



Tabreed

FY 2010 Results Presentation

10 February 2011

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- **Overview**
- **Operational Review – Sujit Parhar**
- **Financial Review – Steve Ridlington**
- **Update on Recapitalization program – Steve Ridlington**
- **Summary – Sujit Parhar**
- **Q&A**



- **Strong FY 10 results demonstrate strength of underlying business**
 - Group revenue of AED 1,023.7m – up 31% vs. FY 09
 - Strong contribution from Chilled Water (+73%)
 - Reported net profit attributable to parent (excluding non-cash impairment declared for FY 09) is up 243% to AED 136.8m
- **Thirteen new plants and two expansion plans came online in FY 10**
 - 155, 800 RT of capacity added
- **New military contract and Dubai Metro Green Line contracts awarded**
 - Military awards contract for two 5,000 RT plants
 - Development of cooling for Dubai Metro Green Line has commenced
- **GCC developments progress**
 - First project in Oman (Tabreed 60%) commences production
 - Bahrain District Cooling Company (Tabreed 90%) project commences production
 - Qatar Cool (Tabreed 44%) connected capacity at c. 80k RT
- **Recapitalization Update**
 - 5:1 capital reduction completed
 - Bank creditors agree to refinance AED 2.6bn of liabilities and extend new AED 150m revolving credit facility
 - MDC bridge loan increased by AED 400m



Operational Review

Sujit Parhar
CEO



Chilled Water

- Thirteen new plants and two expansion plans came online during the year and several new customers were connected
- Total installed cooling capacity increased to 541,525 tons across 49 plants
- Revenue and gross profit up 73% and 93% respectively

Construction

- Main contribution from Military, Sowwah Island and Shams projects. Shams project completed in 2010, Sowwah Island project is 94% complete

Manufacturing

- Economic downturn and an increase in competition reduced order books at Tabreed's 60% owned manufacturing subsidiary, Emirates Pre-insulated Pipes Industries, resulting in revenues falling 34% to AED 96m. Completed projects include Sowwah Island, Doha Airport and Raha Beach

Services

- Largely due to the regional real estate slowdown the services division which includes Ian Banham & Associates, I2I and Cooltech registered a 9% decline in revenues in FY 10 compared to FY 09



Significant Capacity Roll-out

- FY 10 saw thirteen plants and two expansion plans come online with installed capacity of 155,800 RT
- Currently building a total of thirteen plants with a capacity of 48, 280 RT of which eight plants are for the Dubai Metro Green Line
- Two expansion plans initiated with a capacity of 10,000 RT



