



Tabreed

H1 10 Results Presentation

11 August 2010

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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 H1 10 results demonstrate strength of underlying business**
 - Group revenue of AED 432.3m – up 16% over H1 09
 - Strong contribution from Chilled Water (+94%)
 - Gross profits of AED 197.5m up 16% from H1 09
 - Net profit (excluding derivative liability) of AED 63.1m against AED 61.2m in H1 09
 - Reported net profit up 83% to AED 86.8m
- **Four new plants came online in Q2 10**
 - Four Dubai metro plants (Jebel Ali Industrial, Rashidiya, Jebel Ali – Jumeirah & Al Kifaf) on stream
- **Saudi Tabreed (Tabreed 25%) to build DC plant for Aramco on build, own and operate basis**
 - Capacity of 27k expandable to 32k
 - Project financing secured
- **Recapitalization Update**
 - Mubadala short term funding facility: AED 735m drawn
 - Board has approved 5:1 capital reduction



Operational Review

Sujit Parhar
CEO



Chilled Water

- Eight new plants came online during the first half and several new customers were connected
- Total installed cooling capacity increased to 449,625 tons across 44 plants
- Revenue and gross profit up 94% and 72% respectively

Construction

- Further progress from GES projects on Sowwah Island and Shams enabled revenues to increase by 12% over H1 09

Manufacturing

- Economic downturn reduced order books at Tabreed's 60% owned manufacturing subsidiary, Emirates Pre-insulated Pipes Industries, resulting in revenues falling to AED 41.5m

Services

- Largely due to the regional real estate slowdown the services division which includes Ian Banham & Associates, I2I and Cooltech registered a 15% decline in revenues in H1 10 compared to H1 09



UAE Operational Plants

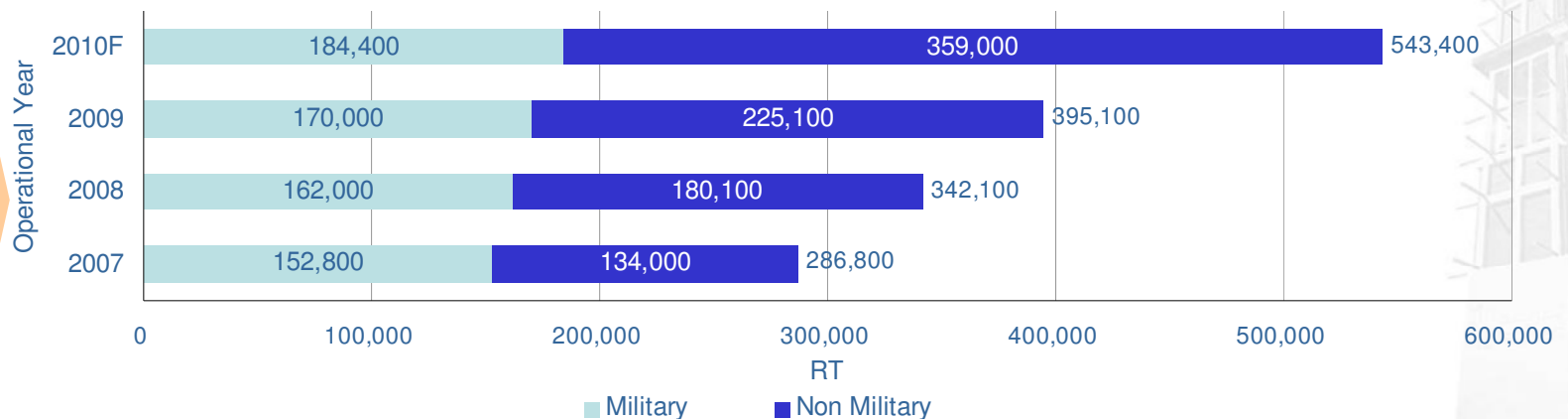
Q2 2010

- In total 27,525 RT of gross capacity came online in Q2 10, increasing capacity to 449,625 RT (gross) across 44 plants from 422,100 RT* (gross) at Q1 10
 - Total billed capacity of chilled water in Q2 10 was 411,033
 - Average reliability of 99.99%
- The capacity increase reflects 4 plants completed in Q2 2010
 - Jebel Ali Industrial – 4,400 RT
 - Rashidiya - 7,500 RT
 - Jebel Ali – Jumeirah – 5,625 RT
 - Al Kifaf – 10,000 RT

