



# Tabreed

## Q1 11 Results Presentation

12 May 2011

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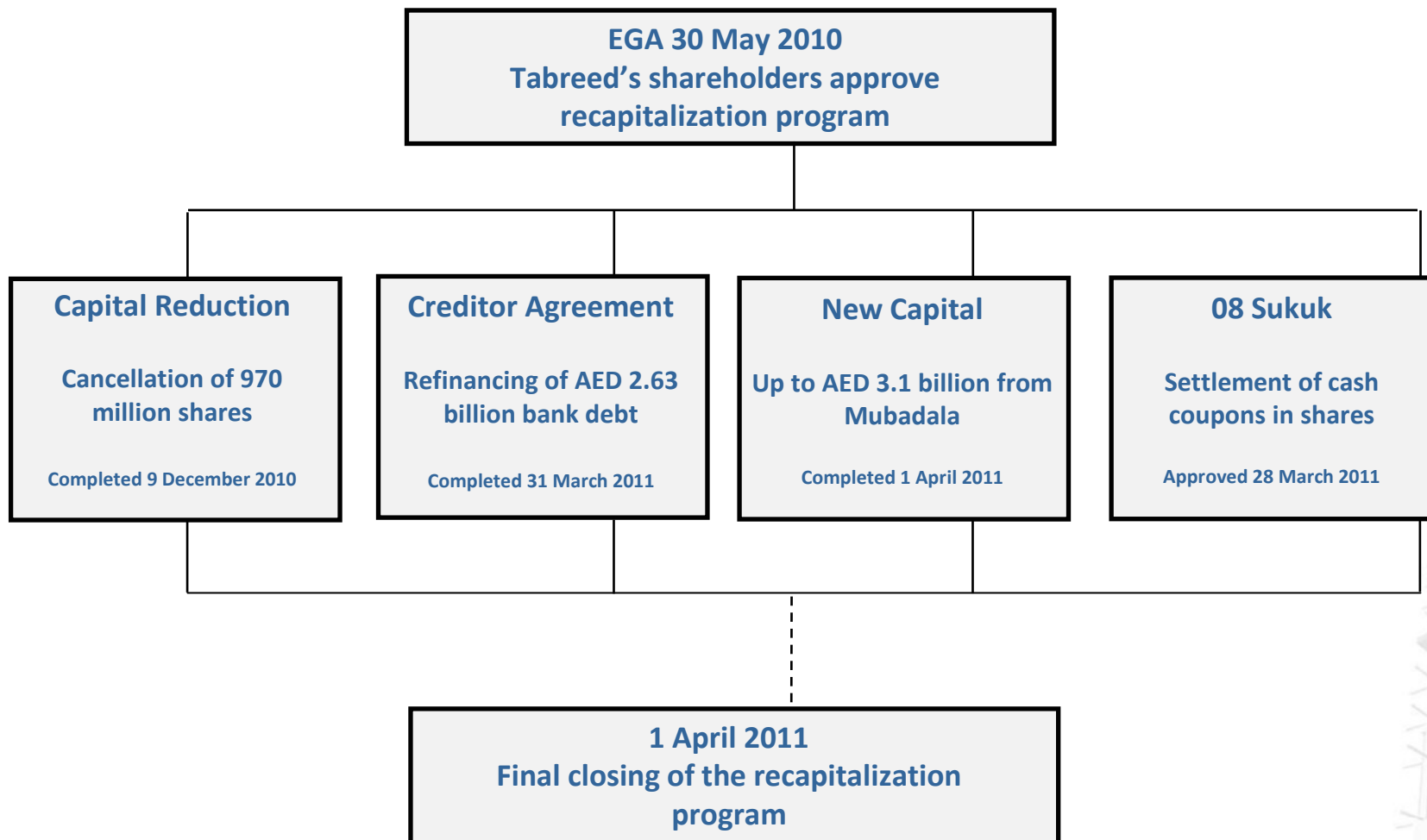
- **Overview & Recapitalization Program – Sujit Parhar**
- **Operational Review – Sujit Parhar**
- **Financial Review – Adrian Kershaw**
- **Summary – Sujit Parhar**
- **Q&A**