AD 07 – Al Raha Gardens Plant



UAE Operational Plants

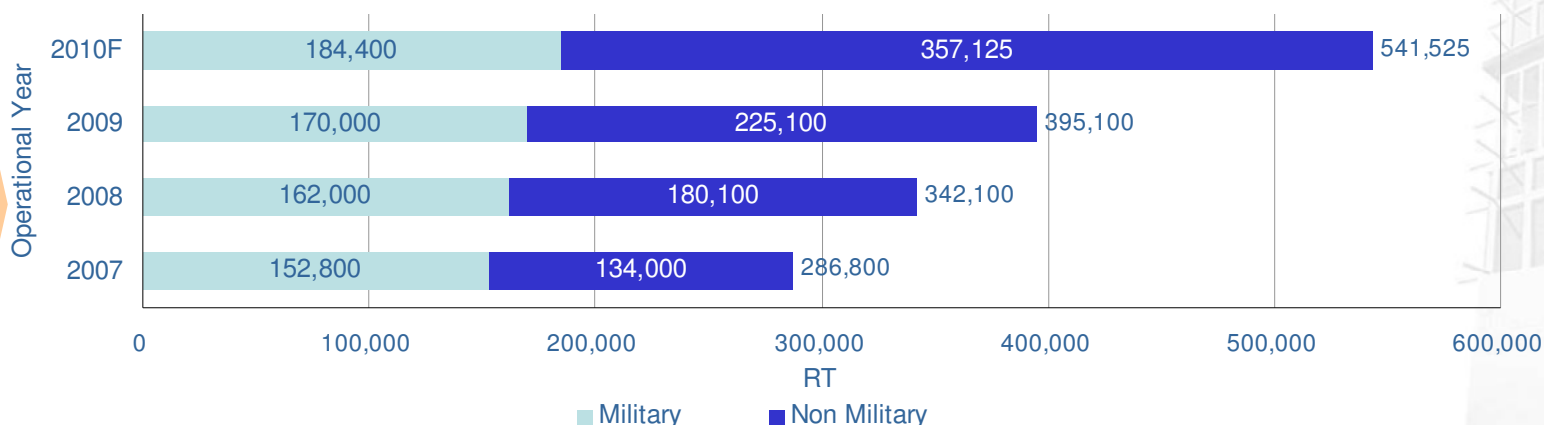
FY 2010

- In total 155,800 RT of gross capacity came online in FY 10, increasing capacity to 541,525 RT* (gross) across 49 plants
 - Total billed capacity of chilled water in Q4 10 was (gross) 477,066
 - Average reliability of 99.99%
- The capacity increase reflects 13 plants and 2 expansion plans completed in FY 2010
 - T8 ZMC – 10,000 RT, Shams 01 – 10,000 RT, Al Wadi – 2,000, DB 05 – 7,500
 - Raha Beach 02 – 45,000 RT, Fujairah Naval Base – 4,400 RT, 6 Dubai Metro Plants – 45,025
 - New Souk Aldar – 15,000 RT, DB01 Expansion – 9,375
 - RAK01 Expansion – 7,500 RT

2010 & 2011

- A further 13 plants under construction and 2 expansions plans have been initiated
- Total capacity of 58,280 RT to come online
- Share of military in total capacity declined from 53% in 2007 to 34% at the end of 2010

Military vs. Commercial split



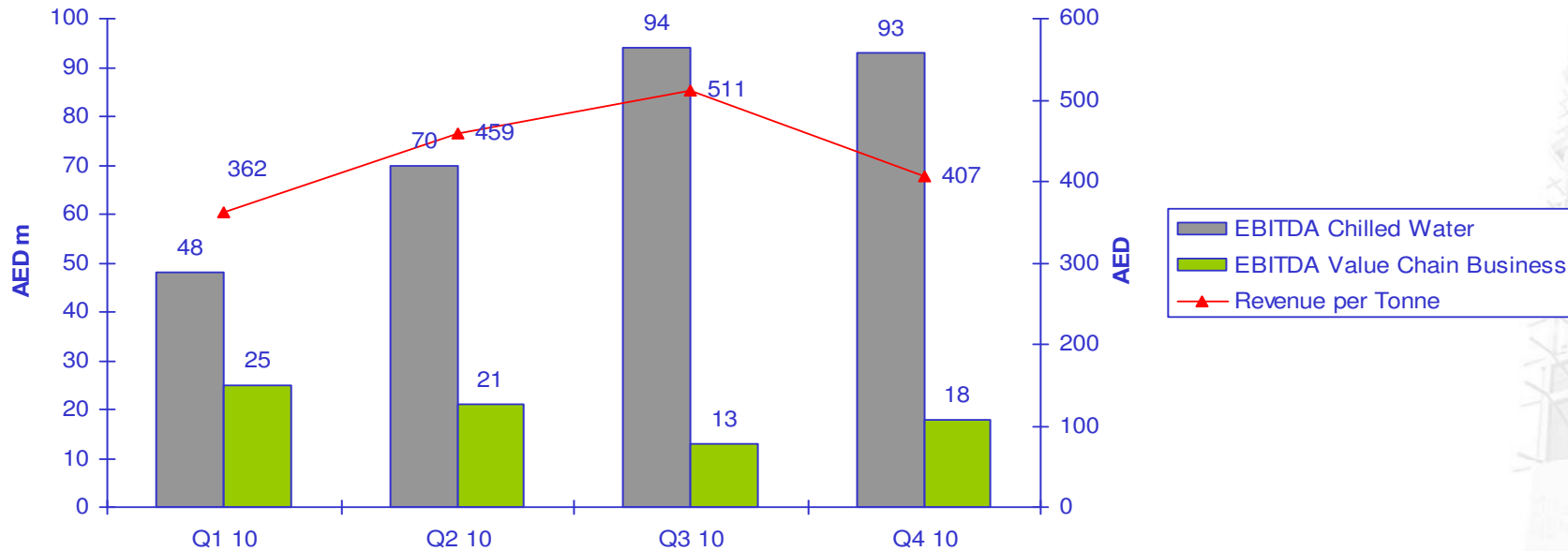
* Figure is gross and includes 70,400 RT of capacity from associates and joint ventures in UAE; DB01 expansion capacity included in 2009 figure.

