable utility infrastructure business with strong cash flows that continues to deliver growth



Performance Highlights

Over the last 4 years Tabreed has delivered consistent growth in earnings on the back of sustained growth in connected capacity and top line revenues



Consistent and sustainable results, as expected from a utility infrastructure business approaching 50% EBITDA margin and with over 50% dividend payout for the past three years placing Tabreed in Top10 of DFM companies



Regional Presence in GCC

		PLANTS	OWNERSHIP	CONNECTED CAPACITY	
				Q2 '14	Q2 '15
QATAR		3	44%	158 kRT	168 kRT
KSA		2	25%	42 kRT	63 kRT
BAHRAIN		1	90.3%	21 kRT	22 kRT
OMAN		2	60%	5 kRT	10 kRT

Tabreed has presence across GCC and the investments contribute positively to the Group's bottom line led by Qatar Cool and Tabreed Saudi



Financial Highlights – Income Statement

Unaudited Consolidated Financials (AED m)	H1 2015	H1 2014	Variance	%
Revenue	555.3	526.3	29.0	6%
<i>Chilled water revenue (91%)</i>	507.2	483.1	24.1	5%
<i>Value chain businesses (9%)</i>	48.1	43.2	4.9	11%
Operating cost	(286.9)	(267.9)	(19.0)	7%
Gross Profit	268.4	258.4	10.0	4%
<i>Gross profit margin</i>	48%	49%		
Administrative and other expenses	(90.1)	(79.9)	(10.2)	13%
Profit from Operations	178.3	178.5	(0.2)	-0%
<i>Operating profit margin</i>	32%	34%		
Net finance costs	(60.8)	(65.2)	4.4	-7%
Share of results of associates and joint ventures	33.2	38.4	(5.2)	-14%
Other gains and losses	3.9	(2.1)	6.0	-286%
Income attributable to non-controlling interests	(1.3)	(1.1)	(0.2)	18%
Net Income	153.3	148.5	4.8	3%
<i>Net Income margin</i>	28%	28%		
EBITDA	264.4	259.9	4.5	2%
<i>EBITDA margin</i>	48%	49%		

Comments

- 6% increase in revenues, 2% increase in EBITDA and 3% increase in net income, mainly reflects chilled water performance
- Reduction in finance costs reflects impact of refinancing in December 2014 and lower EIBOR
- Margins consistent at close to 50%

Transformation into a utility infrastructure business enables consistent performance with gross profit and EBITDA margins approaching 50%



Financial Highlights – Financial Position

Unaudited Consolidated Financials (AED m)	Jun 2015	Dec 2014	Variance	%
Fixed Assets	6,806.7	6,679.4	127.3	2%
Associates and Joint Ventures	660.7	650.9	9.8	2%
Accounts Receivable	398.7	466.8	(68.1)	-15%
Cash and Short Term Deposits	1,252.8	417.9	834.9	200%
Other Assets	122.9	119.8	3.1	3%
Total Assets	9,241.8	8,334.8	907.1	11%
Equity and Reserves	2,242.3	2,480.4	(238.1)	-10%
Mandatory Convertible Bonds – equity portion	1,772.5	2,450.2	(677.7)	-28%
Debt	3,411.2	2,661.7	749.5	28%
Other Liabilities	1,815.8	742.5	1,073.4	145%
Total Liabilities and Equity	9,241.8	8,334.8	907.1	11%

Comments

- Growth in fixed assets represents continuing investment in Meraas and other projects
- The MCB repurchase results in a reduction in equity substituted by new debt. There is also a temporary increase in cash and payables as the transaction was completed on 1 July, after the period end.
- Further reduction in equity is due to payment of 5 fils dividend, equivalent to AED 173m, to all shareholders in April

Balance sheet continues to show strength and positions us well for further growth



Financial Highlights – Cash flows

Unaudited Consolidated Financials (AED m)	H1 2015	H1 2014	Variance	%
Operating Profit for the period	178.3	178.5	(0.2)	-0%
Finance Income relating to Finance Lease receivable	(93.4)	(77.8)	(15.6)	20%
Lease Rentals received	117.9	93.6	24.3	26%
Depreciation	61.4	65.6	(4.2)	-6%
Other adjustments	9.0	(36.9)	45.9	-124%
Net Cashflows from Operating Activities	273.2	223.0	50.2	22%
Investing Activities	(69.0)	(48.8)	(20.2)	41%
Financing Activities	630.7	(404.7)	1,035.4	-256%
Net Movement in Cash and Cash Equivalents	834.9	(230.5)	1,065.4	-462%
Cash and Cash Equivalents at 1 Jan	417.9	670.4	(252.5)	-38%
Cash and Cash Equivalents at 31 March	1,252.8	439.9	812.9	185%