- **Completion of Recapitalization Program**
- **Robust Q1 11 results demonstrate strength of underlying business**
  - Group revenue of AED 245.6m – up 23% vs. Q1 10
    - Strong contribution from Chilled Water (+32%)
  - Operating profit of AED 64.4m – up 55% vs. Q1 10
  - Reported net profit attributable to parent of AED 31.9m
- **Focus on Chilled Water**
  - Increased contribution from Chilled Water – over 90% of total EBITDA in Q1 11
  - Additional connections and existing spare capacity sold
  - Utility efficiency gains and cost discipline
- **Value Chain Businesses (Contracting, Manufacturing, Services segment)**
  - Reduced contribution driven by completion of Tabreed’s build-out program
- **Sukuk 06**
  - Funding available to be repay on maturity



# Closing of Recapitalization Program



# Operational Review

Sujit Parhar  
CEO



# UAE Operational Plants

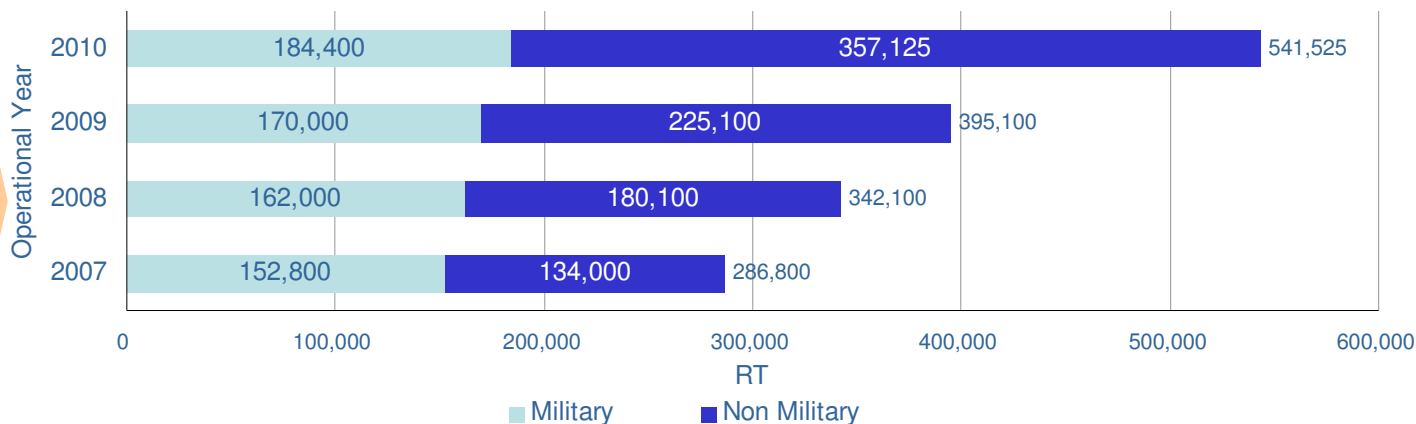
FY 2010

- In total 155,800 RT of gross capacity came online in FY 10, increasing capacity to 541,525 RT\* (gross) across 49 plants
  - 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

2011 & 2012

- A further 13 plants under construction and 2 expansions plans have been initiated
- Total capacity of 58,400 RT to come online
- Total billed capacity of chilled water in Q1 11 was (gross) 497,848

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.

Key Metrics	2010	2012e	Q1 11	Comment
Number of Plants	49	62	49	No new plants came online in Q1 11
Installed Capacity (RT)	542k	600k	542k	-
Connected Capacity (RT)	477k	575k	498k	21k of capacity connections in Q1 11
EBITDA margins	40%	Stable/Rising	46%	-
Capex Payments (AED m)	1,246	1,013*	251	Reduced payments as build out program nears completion
Debt:LTM EBITDA	15.7x	<4.0x	14.6x	Lower post recap on 1 April 2011 due to paydown of MDC loan

## Progress on financial and operational metrics



\*Capex payment for 2011 & 2012



# Financial Review

Adrian Kershaw  
**CFO**



# Q1 11 Financial Highlights

## Consolidated results for Q1 11

- Group revenue of AED 245.6m
  - Strong contribution from Chilled Water (+32%)
- Gross Profits of AED 102m up 21% on Q1 10
- Profit from Operations at AED 64.4m, up 55% on the same period last year
- Finance costs up 137% due to higher debt levels.
- Reported net profit down 25% to AED 32.8m
  - Down AED 11m despite AED 45m increase in finance costs
- EBITDA of AED 94.2m
- Capex of AED 192m