Chilled Water - Strategy Delivering

- Focus on core chilled water, delivering the build out and selling capacity

- Strong growth in Chilled Water EBITDA – over 80% of total EBITDA in FY 10
- Chilled Water Revenue per tonne AED 407 as at end December 10
- Utility Efficiency gains
- 31,405 RT of spare capacity in operational plants sold

EBITDA & Revenue per Ton



1. EBITDA figures unadjusted for eliminations

2. Revenue per ton figures adjusted for restatement of Sahara revenues and billed capacities

Financial Review

Steve Ridlington
CFO



FY 10 Financial Highlights

Consolidated results for FY 10

- Group revenue of AED 1,023.7m
 - Strong contribution from Chilled Water (+73%)
- Gross Profits of AED 426.4m up 53% on FY 09
- Profit from Operations at AED 274.3m, up 92% on the same period last year
- Finance costs up 82% due to higher debt levels.
- Reported net profit (excluding non-cash impairment declared for FY 09) up 147% to AED 146.3m
- EBITDA of AED 376.5m
- Capex of AED 630m

Tabreed's share

- Net profit of AED 136.8m

Key Figures – Un-audited Consolidated Financials

| All figures in AED m | 12-months ending 31 December | |
|---|------------------------------|---------------------------|
| | FY 10 | FY 09 ⁽¹⁾ |
| Revenues | 1,023.7 | 782.9 |
| Operating costs | (597.4) | (504.8) |
| Gross Profit | 426.4 | 278.1 |
| <i>Gross Profit Margin</i> | 42% | 36% |
| Profit from Operations | 274.3 | 142.9 |
| Finance Costs | (195.8) | (107.6) |
| Changes in fair value of derivative liability | 25.3 | (16.2) |
| Net Profit | 146.3 | 59.2⁽²⁾ |
| EBITDA | 376.5 | 230.1 |
| Capex | 630 | 2,297 |

Tabreed Share of:

| | | |
|------------|-------|---------------------|
| Net Profit | 136.8 | 39.9 ⁽²⁾ |
|------------|-------|---------------------|

