

National Central Cooling Company PJSC

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2012 (UNAUDITED)

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF NATIONAL CENTRAL COOLING COMPANY PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of National Central Cooling Company PJSC (the "Company") and its subsidiaries (the "Group") as at 30 June 2012, comprising of the interim consolidated statement of financial position as at 30 June 2012 and the related interim consolidated statements of income and comprehensive income for the three month and six month periods then ended, and the related interim consolidated statements of changes in equity and cash flows for the six month period ended 30 June 2012 and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Signed by:
Mohammad Mobin Khan
Partner
Ernst & Young
Registration No. 532

31 July 2012
Abu Dhabi

National Central Cooling Company PJSC

INTERIM CONSOLIDATED INCOME STATEMENT

Period ended 30 June 2012 (Unaudited)

		<i>Three month period ended 30 June 2012</i>	<i>Three month period ended 30 June 2011</i>	<i>Six month period ended 30 June 2012</i>	<i>Six month period ended 30 June 2011</i>
	<i>Notes</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Revenues	3	296,635	286,626	515,655	532,240
Operating costs	3	<u>(178,226)</u>	<u>(169,282)</u>	<u>(286,342)</u>	<u>(312,916)</u>
GROSS PROFIT		118,409	117,344	229,313	219,324
Administrative and other expenses		<u>(34,921)</u>	<u>(36,982)</u>	<u>(72,290)</u>	<u>(74,575)</u>
OPERATING PROFIT		83,488	80,362	157,023	144,749
Finance costs	3	(44,646)	(53,534)	(93,249)	(131,608)
Interest income	3	2,481	1,182	6,076	2,070
Changes in fair value of derivative liability and other income	3	4	881	162	36,045
Share of results of associates	3	16,034	14,713	23,285	24,803
Share of results of joint ventures	3	(35)	(62)	(527)	234
PROFIT FOR THE PERIOD		<u>57,326</u>	<u>43,542</u>	<u>92,770</u>	<u>76,293</u>
Attributable to:					
Ordinary equity holders of the parent		57,903	43,790	94,689	75,681
Non-controlling interests		<u>(577)</u>	<u>(248)</u>	<u>(1,919)</u>	<u>612</u>
		<u>57,326</u>	<u>43,542</u>	<u>92,770</u>	<u>76,293</u>
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (AED)	4	<u>0.02</u>	<u>0.02</u>	<u>0.03</u>	<u>0.06</u>

The attached notes 1 to 9 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2012 (Unaudited)

	<i>Three month period ended 30 June 2012 AED '000</i>	<i>Three month period ended 30 June 2011 AED '000</i>	<i>Six month period ended 30 June 2012 AED '000</i>	<i>Six month period ended 30 June 2011 AED '000</i>
PROFIT FOR THE PERIOD	57,326	43,542	92,770	76,293
Other comprehensive income				
Changes in fair value of derivatives in cash flow hedges	(57)	1,099	(8,578)	11,919
Share of changes in fair value of derivatives of associate in cash flow hedges	(2,647)	(2,944)	(188)	(560)
Exchange differences arising on translation of overseas operations	36	28	25	(58)
Other comprehensive (loss) income for the period	(2,668)	(1,817)	(8,741)	11,301
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	54,658	41,725	84,029	87,594
Attributable to:				
Ordinary equity holders of the parent	55,235	41,973	85,948	86,982
Non-controlling interests	(577)	(248)	(1,919)	612
	54,658	41,725	84,029	87,594

The attached notes 1 to 9 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012 (Unaudited)