Comments

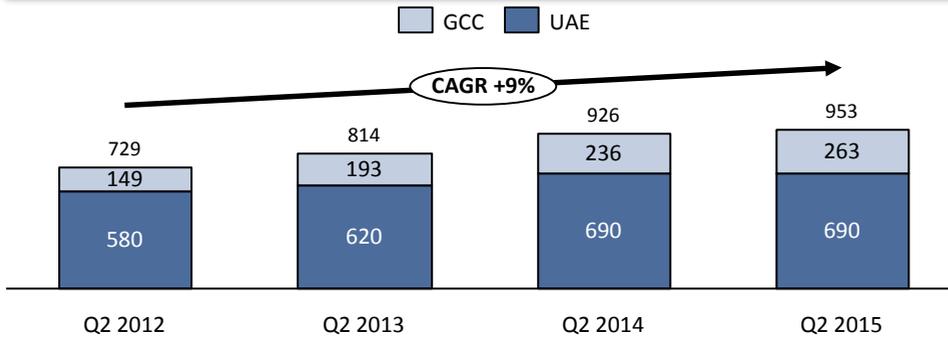
- Operating cash flows are higher in 2015 due to regularization of payments following finalisation of a major contract amendment with a Government customer in 2014
- Financing activities include a new AED 1bn bank debt obtained in June 2015 to fund the MCB repurchase, also seen in our cash balance as payment was made on 1 July
- Investment activities reflect AED 98m of capex incurred on expansion projects

Strong cashflow generation from long term price certain contracts

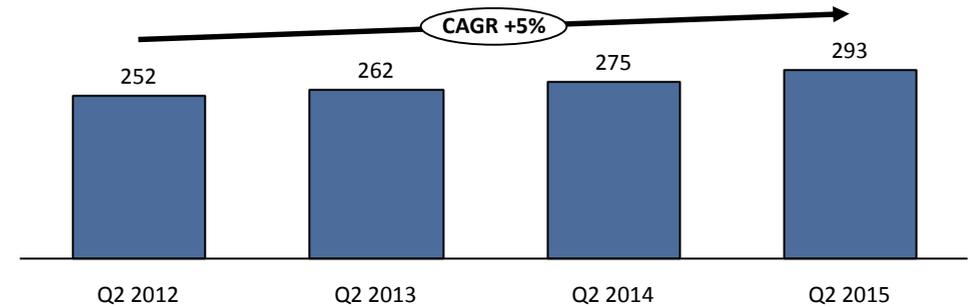


Q2 Chilled Water Performance

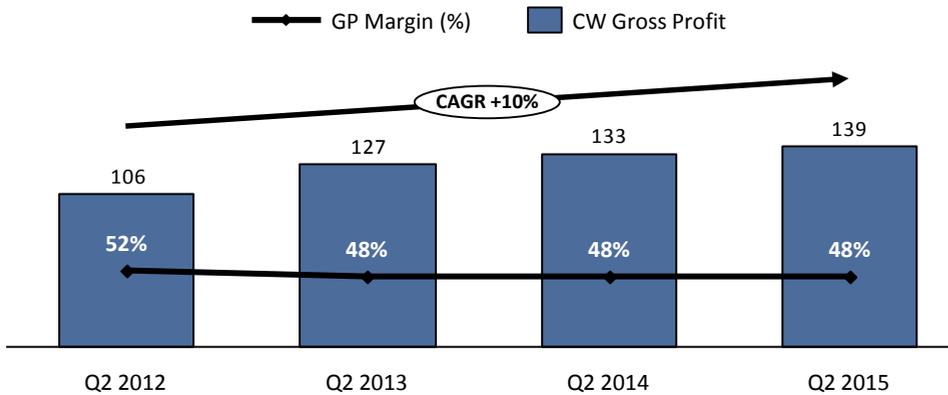
Gross Connected Capacity (kRT)