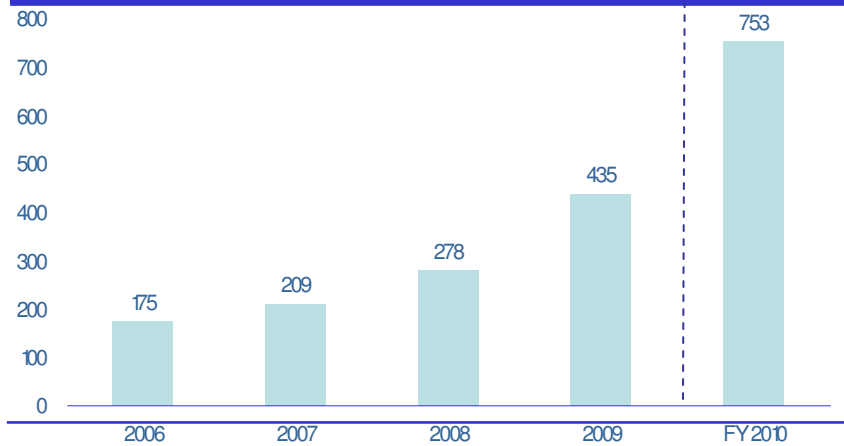
1. Figures restated

2. Excluding non-cash impairment

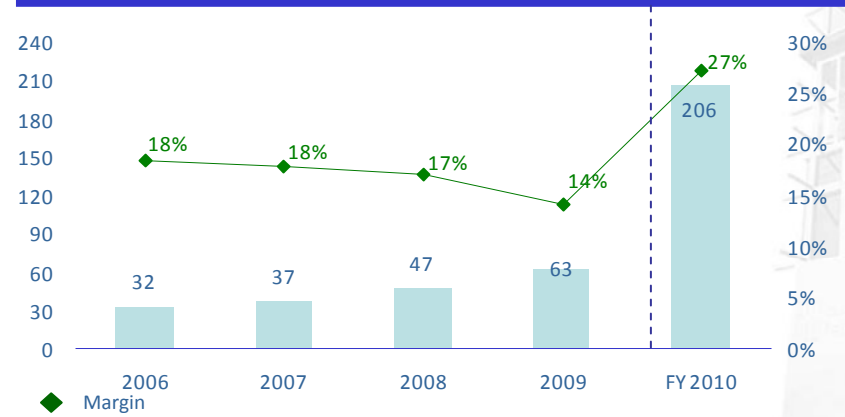
| Key Metrics (AED m) | FY 10 | FY 09 | % Change |
|------------------------|-------|-------|----------|
| Revenues | 753 | 435 | 73% |
| Cost | (433) | (269) | 61% |
| Gross Profit | 321 | 166 | 93% |
| GP Margin | 43% | 38% | |
| Profit from Operations | 206 | 63 | 230% |

- Revenue sharply higher
 - 13 new plants have come online since FY 09
- Costs increase lower than revenue growth due to utility efficiency improvements and scale impact
- Gross profit margin of 43% recorded
- Profit from Operations growth of 230% over FY 09 due to gross profit increase whilst maintaining corporate SG&A costs
- EBITDA of AED 305m against AED 145m in FY 09

Revenue (AED m) ⁽¹⁾ ⁽²⁾



Segment Result (AED m) ⁽¹⁾



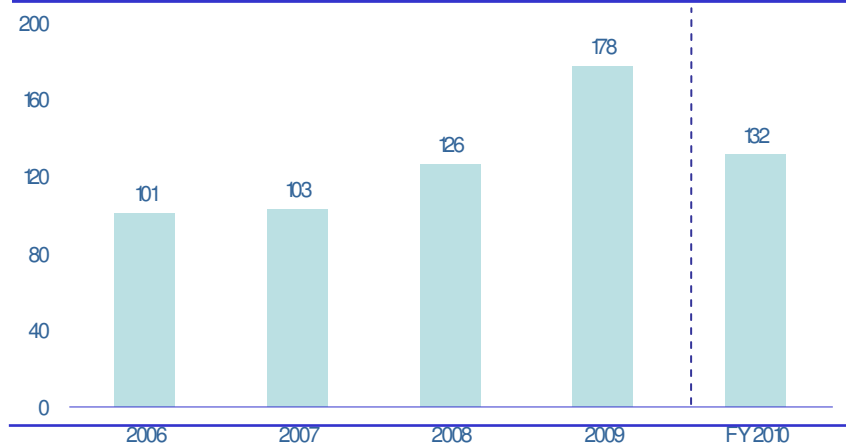
Notes

1. Not adjusted for transfers between business segments
2. 2009 figures re-stated

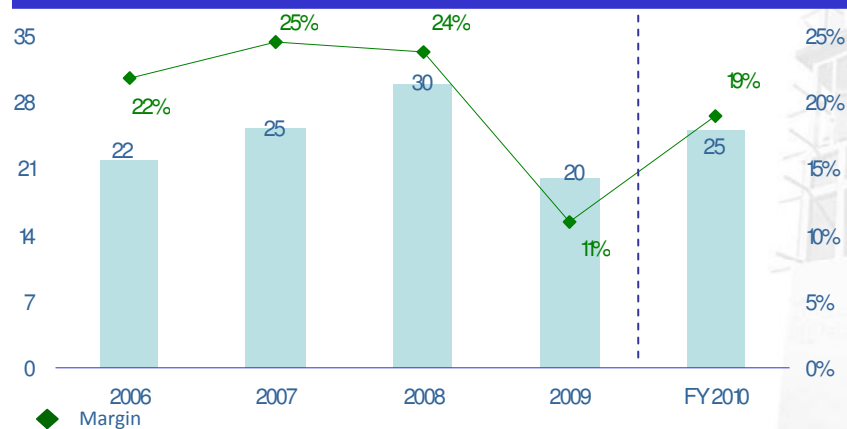
| Key Metrics * (AED m) | FY 10 | FY 09 | % Change |
|--------------------------|-------|-------|----------|
| Revenues | 132 | 178 | (26%) |
| Cost | (101) | (155) | (35%) |
| Gross Profit | 31 | 23 | 34% |
| GP Margin | 23% | 13% | |
| Profit from Operations | 25 | 20 | 24% |