## Tabreed's share

- Net profit of AED 31.9m

## Key Figures – Un-audited Consolidated Financials

	3-months ending 31 March	
	Q1 11	Q1 10
<i>All figures in AED m</i>		
Revenues	245.6	199.7
Operating costs	(143.6)	(115.3)
<b>Gross Profit</b>	<b>102.0</b>	<b>84.4</b>
<i>Gross Profit Margin</i>	42%	42%
<b>Profit from Operations</b>	<b>64.4</b>	<b>41.6</b>
Finance Costs	(78.1)	(32.9)
Other Income & Changes in fair value of derivative liability	35.2	18.6
<b>Net Profit</b>	<b>32.8</b>	<b>43.8</b>
EBITDA	94.2	68.6
Capex	192	150

## Tabreed Share of:

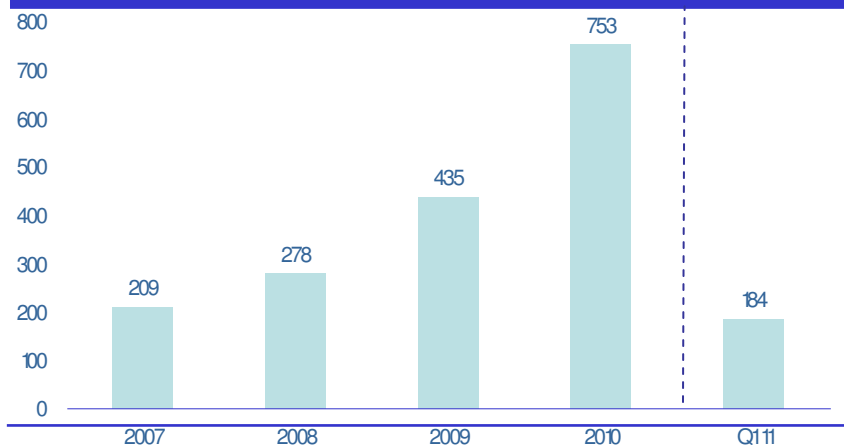
Net Profit	31.9	40.4
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# Chilled Water (75% of Revenue)

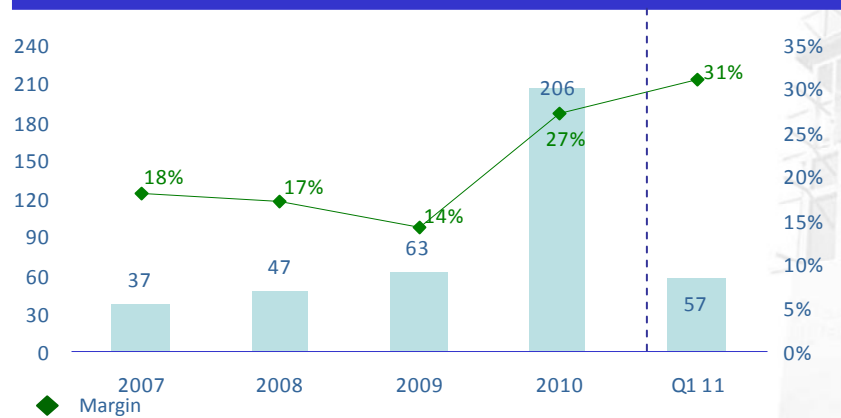
Key Metrics (AED m)	Q1 11	Q1 10	% Change
Revenues	184	139	32%
Cost	(97)	(88)	10%
Gross Profit	87	51	71%
GP Margin	47%	37%	
Profit from Operations	57	21	168%

- Revenue sharply higher
  - 9 new plants have come online since Q1 10
- Costs increase less rapidly than revenue growth due to utility efficiency improvements and scale impact
- Gross profit margin of 47% recorded
- Profit from Operations growth of 168% over Q1 10 due to stable corporate cost base as revenues rise
- EBITDA of AED 85m against AED 46m in Q1 10
  - Increase of 86%