		30 June 2012 AED '000	(Audited) 31 December 2011 AED '000
ASSETS			
Non-current assets			
Capital work in progress	5	107,095	466,135
Property, plant and equipment		4,925,229	4,626,461
Intangible assets		37,596	37,596
Investments in associates		361,539	336,926
Investments in joint ventures		7,325	4,334
Loans to a joint venture		56,544	56,544
Finance lease receivables		1,614,149	1,619,815
		<u>7,109,477</u>	<u>7,147,811</u>
Current assets			
Inventories		35,226	33,909
Accounts receivable and prepayments		753,364	788,472
Loan to an associate		-	3,662
Finance lease receivables		123,025	106,300
Contract work in progress		79,055	48,305
Cash and short term deposits		609,859	511,997
		<u>1,600,529</u>	<u>1,492,645</u>
Assets classified as held for sale		<u>103,297</u>	<u>103,297</u>
TOTAL ASSETS		<u>8,813,303</u>	<u>8,743,753</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital		659,063	659,063
Treasury shares		(2,016)	(2,016)
Statutory reserve		79,386	79,386
Retained earnings		72,609	38,278
Foreign currency translation reserve		(2,278)	(2,303)
Cumulative changes in fair value of derivatives		(49,923)	(41,157)
Mandatory convertible bond and subordinated loan facility – equity component	6	2,008,303	1,945,245
Other reserve		1,145,196	1,145,196
		<u>3,910,340</u>	<u>3,821,692</u>
Non - controlling interests		<u>82,620</u>	<u>92,391</u>
Total equity		<u>3,992,960</u>	<u>3,914,083</u>
Non-current liabilities			
Accounts payable and accruals		28,246	41,462
Interest bearing loans and borrowings		2,046,816	2,110,921
Islamic financing arrangements		516,250	527,096
Obligations under finance lease		28,334	30,453
Mandatory convertible bond and subordinated loan facility– liability component	6	878,399	909,860
Employees' end of service benefits		17,311	17,090
		<u>3,515,356</u>	<u>3,636,882</u>
Current liabilities			
Accounts payable and accruals		690,425	701,503
Advances from a related party		400,000	400,000
Interest bearing loans and borrowings		136,403	72,811
Islamic financing arrangements		22,894	11,110
Mandatory convertible bond and subordinated loan facility – liability component	6	47,901	-
Obligations under finance lease		7,364	7,364
		<u>1,304,987</u>	<u>1,192,788</u>
Total liabilities		<u>4,820,343</u>	<u>4,829,670</u>
TOTAL EQUITY AND LIABILITIES		<u>8,813,303</u>	<u>8,743,753</u>

Waleed Al Mokarrab Al Muhairi
CHAIRMAN

Sujit S. Parhar
CHIEF EXECUTIVE OFFICER

The attached notes 1 to 9 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 June 2012 (Unaudited)