- Sales of AED 132m mainly due to GES projects on Sowwah Island and Shams
- Gross profit and GP margin in FY 10 higher mainly due to contractor discounts
- Profit from Operations increased to AED 25m vs. AED 20m in FY 09
- EBITDA of AED 25m against AED 20m in FY 09

Revenue (AED m) ^{(1) (2)}



Segment Result (AED m) ^{(1) (2)}



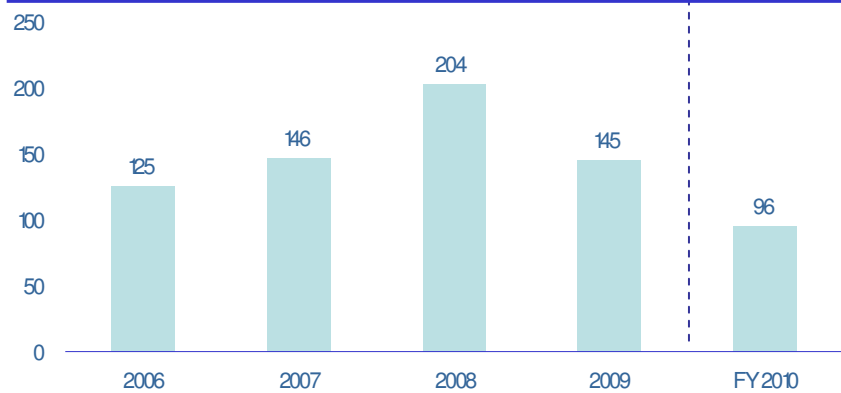
Notes

1. Not adjusted for transfers between business segments
2. 2009 figures re-stated

| Key Metrics (AED m) | FY 10 | FY 09 | % Change |
|------------------------|-------|-------|----------|
| Revenues | 96 | 145 | (34%) |
| Cost | (68) | (100) | (32%) |
| Gross Profit | 28 | 45 | (38%) |
| GP Margin | 29% | 31% | |
| Profit from Operations | 19 | 38 | (51%) |

- Revenues decreased by 34% over FY 09 driven by economic downturn and resultant fall in order books.
- Gross margins fell to 29% over FY 09 reflecting reduced margins on new contracts and increased competition
- Profit from operations fell by 51% to AED 19m
- EBITDA of AED 24m against AED 43m in FY 09

