National Central Cooling Company PJSC

21 January 2014

Q4 2014 Results Presentation

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Agenda

- Our Story
- Headline Performance
- Operational and Financial Highlights
- Chilled Water Performance
- Debt Refinancing
- 2014 Recap
- Summary

Our Story

One of World's Largest District Cooling Company

69 Plants in the GCC

…delivering 957,000 RT

..of cooling to our clients

…equivalent to cooling 96 Burj Khalifa towers

254,000 RT growth in connections since 2012

High Contributor to the Environment

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

CO_2

600,000 tons

Yearly elimination of CO_2

=

116,000

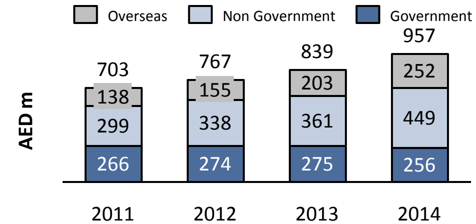
The equivalent of removing 116,000 cars from our streets every year

Iconic Projects

Headline Performance

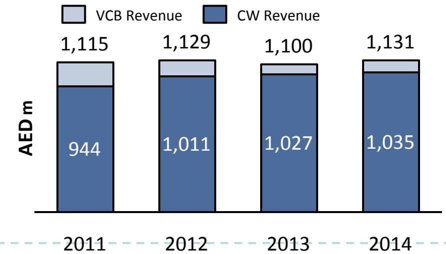
Long-term stable customer base

- 36% of UAE capacity contracted to UAE Government clients
- 11% growth in capacity since 2011
- 141,000 RT increase in UAE capacity contracted since 2011



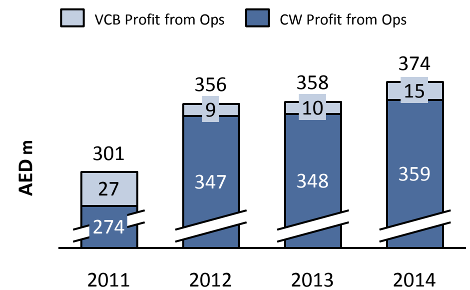
Core Business Growth

- 3% increase in Group Revenue, up to AED 1,131m
- 92% of Group Revenue is from Chilled Water business



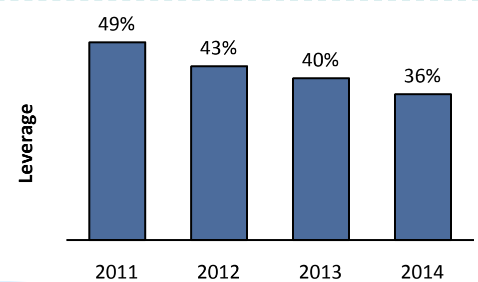
Strong operating performance

- 5% increase in Profit from Operations
- 7% annualised growth since 2011
- Stable earnings, as expected from a utility business
- Cost efficiencies and economies of scale increase income margin



Reduction in leverage

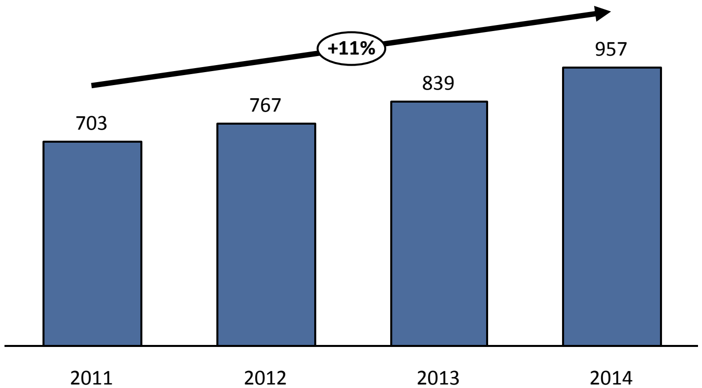
- Meeting all debt obligations
- 26% reduction in leverage since 2011



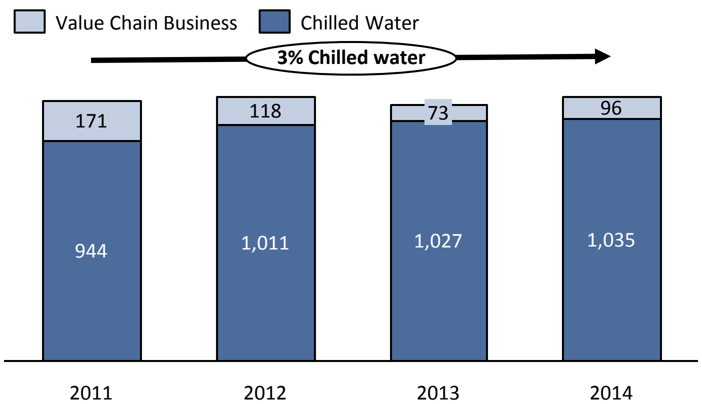
Stable utility infrastructure business with strong cash flow to continue delivering growth