	Attributable to equity holders of the parent										Total equity	
	Issued capital	Treasury shares	Statutory reserve	Retained earnings / (accumulated losses)	Foreign currency translation reserve	Cumulative changes in fair value of derivatives	Mandatory convertible bond and subordinated loan facility - equity component	Capital reduction reserve	Other reserve	Total		Non-controlling interests
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2011	243,380	(2,016)	61,115	(1,004,808)	(2,310)	(71,276)	1,301,679	961,966	-	1,487,730	94,505	1,582,235
Profit for the period	-	-	-	75,681	-	-	-	-	-	75,681	612	76,293
Other comprehensive income for the period	-	-	-	-	(58)	11,359	-	-	-	11,301	-	11,301
Total comprehensive income for the period	-	-	-	75,681	(58)	11,359	-	-	-	86,982	612	87,594
Conversion of mandatory convertible bonds into shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of mandatory convertible bond - equity component	415,683	-	-	-	-	-	(1,301,679)	-	1,145,196	259,200	-	259,200
Mandatory Convertible bond - coupon settled in kind	-	-	-	(24,827)	-	-	24,827	-	-	1,298,392	-	1,298,392
Excess of consideration paid over share of net assets on acquisition of non-controlling interests in a subsidiary	-	-	-	(2,588)	-	-	-	-	-	(2,588)	2,588	-
Dividend paid to non-controlling interests	-	-	-	(956,542)	(2,368)	(59,917)	1,323,219	961,966	1,145,196	3,129,716	(1,950)	(1,950)
Balance at 30 June 2011	659,063	(2,016)	61,115	(956,542)	(2,368)	(59,917)	1,323,219	961,966	1,145,196	3,129,716	95,755	3,225,471
Balance at 1 January 2012	659,063	(2,016)	79,386	38,278	(2,303)	(41,157)	1,945,245	-	1,145,196	3,821,692	92,391	3,914,083
Profit (loss) for the period	-	-	-	94,689	-	-	-	-	-	94,689	(1,919)	92,770
Other comprehensive income (loss) for the period	-	-	-	-	25	(8,766)	-	-	-	(8,741)	-	(8,741)
Total comprehensive income for the period	-	-	-	94,689	25	(8,766)	-	-	-	85,948	(1,919)	84,029
Reallocation of mandatory convertible bonds from liability component	-	-	-	-	-	-	2,700	-	-	2,700	-	2,700
Mandatory convertible bonds - coupon settled in kind	-	-	-	(53,295)	-	-	53,295	-	-	-	-	-
Subordinated loan facility Tranche A - coupon settled in kind	-	-	-	(7,063)	-	-	7,063	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(9,759)	(9,759)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,907	1,907
Balance at 30 June 2012	659,063	(2,016)	79,386	72,609	(2,278)	(49,923)	2,008,303	-	1,145,196	3,910,340	82,620	3,992,960

The attached notes 1 to 9 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended 30 June 2012 (Unaudited)

	<i>Six month period ended 30 June 2012</i>	<i>Six month period ended 30 June 2011</i>
<i>Note</i>	<i>AED '000</i>	<i>AED '000</i>
OPERATING ACTIVITIES		
Profit for the period	92,770	76,293
Non-cash adjustments to reconcile profit for the period to net cash flows:		
Depreciation of property, plant and equipment	66,004	59,929
Finance income relating to finance lease receivable	(60,758)	(44,580)
Share of results of associates	(24,801)	(20,587)
Share of results of joint ventures	527	(234)
Net movement in employees' end of service benefits	221	634
Interest income	(6,076)	(2,070)
Finance costs	93,249	131,608
Changes in fair value of derivative liability	-	(5,900)
	161,136	195,093
Working capital adjustments:		
Inventories	(1,317)	3,738
Accounts receivable and prepayments	32,131	(41,996)
Contract work in progress	(28,100)	13,542
Accounts payable and accruals	28,778	(9,810)
Lease rentals received	49,699	42,501
Net cash flows from operating activities	242,327	203,068
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(539)	(3,257)
Payments for capital work in progress	(71,919)	(403,055)
Repayment of loan by an associate	3,662	14,902
Interest received	6,403	2,070
Net cash flows used in investing activities	(62,393)	(389,340)
FINANCING ACTIVITIES		
Interest bearing loans and borrowings received	1,431	446,710
Interest bearing loans and borrowings repaid	(5,495)	(4,822)
Islamic financing arrangement received	-	52,801
Recapitalization program costs paid	-	(92,798)
Payment for obligations under finance lease	(2,119)	(1,928)
Interest paid	(68,037)	(186,512)
Capital contribution by non-controlling interests	1,907	-
Dividends paid to non-controlling interests	(9,759)	(1,950)
Net cash flows (used in) from financing activities	(82,072)	211,501
NET INCREASE IN CASH AND CASH EQUIVALENTS	97,862	25,229
Cash and cash equivalents at 1 January	511,997	308,098
CASH AND CASH EQUIVALENTS AT 30 JUNE	609,859	333,327

The attached notes 1 to 9 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2012 (Unaudited)

1 ACTIVITIES

National Central Cooling Company PJSC ("Tabreed" or the "Company") is registered in the United Arab Emirates as a Public Joint Stock Company pursuant to the U.A.E. Commercial Companies Law No. 8 of 1984 (as amended) and is listed on the Dubai Financial Market. The Company is a subsidiary of Mubadala Development Company PJSC ("MDC" or the "Parent Company"). The principal activity of the Company is to supply chilled water.