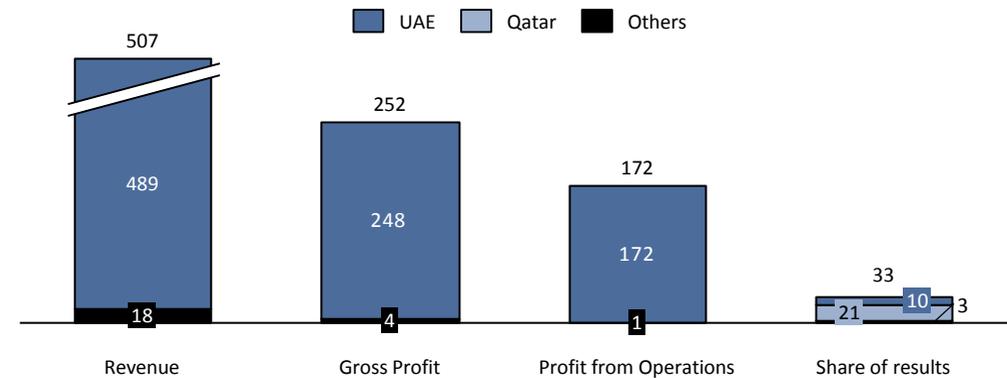
Revenue (AED m)



Chilled Water Gross Profit (AED m)



GCC breakdown (AED m)



UAE is the foundation for consistent performance with exciting opportunities across the GCC



Debt characteristics

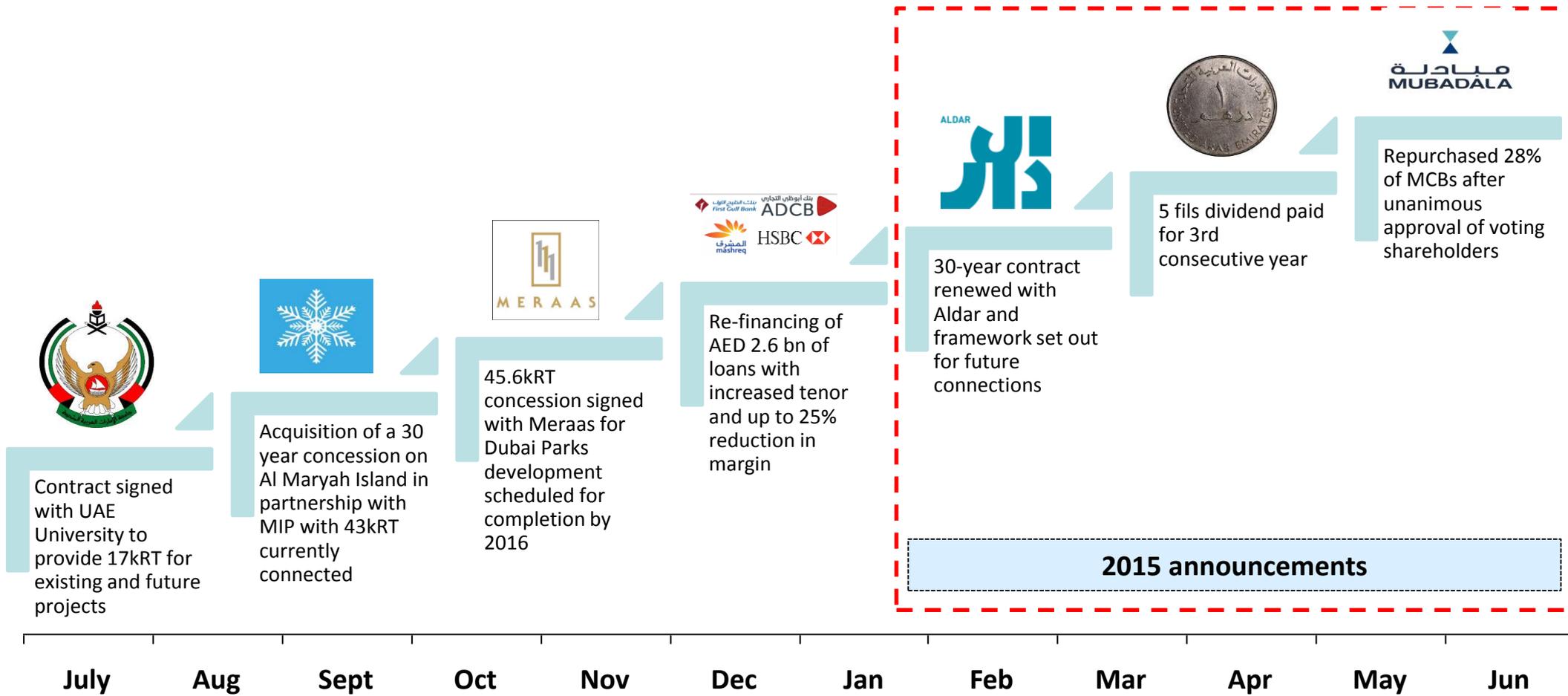
- Tabreed's current gearing is 46% (debt: debt+equity), in line with global utility peers
- 95% of Tabreed's debt is denominated in AED, with the balance in USD and OR
- Virtually all the debt is floating rate, but just over 50% of the Tabreed facilities are hedged into fixed rates
- Weighted average duration is 5.7 years, with 60% of the portfolio maturing in 2021