Revenue (AED m) <sup>(1)</sup> <sup>(2)</sup>



Segment Result (AED m) <sup>(1)</sup>

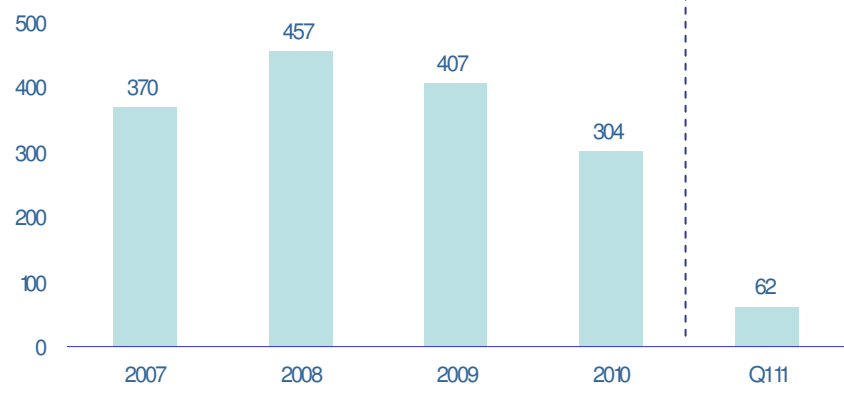


# Value Chain Businesses (25% of Revenue)

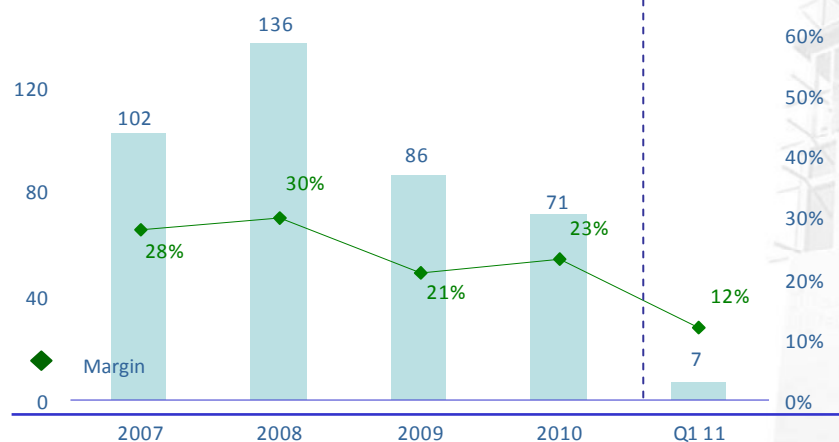
Key Metrics (AED m)	Q1 11	Q1 10	% Change
Revenues	62	61	2%
Cost	(47)	(27)	77%
Gross Profit	15	34	(55%)
GP Margin	25%	56%	
Profit from Operations	7	21	(65%)

- Contracting, Manufacturing & Services segment
- Contraction of contribution from value chain businesses driven by completion of Tabreed's build-out program and economic conditions
  - Reduced capex commitments impact Contracting and Manufacturing segments
  - Real estate slowdown impacts Services segment
- Sales increased by 2% in Q1 11
- Profit from operations fell 65% to AED 7m
- EBITDA of AED 9m against AED 23m in Q1 10

**Revenue (AED m)<sup>(1)</sup>**



**Segment Result (AED m)<sup>(1)</sup>**



## Summary

**Sujit Parhar**

**CEO**



- **Tabreed has successfully completed its recapitalization program**
- **Tabreed now has in place the necessary foundation for growth through the implementation of a stable long-term capital structure**
- **Tabreed is well positioned to capitalize on future opportunities by meeting demand for cooling infrastructure in the region**
- **Management is focusing on building the business and creating value for shareholders:**
  - Delivering on its business plan
  - Achieving its full earning potential
  - Completing Tabreed’s build-out program
  - Developing the Company’s core chilled water business
  - Enhancing value from existing plants while maximizing organizational and operational efficiencies



## Q&A



**For further information please contact**

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# Appendix

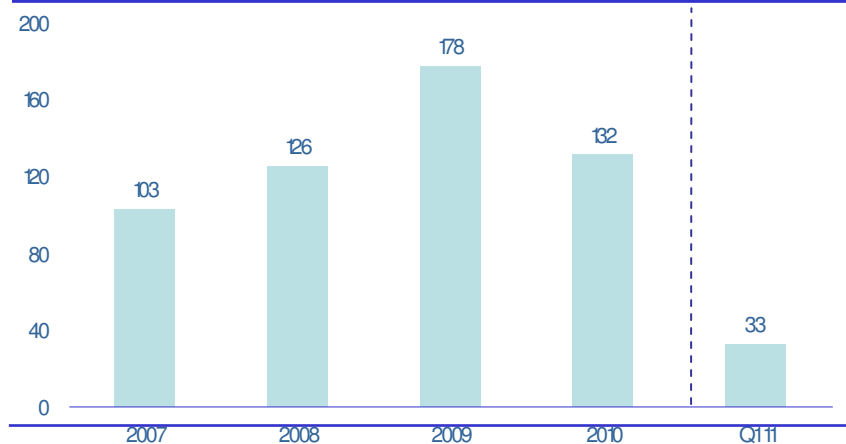


# Contracting (13% of Revenue)

Key Metrics * (AED m)	Q1 11	Q1 10	% Change
Revenues	33	29	13%
Cost	(30)	(18)	71%
Gross Profit	3	11	(75%)
GP Margin	9%	40%	
Profit from Operations	2	10	(83%)