The Company's registered office is located at P.O. Box 32444, Dubai, United Arab Emirates.

The interim condensed consolidated financial statements of the Group were authorised for issuance by the Board of Directors on July 31, 2012.

2.1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirhams (AED), which is the functional currency of the Company. All values are rounded to the nearest thousand (AED '000) except otherwise indicated.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 December 2011. In addition, results for the six month period ended 30 June 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2011, except for the adoption of the following amended standards as of 1 January 2012, noted below:

- IAS 12 Income Taxes – Recovery of Underlying Assets
- IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

The adoption of the above standards did not have a material effect on the financial performance and position of the Group.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2012 (Unaudited)

3 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. The two reportable operating segments are as follows:

- The 'Chilled Water' segment constructs, owns, assembles, installs, operates and maintains cooling and conditioning systems. In addition, the segment distributes and sells chilled water for use in district cooling technologies.
- The 'Value chain business' segment is involved in ancillary activities relating to the expansion of the Group's chilled water business.

Segment performance is evaluated based on operating profit or loss and is measured consistently with the Group's operating profit or loss in the consolidated financial statements. However, Group financing (finance costs and interest income) are managed on a group basis and are not allocated to operating segments.

	<i>Six month period ended 30 June 2012</i>				<i>Six month period ended 30 June 2011</i>			
	<i>Chilled water</i>	<i>Value chain business</i>	<i>Eliminations</i>	<i>Total</i>	<i>Chilled water</i>	<i>Value chain business</i>	<i>Eliminations</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Revenue								
External revenue	444,852	70,803	-	515,655	425,603	106,637	-	532,240
Inter-segment revenue	-	4,656	(4,656)	-	-	85,030	(85,030)	-
Total revenue	444,852	75,459	(4,656)	515,655	425,603	191,667	(85,030)	532,240
Operating costs	(226,716)	(65,371)	5,745	(286,342)	(234,956)	(164,043)	86,083	(312,916)
Gross profit	218,136	10,088	1,089	229,313	190,647	27,624	1,053	219,324
Results								
Segment results	155,483	76	1,464	157,023	129,836	12,796	2,117	144,749
Finance costs	-	-	-	(93,249)	-	-	-	(131,608)
Interest income	-	-	-	6,076	-	-	-	2,070
Changes in fair value of derivative liability and other income	-	-	-	162	-	-	-	36,045
Share of results of associates	23,285	-	-	23,285	24,803	-	-	24,803
Share of results of joint ventures	(527)	-	-	(527)	234	-	-	234
Profit for the period				92,770				76,293

Inter-segment revenues are eliminated on consolidation.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2012 (Unaudited)

4 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic earnings per share is calculated as follows:

- profit for the period attributable to ordinary equity holders of the parent; divided by the total of:
- weighted average number of ordinary shares (excluding treasury shares) outstanding during the period, and
- weighted average number of ordinary shares that would be issued on the conversion of mandatory convertible bond.

Diluted earnings per share is calculated as follows:

- profit for the period attributable to ordinary equity holders of the parent (after adjusting for accretion on subordinated loan facility – liability component); divided by the total of:
- weighted average number of ordinary shares used to calculate basic earnings per share; and
- weighted average number of ordinary shares that would be issued on conversion of mandatory convertible bond and subordinated loan facility.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