Debt position (AED in millions)

Borrower	Type	Amount (AED m)	Undrawn amount (AED m)	Currency	Interest	Hedging (%)	Maturity
Tabreed	Term loan	1,988	-	AED	EIBOR + margin	53	2021
Tabreed	Revolver	-	450	AED	EIBOR + margin	-	2021
Tabreed	New facility	1,000	-	AED	EIBOR + margin	53	2021
Bahrain DC Company	Term loan	138	-	USD	LIBOR + margin	-	2019
Tabreed Oman	Term loan	33	5	OR	Fixed	100	2024
Total debt		3,159					



Key Developments



Contract signed with UAE University to provide 17kRT for existing and future projects

Acquisition of a 30 year concession on Al Maryah Island in partnership with MIP with 43kRT currently connected

45.6kRT concession signed with Meraas for Dubai Parks development scheduled for completion by 2016

Re-financing of AED 2.6 bn of loans with increased tenor and up to 25% reduction in margin

30-year contract renewed with Aldar and framework set out for future connections

5 fils dividend paid for 3rd consecutive year

Repurchased 28% of MCBs after unanimous approval of voting shareholders

2015 announcements

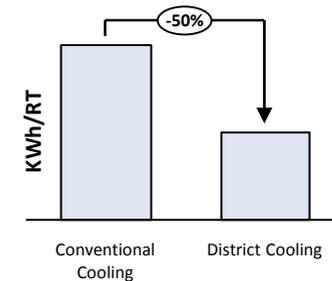
Tabreed has achieved significant business and investors objectives in the past 12 months



Summary

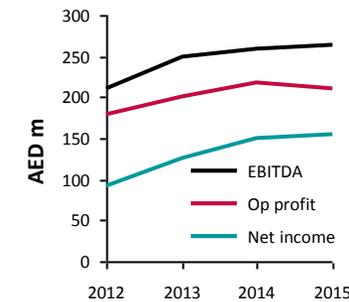
Why Tabreed?

- Tabreed is the largest utility infrastructure business offering cooling services in the Middle East
- Providing critical cooling infrastructure at 50% less energy consumption and carbon footprint
- Proven track record in its operations and the industry leading in-house O&M team



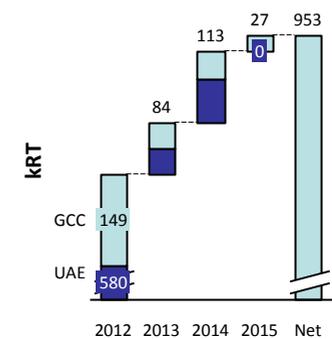
Robust Financial Results

- Stable results with H1 revenue up by 6% and net income by 3%
- 20% annual growth in net income since 2012
- Focus on core business has yielded 3% annual growth in chilled water profit from operations since 2012
- Strong and stable cash flows with 8% annual growth in EBITDA since 2012 enabling additional debt raising capability which allowed substitution of MCBs for debt
- Cash dividend 5 fils per share paid consecutively for 3 years, representing more than 50% payout



Delivering growth

- Delivering future growth :
 - New connections in Saudi and Oman during 2015
 - New connections at Maryah Island during 2015
 - Ongoing construction on Meraas plant
 - Ongoing construction on a 4th plant in Qatar



Q & A



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