- Sales of AED 33m with main contributions from GES projects on Sowwah Island and Military
- Gross profit and GP margin in Q1 11 lower mainly due to contractor discounts in Q1 10
- Profit from Operations decreased to AED 2m vs. AED 10m in Q1 10
- EBITDA of AED 2m against AED 10m in Q1 10

## Revenue (AED m) <sup>(1) (2)</sup>



## Segment Result (AED m) <sup>(1) (2)</sup>

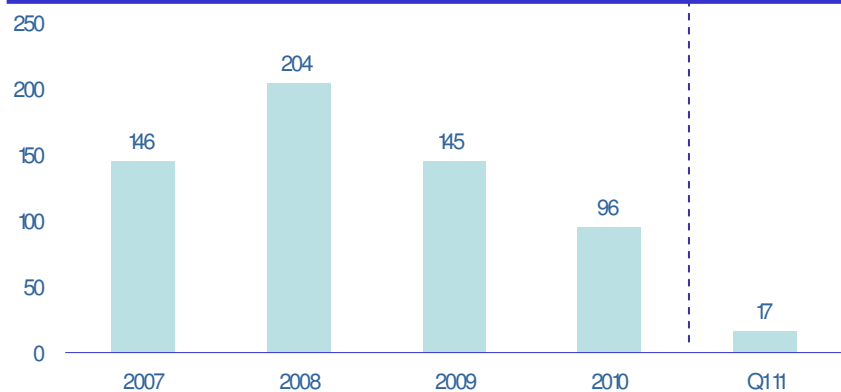


# Manufacturing (7% of Revenue)

Key Metrics (AED m)	Q1 11	Q1 10	% Change
Revenues	17	16	12%
Cost	(13)	(8)	(60%)
Gross Profit	5	8	(39%)
GP Margin	27%	49%	
Profit from Operations	2	6	(61%)

- Revenues increased by 12% over Q1 11
- Gross margins fell to 27% over Q1 10 reflecting reduced margins on new contracts and increased competition
- Profit from operations fell by 61% to AED 2m
- EBITDA of AED 4m against AED 7m in Q1 10

Revenue (AED m)<sup>(1)</sup>



Segment Result (AED m)<sup>(1)</sup>

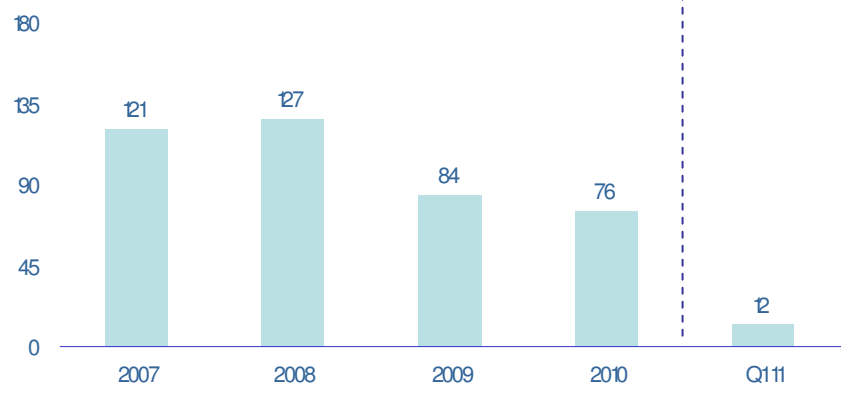


## Services (5% of Revenue)

Key Metrics (AED m)	Q1 11	Q1 10*	% Change
Revenues	12	16	(26%)
Cost	(4)	(1)	128%
Gross Profit	8	15	(48%)
GP Margin	66%	95%	
Profit from Operations	4	6	(39%)

- Sales decreased by 26% in 2010 reflecting slowdown in the real estate sector
- Costs increased by 128% over Q1 11 due to reclassification in Q1 10
- Gross margins fell to 66% from 95% in Q1 10 driven by the negative impact of fixed costs combined with sales decline
- Profit from operations fell 39% to AED 4m
- EBITDA of AED 4m against AED 6m in Q1 10

### Revenue (AED m)<sup>(1)</sup>



### Segment Result (AED m)<sup>(1)</sup>