Basic earnings per share

	<i>Three month period ended 30 June 2012 AED '000</i>	<i>Three month period ended 30 June 2011 AED '000</i>	<i>Six month period ended 30 June 2012 AED '000</i>	<i>Six month period ended 30 June 2011 AED '000</i>
Profit for the period attributable to ordinary equity holders of the parent for basic earnings (AED '000)	<u>57,903</u>	<u>43,790</u>	<u>94,689</u>	<u>75,681</u>
Weighted average number of ordinary shares (excluding treasury shares) outstanding during the period ('000)	<u>657,047</u>	372,204	<u>657,047</u>	306,784
Effect of mandatory convertible bond ('000)	<u>2,312,382</u>	1,803,419	<u>2,312,382</u>	969,365
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of mandatory convertible bond ('000)	<u>2,969,429</u>	<u>2,175,623</u>	<u>2,969,429</u>	<u>1,276,149</u>
Basic earnings per share (AED)	<u>0.02</u>	0.02	<u>0.03</u>	0.06

Basic earnings per share has been calculated on the basis of maximum number of shares that may be issued for mandatory convertible bond.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2012 (Unaudited)

4 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

Diluted earnings per share

	<i>Three month period ended 30 June 2012 AED '000</i>	<i>Three month period ended 30 June 2011 AED '000</i>	<i>Six month period ended 30 June 2012 AED '000</i>	<i>Six month period ended 30 June 2011 AED '000</i>
Profit for the period attributable to ordinary equity holders of the parent for basic earnings (AED '000)	57,903	43,790	94,689	75,681
Accretion on subordinated loan facility – Tranche B (AED'000) (note 6)	<u>3,697</u>	-	<u>7,359</u>	-
Profit for the period attributable to ordinary equity holders of the parent for diluted earnings (AED '000)	<u>61,600</u>	<u>43,790</u>	<u>102,048</u>	<u>75,681</u>
Weighted average number of ordinary shares for basic earnings per share ('000)	2,969,429	2,175,623	2,969,429	1,276,149
Effect of dilution for subordinated loan facility Tranche B ('000)	<u>365,202</u>	-	<u>365,202</u>	-
Weighted average number of ordinary shares adjusted for the effect of dilution ('000)	<u>3,334,631</u>	<u>2,175,623</u>	<u>3,334,631</u>	<u>1,276,149</u>
Diluted earnings per share (AED)	<u>0.02</u>	<u>0.02</u>	<u>0.03</u>	<u>0.06</u>

5 CAPITAL WORK IN PROGRESS

During the six month period ended 30 June 2012 the Group has incurred expenditure of AED 43 million (30 June 2011: AED 340 million) primarily relating to construction of district cooling plants. During the six month period ended 30 June 2012, no finance costs were capitalised as part of capital work in progress (30 June 2011: AED 5 million).

6 MANDATORY CONVERTIBLE BOND AND SUBORDINATED LOAN FACILITY

Reconciliation between the amounts presented in the consolidated statement of financial position is as follows:

	<i>Mandatory convertible bond (MCB 1)</i>		
	<i>Liability component AED '000</i>	<i>Equity component AED '000</i>	<i>Total AED '000</i>
Balance at 1 January 2012	393,447	1,366,135	1,759,582
Accretion expense	7,911	-	7,911
Amortisation of transaction costs	398	-	398
Coupon settled in kind	-	53,295	53,295
Balance at 30 June 2012	<u>401,756</u>	<u>1,419,430</u>	<u>1,821,186</u>

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2012 (Unaudited)

6 MANDATORY CONVERTIBLE BOND AND SUBORDINATED LOAN FACILITY continued

	Subordinated loan facility – Tranche A		
	<i>Liability component</i>	<i>Equity component</i>	<i>Total</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Balance at 1 January 2012	150,482	545,756	696,238
Accretion expense	2,942	-	2,942
Reallocation of Mandatory convertible bonds from liability component	(2,700)	2,700	-
Amortisation of transaction costs	155	-	155
Coupon settled in kind	-	7,063	7,063
Balance at 30 June 2012	<u>150,879</u>	<u>555,519</u>	<u>706,398</u>