2010 (Rest of the year)

- A further 8 plants under construction along with 2 expansion plans. Of these, 5 plants and 1 expansion are expected to come online in 2010
- Capacity addition for year 2010 estimated at 148,300 RT (gross)
- Share of military in total capacity expected to decline 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

Significant Capacity Roll-out

Plant	Completion	Installed Capacity
Al Wadi Scheme	Q1 10	2,000
SZR Dubai 2	Q1 10	7,500
Al Barchaa	Q1 10	7,500
Al Rigga	Q1 10	10,000
Jebel Ali Industrial	Q2 10	4,400
Rashidiya Plant	Q2 10	7,500
Jebel Ali - Jumeirah	Q2 10	5,625
Al Kifaf Plant	Q2 10	10,000
T8 ZMC	2010	10,000
Shams 01	2010	10,000
Raha Beach 02	2010	45,000
DB01 Expansion	2010	9,375
Fujairah Naval Base	2010	4,400
New Souk Aldar	2010	15,000
Ajman 02	TBD	10,000
RAK 01 Expansion	TBD	7,500
Fujairah	TBD	3,000
Al Minhad	TBD	5,000

Commercial

Military

Dubai Metro



Financial Review

Steve Ridlington
CFO



H1 10 Financial Highlights

Consolidated results for H1 10

- Group revenue of AED 432.3m
 - Strong contribution from Chilled Water (+94%)
- Gross Profits of AED 197.5m up 16% on H1 09
- Profit from Operations at AED 108.1m, up 16% on the same period last year
- Finance costs up 46% due to higher debt levels.
- Net profit (excluding derivative liability) of AED 63.1m, up 3% on H1 09
- Reported net profit up 83% to AED 86.8m
- EBITDA of AED 161.6m
- Capex of AED 207m

Tabreed's share

- Net profit of AED 80.7m

Key Figures – Un-audited Consolidated Financials

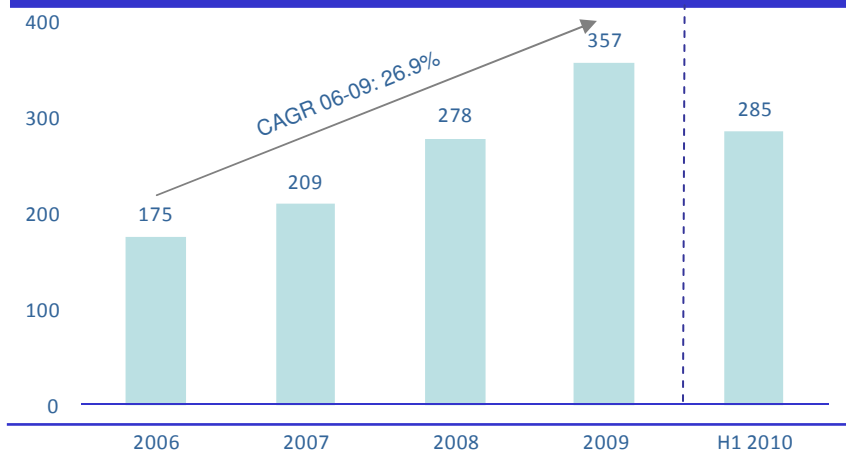
All figures in AED m	6-months ending 30 June	
	H1 10	H1 09
Revenues	432.3	373.8
Operating costs	(234.8)	(202.9)
Gross Profit	197.5	170.9
<i>Gross Profit Margin</i>	46%	46%
Profit from Operations	108.1	93
Finance Costs	(71)	(48.5)
Changes in fair value of derivative liability	23.7	(13.8)
Net Profit before derivative liability	63.1	61.2
Net Profit	86.8	47.4
EBITDA	161.6	131
Capex	207	996
Tabreed Share of:		
Net Profit	80.7	30.1