Operational Highlights

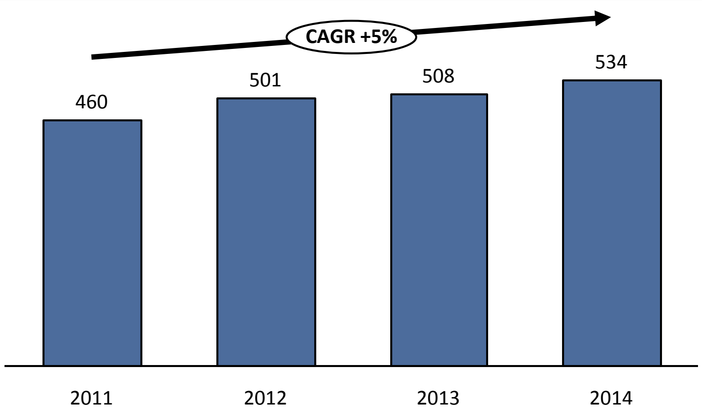
Gross Capacity (kRT)



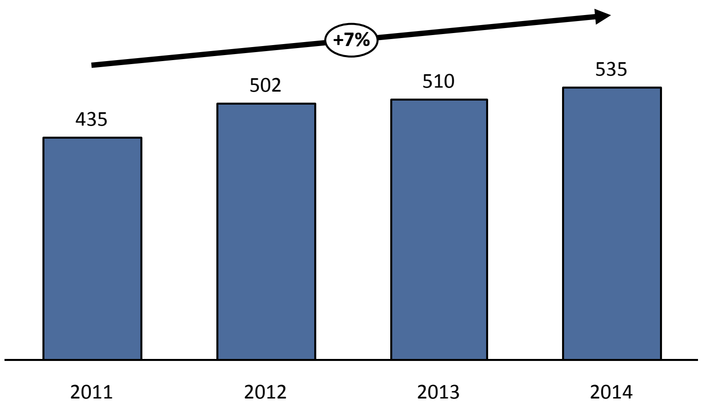
Group Revenue (AED m)



Gross Profit (AED m)



Group EBITDA (AED m)



Consistent and sustainable results, as expected from a utility infrastructure business

Financial Highlights – Income Statement

Unaudited Consolidated Financials (AED m)	2014	2013	
Revenue	1,130.6	1,100.2	**3%** increase in revenue
Chilled Water (93% of revenue)	*1,034.6*	*1,027.4*	
Value Chain Businesses (7% of revenue)	*96.0*	*72.8*	
Operating Costs	(597.0)	(592.1)	
Gross Profit	**533.6**	**508.1**	**5%** increase in gross profit
Gross Profit Margin	*47%*	*46%*	
Admin & Other Expenses	(159.5)	(150.4)	
Profit from Operations	**374.1**	**357.7**	**5%** year on year growth
Operating Profit Margin	*33%*	*33%*	
Net Finance Costs	(130.1)	(143.6)	**9%** reduction due to lower EIBOR rates and debt payment
Fair Value Adjustment	-	(19.1)	One-off land revaluation in 2013
Share of Results of Associates and Joint Ventures	85.4	66.4	**29%** increase driven by growth in the overseas associates
Net Profit attributable to Parent	**325.7**	**272.4**	**20%** year on year growth
EBITDA	**535.0**	**510.1**	**5%** growth in EBITDA margin due to better efficiencies, cost control and economies of scale
EBITDA Margin	*47%*	*46%*	

Transformation into a utility infrastructure performance with stable, steady results