	Subordinated loan facility – Tranche B		
	<i>Liability component</i>	<i>Equity component</i>	<i>Total</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Balance at 1 January 2012	365,931	33,354	399,285
Accretion expense	7,359	-	7,359
Amortisation of transaction costs	375	-	375
Balance at 30 June 2012	<u>373,665</u>	<u>33,354</u>	<u>407,019</u>
Total balance of MCB1 and SBL at 30 June 2012	<u>926,300</u>	<u>2,008,303</u>	<u>2,934,603</u>
Total balance of MCB1 and SBL at 31 December 2011	<u>909,860</u>	<u>1,945,245</u>	<u>2,855,105</u>

Liability component of mandatory convertible bond and subordinated loan facility is analysed in the consolidated statement of financial position as follows:

	At 30 June 2012	At 31 December 2011
	AED '000	AED '000
Current	47,901	-
Non - current	878,399	909,860
	<u>926,300</u>	<u>909,860</u>

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2012 (Unaudited)

7 COMMITMENTS AND CONTINGENCIES

Commitments

The authorised capital expenditure contracted for at 30 June 2012 but not provided for amounted to AED 52 million (31 December 2011: AED 157 million).

Contingencies

The bankers have issued guarantees on behalf of the Group as follows:

	<i>At 30 June 2012 AED '000</i>	<i>At 31 December 2011 AED '000</i>
Performance guarantees	130,247	103,686
Advance payment guarantees	8,837	11,351
Financial guarantees	11,856	8,925
	<u>150,940</u>	<u>123,962</u>

8 CASH AND CASH EQUIVALENTS

Geographical concentration of bank balances and cash is as follows:

	<i>At 30 June 2012 AED '000</i>	<i>At 30 June 2011 AED '000</i>
Within UAE	586,769	303,748
Outside UAE	23,090	29,579
	<u>609,859</u>	<u>333,327</u>

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2012 (Unaudited)

9 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, joint ventures, majority shareholder, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related parties included in the consolidated income statement are as follows:

	<i>Six month period ended 30 June 2012</i>				<i>Six month period ended 30 June 2011</i>			
	<i>Revenue</i>	<i>Operating costs</i>	<i>Interest expense</i>	<i>Other income</i>	<i>Revenue</i>	<i>Operating costs</i>	<i>Interest expense</i>	<i>Other income</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Associated companies	-	44,370	-	2,102	-	44,131	-	2,138
Joint venture	-	-	-	-	610	-	-	-
Majority shareholder	8,399	-	18,212	-	28,588	-	23,085	-
Associate of majority shareholder	39,674	-	-	-	39,485	-	-	-

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	<i>Six month period ended 30 June 2012</i>	<i>Six month period ended 30 June 2011</i>
	<i>AED '000</i>	<i>AED '000</i>
Short-term benefits	10,082	8,755
Employees' end of service benefits	343	564
	<u>10,425</u>	<u>9,319</u>
Number of key management personnel	<u>21</u>	<u>16</u>

Balances with related parties included in the consolidated statement of financial position are as follows:

	<i>At 30 June 2012</i>				<i>At 31 December 2011</i>			
	<i>Loan Receivable</i>	<i>Mandatory convertible bond and subordinated loan facility</i>	<i>Accounts receivable</i>	<i>Accounts payables and advances</i>	<i>Loan receivable</i>	<i>Mandatory convertible bond and subordinated loan facility</i>	<i>Accounts receivable</i>	<i>Accounts payables and advances</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Associated companies	-	-	15,271	34,035	3,662	-	19,724	33,241
Joint venture	56,544	-	4,588	-	56,544	-	5,058	-
Majority shareholder	-	2,934,603	-	-	-	2,855,105	-	-
Associate of a majority shareholder	-	-	288,369	400,000	-	-	257,338	400,000
	<u>56,544</u>	<u>2,934,603</u>	<u>308,228</u>	<u>434,035</u>	<u>60,206</u>	<u>2,855,105</u>	<u>282,120</u>	<u>433,241</u>