Revenue (AED m)⁽¹⁾



Segment Result (AED m)⁽¹⁾



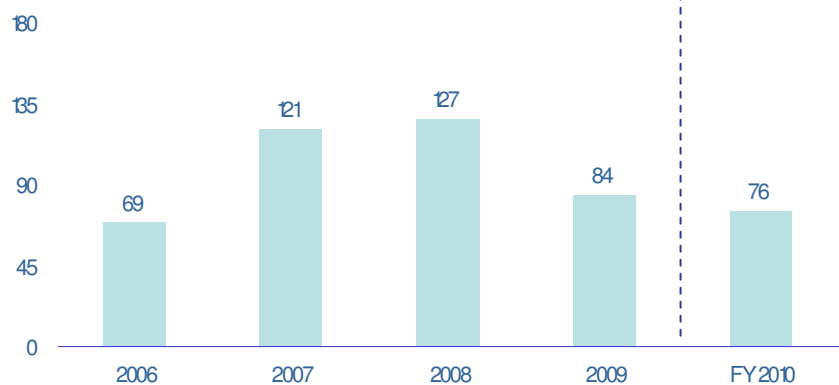
Notes

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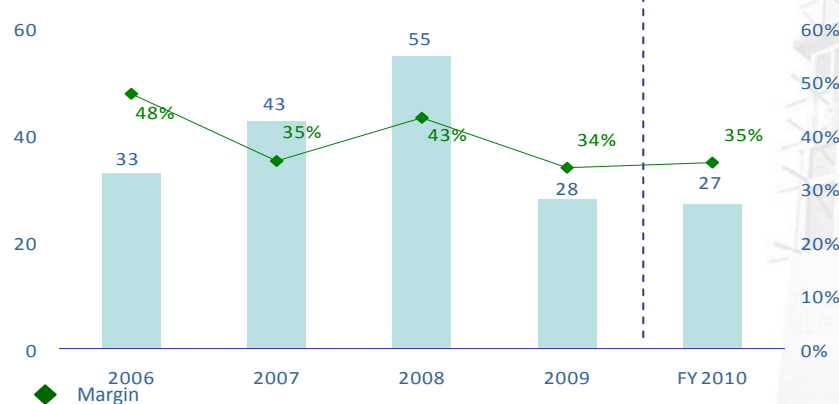
| Key Metrics (AED m) | FY 10 | FY 09* | % Change |
|------------------------|-------|--------|----------|
| Revenues | 76 | 84 | (9%) |
| Cost | (28) | (32) | (13)% |
| Gross Profit | 48 | 52 | (6%) |
| GP Margin | 85% | 89% | |
| Profit from Operations | 27 | 28 | (5%) |

- Sales decreased by 9% in 2010 reflecting slowdown in the real estate sector
- Costs decreased by 13% over FY 09
- Gross margins fell to 85% from 89% in FY 09 driven by the negative impact of fixed costs combined with sales decline
- Profit from operations fell 5% to AED 27m
- EBITDA of AED 28m against AED 29m in FY 09

Revenue (AED m)⁽¹⁾



Segment Result (AED m)⁽¹⁾



Notes

1. Not adjusted for transfers between business segments
- * Reclassification

Update on Recapitalization Program

Steve Ridlington

CFO



Update on Recapitalization Process

| | Recapitalization Process Objectives | Status |
|------------------------------------|---|---|
| Banks | <ul style="list-style-type: none"> • Consensual long term refinancing with existing banking group <ul style="list-style-type: none"> – Consolidate financing arrangements – Extend maturity profile – Establish a covenant structure consistent with business plan | <ul style="list-style-type: none"> • Bank lenders have unanimously approved the principal terms of an agreement to refinance AED2.6 bn of bank debt <ul style="list-style-type: none"> – Extended tenor and lower overall cost – Flexibility to execute business plan • Bank lenders have agreed to extend a new AED150 MM revolving credit facility to Tabreed • Completion of the bank refinancing subject to final documentation |
| Sukuk 06 | <ul style="list-style-type: none"> • Pursue a long term refinancing with extended maturity profile | <ul style="list-style-type: none"> • Discussions ongoing |
| Mandatory Convertible Sukuk | <ul style="list-style-type: none"> • Renegotiation of existing terms to improve liquidity | <ul style="list-style-type: none"> • Payment of the Annual Distribution Amount due on 19 May 2010 was deferred • Over 50% of holders (currently Mubadala and ACWA) elected to support the decision to defer payment |
| New Capital | <ul style="list-style-type: none"> • Agree terms of new capital raising instruments | <ul style="list-style-type: none"> • Additional AED400 MM in short-term financing from Mubadala Development Company obtained <ul style="list-style-type: none"> – Sufficient liquidity to fund the business until the recapitalization closes • Discussions on new capital raising instruments well advanced |

- **Unanimous approval of the principal terms of the bank debt refinancing is a decisive step towards the successful recapitalization of Tabreed**

Summary

Sujit Parhar

CEO



- **Robust FY 10 results announced**
 - Sales of AED 1,023.7 million
 - Gross Profit of AED 426.4 million
 - Net Profit of AED 146.3 million (Tabreed's share 136.8m)
- **Strong cash generating capability**
 - EBITDA of AED 377m
- **Focus remains on delivering enhanced performance in core chilled water business - cost discipline, improving productivity, selling excess capacity and delivering pipeline of new projects**
- **Significant progress made on recapitalization program**
- **Positioning for the future**
 - Grow a stable and long term business



Q&A



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