

Tabreed

Recapitalisation Process Update

1 April 2010



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- **Audited consolidated financials approved**
 - Consistent with previously announced un-audited figures

- **Audited financials include an emphasis of matter**
 - Accumulated loss of AED 1.04bn (86% of issued share capital)
 - Continuation vote required
 - “Non-current” interest bearing loans, public securities and Islamic financing arrangements re-classified as current

- **Recapitalisation process to address issues identified in emphasis of matter**

Key Figures – Audited Consolidated Financials		
	12-months ending 31 December	
<i>All figures in AED m</i>	2009	2008
Sales	742	735
Gross Profit	291	319
Net (Loss) Profit	(1,236)	110
Current Assets	1,042	1,504
Current Liabilities	5,975	2,379
Net Debt ⁽¹⁾	3,557	2,399
Total Capital ⁽²⁾	1,506	2,625
Debt:Total Capital	2.4x	0.9x
Operating Cash Flow	342	87

Notes

1. Debt presented gross of prepaid fees and excluding estimated value of available for sale investments and financial assets
2. Adjusted for cumulative changes in fair values of derivatives and available for sale investments

Tabreed's Recapitalisation Process

- **Overall objectives**

- Achieve a stable long term capital structure
 - Condition Tabreed to be able to raise new capital
 - Raise sufficient capital to support the business plan and realization of Tabreed's long term potential
- Ensure fair treatment of creditors and a transparent and professional recapitalisation process

- **Issues restricting Tabreed's ability to raise new capital**

- Amount and terms cannot be determined without visibility on pro forma debt structure
- High leverage
 - 17x gross / 15x net leverage at December 31 2009
- Short term debt maturity profile
 - AED 2,193m contractual short term maturities
 - Covenant issues required to be addressed
- Current share price below minimum issuance price of AED 1 per share

- **Tabreed needs to complete the recapitalisation process in a timely manner because of its restricted liquidity**

- Addressed in near term through AED 1,300m short term financing facility provided by a wholly-owned subsidiary of Mubadala Development Company
- In the medium to long term, this facility will need to be refinanced or converted into long term capital



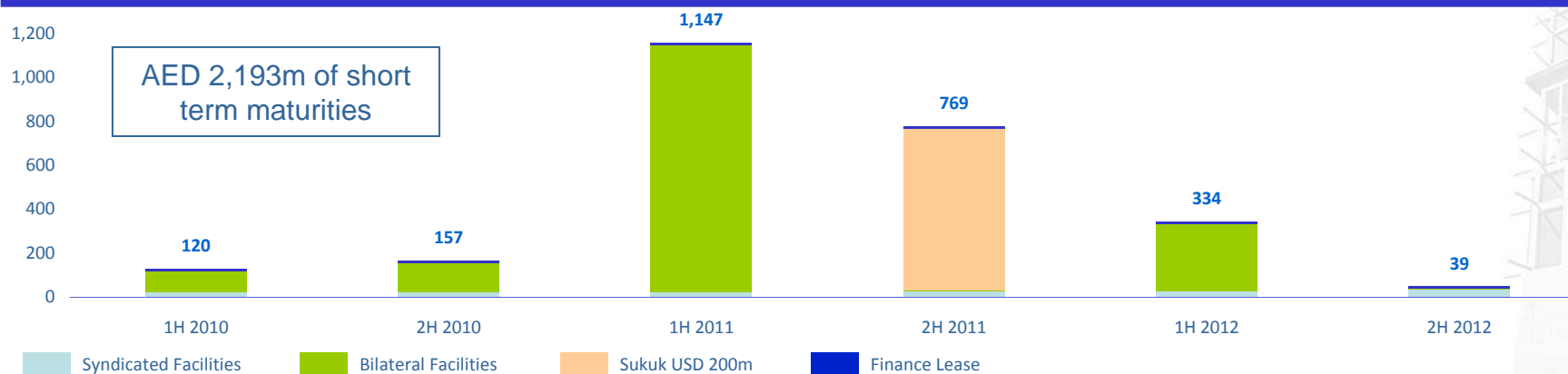
Debt Facilities and Maturity Profile

Capitalization Table⁽¹⁾⁽²⁾

AED m - As of 31 December 2009	Amount Outstanding (AED m)	2009 EBITDA (x)
Syndicated Facilities	1,143	
Bilateral Facilities	1,647	
Bank Overdraft	52	
Total Bank Debt	2,842	
06 Sukuk USD 200m	735	
Mandatory Convertible Liability	279	
Finance Lease	45	
Total Debt	3,901	17x
Cash ⁽⁴⁾	344	
Total Net Debt	3,557	15x