Chilled Water (66% of Revenue)

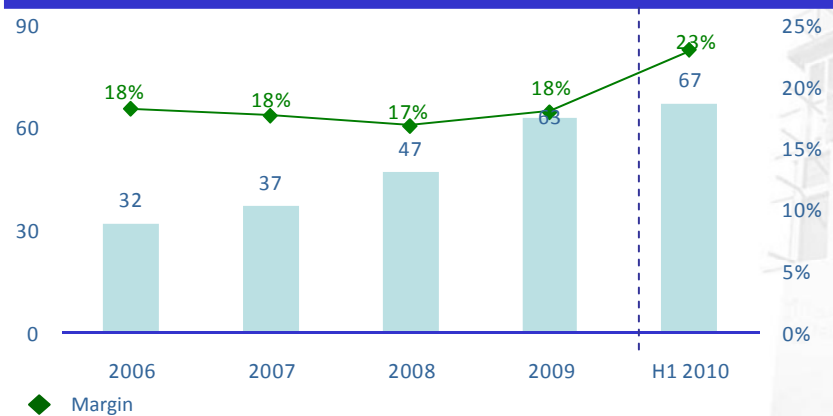
Key Metrics (AED m)	H1 10	H1 09	% Change
Revenues	285	147	94%
Cost	(155)	(72)	117%
Gross Profit	130	75	72%
GP Margin	46%	51%	
Profit from Operations	67	28	138%

- Revenue sharply higher
 - 10 new plants have come online since H1 09
 - Billed capacity increased to 411,033 RT
- Costs increased due to plant ramp up stage partly offset by utility efficiency improvements
- Gross profit margin of 46% recorded
- Profit from Operations growth of 138% over H1 09 due to lower SG&A costs
- EBITDA of AED 118m against AED 64m in H1 09

Revenue (AED m) ⁽¹⁾



Segment Result (AED m) ⁽¹⁾



Notes

1. Not adjusted for transfers between business segments

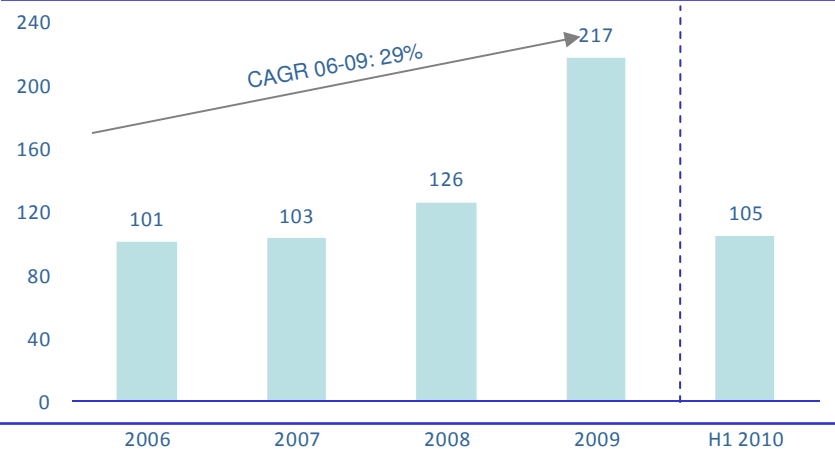
Contracting (20% of Revenue)

Key Metrics * (AED m)	H1 10	H1 09	% Change
Revenues	105	94	12%
Cost	(82)	(79)	4%
Gross Profit	23	15	-
GP Margin	22%	16%	
Profit from Operations	19	14	-

- Sales of AED 105m mainly due to GES projects on Sowwah Island and Shams
- Gross profit and GP margin in H1 10 reflect significant one off gain in Q1 10
- EBITDA of AED 19m against AED 14m in H1 09

* Comparisons with H1 09 not meaningful due to change in accounting policy – during Q1 09 revenue and profit recognition was based on invoicing rather than project milestone basis