Financial Highlights – Balance Sheet

Unaudited Consolidated Financials (AED m)	2014	2013	
Fixed Assets	6,679.4	6,633.0	
Associates and Joint Ventures	650.9	524.5	**24%** increase, mainly as a result of equity investment in Al Maryah Island concession and Saudi Tabreed.
Accounts Receivable	253.0	240.7	
Other Receivables & Prepayments	213.9	217.8	
Cash and Short Term Deposits	417.9	670.4	Debt repayments of AED 333m and 91m equity investment in associates.
Other Assets	119.7	138.9	
Total Assets	**8,334.8**	**8,425.3**	
Equity and Reserves	2,480.4	2,164.1	
Mandatory Convertible Bonds – equity portion	2,450.2	2,487.0	AED 97m Bonds issued for 2014 dividend offset by AED 134m 2013 Bonds converted
Debt	2,661.7	3,092.4	Driven by debt repayments
Other Liabilities	742.5	681.8	
Total Liabilities and Equity	**8,334.8**	**8,425.3**	

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

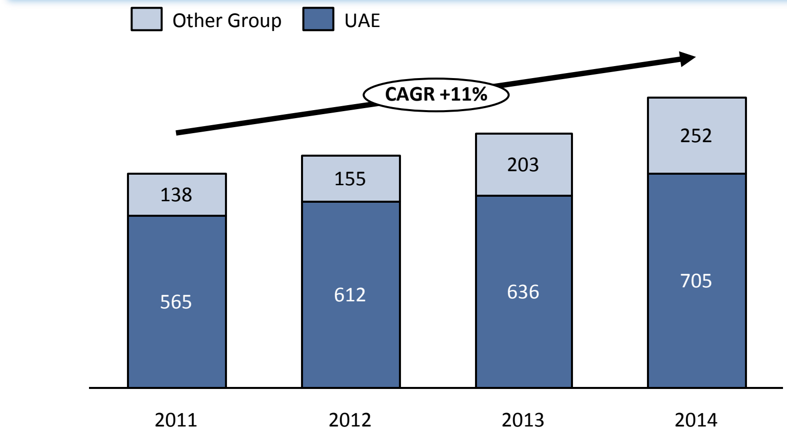
Financial Highlights – Cashflow

Unaudited Consolidated Financials (AED m)	2014	2013	
EBITDA for the period	535.0	510.1	5% year on year growth led by new UAF finance leases
Finance Income relating to Finance Lease receivable	(171.6)	(121.7)	
Lease Rentals received	206.5	125.4	
Working Capital Adjustments	(20.5)	84.6	2013 saw historic issues resolved
Net Cashflows from Operating Activities	**549.4**	**598.4**	
Investing Activities	(192.5)	(67.4)	Driven by investment in Al Maryah Island plant and Saudi Tabreed
Financing Activities	(608.9)	(421.0)	Debt repayments
Net Movement in Cash and Cash Equivalents	(252.5)	(110.0)	
Cash and Cash Equivalents at 1 January	670.4	560.4	
Cash and Cash Equivalents at 31 December	**417.9**	**670.4**	

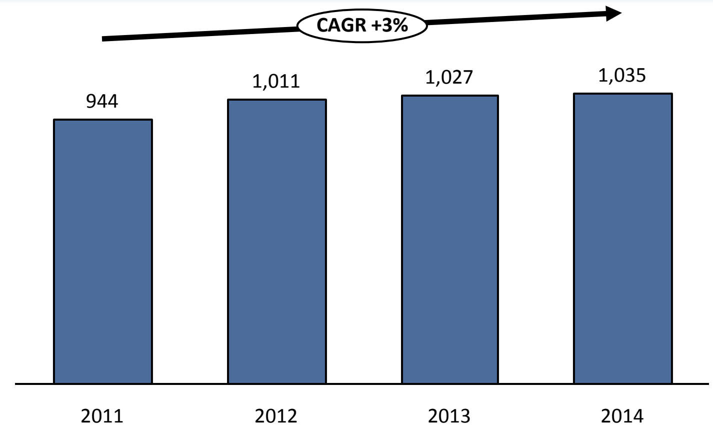
Strong cashflow generation was utilized in revolver prepayment and increased investing activity.

2014 Chilled Water Performance

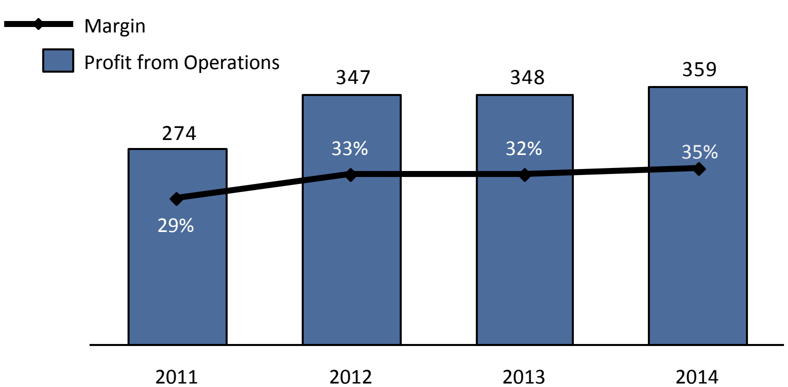
Gross Capacity (kRT)