Debt Maturity Profile⁽³⁾

AED m



Notes

1. 2009 EBITDA of AED 230m
2. Debt presented gross of AED 49m of prepaid finance cost
3. Debt maturity profile presenting principal repayment only hence excluding mandatory convertible liability (PV of coupon payments)
4. Excluding net value of available for sale investments

Tabreed Share Price

Tabreed Volume Weighted Average Price Performance – LTM
AED

'000



Source: Bloomberg as of March 30, 2010

	Recapitalisation Process Objectives	Status
Shareholders	<p><u>Obtain approvals for resolutions at EGA:</u></p> <ul style="list-style-type: none"> Continuation of business Authority to directors to implement recapitalisation measures <ol style="list-style-type: none"> Capital reduction Negotiation of amendments with creditors Issue capital raising instruments Amendments to Articles 	<ul style="list-style-type: none"> EGA/AGA notices have been made public <ul style="list-style-type: none"> EGA Meeting #1 (quorum: 75% share capital): 21 April AGA Meeting #1 and EGA Meeting #2 (quorum: 50% share capital): 28 April AGA Meeting #2 (any shareholder quorum): 5 May EGA Meeting #3 (any shareholder quorum): 30 May
Banks	<ul style="list-style-type: none"> Lenders to organise a steering committee Pursue a long term refinancing <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"> Steering committee established Tabreed preparing business plan and refinancing proposal
Sukuk 06	<ul style="list-style-type: none"> Pursue a long term refinancing <ul style="list-style-type: none"> Extend maturity profile Implement through an amendment process or exchange offer 	<ul style="list-style-type: none"> Preliminary organisational discussions initiated
Mandatory Convertible Sukuk	<ul style="list-style-type: none"> Possible renegotiation of existing terms to improve liquidity Implement through an amendment process 	<ul style="list-style-type: none"> Considering alternatives with respect to Annual Distribution
New Capital	<ul style="list-style-type: none"> Negotiate terms of new capital raising instruments Close financing 	<ul style="list-style-type: none"> Discussions dependent upon: <ul style="list-style-type: none"> Shareholder approval received Business plan completed Elements of refinancing plan established

	Description of Resolution	Explanation
	1 • Continuation of Tabreed	• Required by law in light of financial results for 2009 showing losses are greater than 50% of share capital
	2 • Amend articles (44) and (58) of the articles of association of the Company to facilitate the recapitalisation process	• Removes legacy provision in articles to align with Tabreed's public company status – Limits the general restriction preventing shareholders from voting at a General Assembly if any conflict is identified • Ability for the Board to set aside a share of annual profits in reserve accounts to account for and fund future convertible instruments – Will restrict future ability to pay dividends but necessary to create ability to issue convertible instruments
Inter-Conditional	3 • Grant the Board of Directors full authority to effect a cancellation of up to 970m shares and determine final terms, timing and implementation of the capital reduction	• Effect an up to 5:1 reverse share split – Will facilitate raising the share price above AED 1 which creates flexibility for capital raising alternatives – No dilutive impact on current shareholders
	4 • Grant the Board of Directors full authority to issue up to AED 4.2 bn of bonds or sukuk and determine final terms and conditions of the Capital Raising Instruments	• Flexibility to address key financing issues – Refinance short term facility and raise incremental capital to finance business plan • AED 4.2 bn is maximum amount. Actual amount required will depend upon negotiations with creditors and terms required to raise new capital
	5 • Grant the Board of Directors full authority to negotiate with creditors (banks, Sukuk 06, Sukuk 08) and amend existing terms and conditions	• Authority to facilitate discussions and implementation
	6 • Grant the Board of Directors full authority to increase existing share capital after conversion of Capital Raising Instruments or existing Sukuk 08	• Required to issue Capital Raising Instruments
	7 • Authorize the Board of Directors to adopt all resolutions to effect the resolutions passed at the EGA	• Necessary for successful recapitalisation

- **Status quo is not sustainable**

- Significant new financing is required to implement the business plan
- Capital structure today does not allow the business plan to be implemented or capital to be raised
 - Capital is not available without a stable long term debt structure
- Decisive action must be taken to ensure the long term future of Tabreed
 - While the recapitalisation process may result in significant potential dilution to shareholders, such actions are necessary in the circumstances to preserve value over the long term
 - The Board is assessing alternatives to minimise dilution by, for example, offering some or all of the capital raising instruments to shareholders

- **Complex recapitalisation process requires providing the Board with the authority to bring together an actionable solution to protect shareholders' interests which may include**

- Complex multi-party negotiation
- Private and capital markets debt
- Traditional and Islamic structures
- Regulatory considerations



Q&A



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