Revenue (AED m)



Profit from Operations (AED m)



Chilled Water (AED m)	UAE	Qatar	Saudi	Other	Total
Revenue	999.5	-	-	35.1	1,034.6
Operating Costs	(508.0)	-	-	(26.8)	(534.8)
Gross Profit	**491.5**	**-**	**-**	**8.3**	**499.8**
Gross Profit Margin	*49%*	-	-	*24%*	*48%*
Profit from Operations	**357.3**	**-**	**-**	**1.92**	**359.2**
Share of results of Associates	**14.9**	**49.0**	**21.5**	**-**	**85.4**

UAE is the foundation for consistent performance with exciting opportunities in GCC to materialize

Refinancing Highlights

Refinancing Background

- Refinancing of Tabreed's existing debt facilities announced in December 2014.
- The refinancing has been consolidated into a smaller subset from Tabreed's existing syndicate of banks, with ADCB, FGB and Mashreq Bank acting as Mandated Lead Arrangers.
- The conditions, margins, and tenor in the new agreement reflect Tabreed's established position as a leading utility infrastructure business as highlighted below.

Key Improvements	Previous Terms	New Terms
Facility Amount: Increase revolver facility by AED 120m	– Term Facility A – AED 692m – Term Facility B – AED 1,450m – Revolver – AED 330 million	– Term Facility A – AED 692m – Term Facility B – AED 1,450m – Revolver – AED 450m
Maturity Date 2 year maturity extension	– Term Loans A : 31 March 2019 – Term Loan B : 31 March 2019 – Revolver: One day prior to 30 March 2019	– Term Loans A : 31 December 2018 – Term Loan B : 31 March 2021 (153m rep. starting '19) – Revolver: 31 March 2021
Pricing Avg. 50bps / 25% margin reduction	– Facility A – margin presently 2.0% – Facility B – margin presently 2.4% – Revolver– presently 2.2% per annum	– Facility A – 1.45% (1.70%, if Net Debt / EBITDA > 4.25x) – Facility B – 1.90% (2.20%, if Net Debt / EBITDA > 4.25x) – Revolver – 1.90% (2.20%, if Net Debt / EBITDA > 4.25x)
Covenants & Others Improved flexibility	– Inability to raise pari-passu debt – Restrictions on acquisitions and mergers – Restrictive covenants	– Higher flexibility

Refinancing has positive impact on performance and adds flexibility for the Business

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2014 Key Achievements

5 fils dividend paid for the 2nd year in a row

Qatar Cool commenced construction on a 4th plant with 40 kRT capacity.

New Agreement signed with UAF valued at AED 6 billion

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

Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec

This year was a remarkable achievement for Tabreed, the Company reported its highest ever earnings since incorporation and is now providing close to 1 million RTs of cooling to customers.

Summary

tabreed تبريد

Why District Cooling?

- Air conditioning is an absolute necessity in the GCC
- District Cooling enables a 50% reduction in energy consumption and carbon footprint
- District Cooling is 16% cheaper than conventional cooling

Why Tabreed?

- Tabreed is the largest utility infrastructure business offering cooling services in the Middle East
- Proven track record in its operations and the industry leading in-house O&M team
- Long-term, stable, price certain contracts with guaranteed returns
- 36% of contracts with UAE Government entities

Robust Financial Results

- 2014 Net Profit attributable to Parent now at AED 326m, up 20%
- 2014 Group EBITDA up 5% to AED 535m
- 2014 Cashflow from Operations at AED 549m
- Strong cash generating ability, enabling reduction in leverage to 36%

Core Business Focus Delivering Value

- Robust financial results with strong cashflows
- Cash dividend 5 fils per share paid since 2012
- Delivering strategy to enhance value from existing plants while maximizing operational efficiencies
- Evolved from a business in development to a low risk utility infrastructure business

Delivering stable growth

- GCC economies continue to grow and district cooling is a vital component of economic growth
- Tabreed is well positioned to capitalize on future growth opportunities; starting with
  - Construction of another plant in Qatar in May
  - Acquisition of Maryah Island concession in July
  - Signing of Meraas deal in September
  - Investment in Tabreed Saudi in December

Q & A

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