Revenue (AED m) ⁽¹⁾



Segment Result (AED m) ⁽¹⁾



Notes

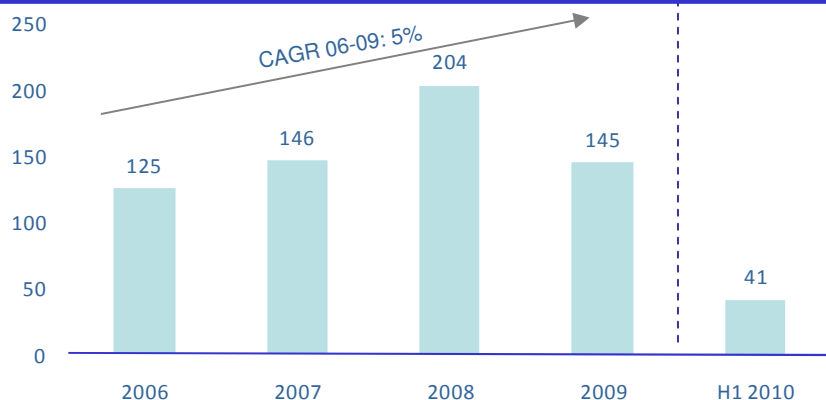
1. Not adjusted for transfers between business segments

Manufacturing (7% of Revenue)

Key Metrics (AED m)	H1 10	H1 09	% Change
Revenues	41	117	(64%)
Cost	(28)	(75)	(62%)
Gross Profit	13	42	(68%)
GP Margin	32%	36%	
Profit from Operations	9	36	(75%)

- Sales decreased by 64% over very high levels in H1 09 driven by economic downturn and resultant fall in order books
- Costs declined by 62% due to fixed costs
- Gross margins fell to 32% over H1 09 reflecting reduced margins on new contracts
- Profit from operations fell by 75% to AED 9m
- EBITDA of AED 12m against AED 39m in H1 09

Revenue (AED m)⁽¹⁾



Segment Result (AED m)⁽¹⁾



Notes

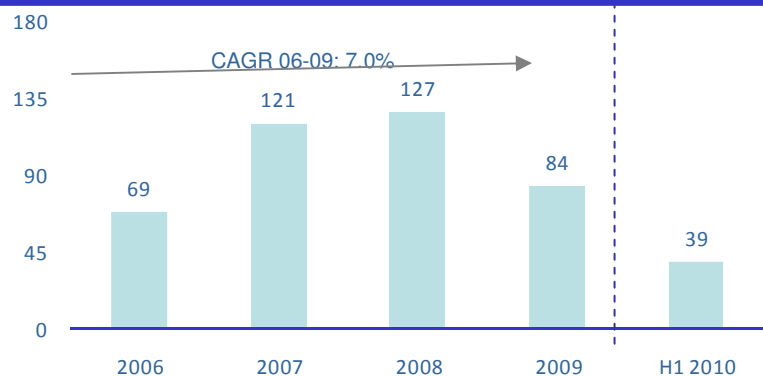
1. Not adjusted for transfers between business segments

Services (8% of Revenue)

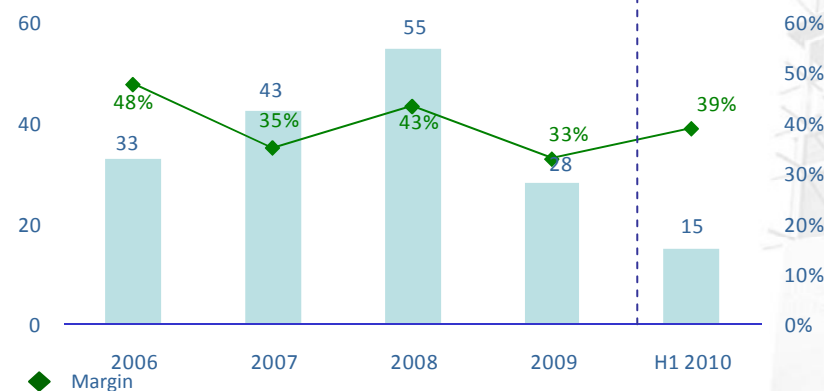
Key Metrics (AED m)	H1 10	H1 09	% Change
Revenues	39	45	(15%)
Cost	(6)	(5)	11%
Gross Profit	33	40	(19%)
GP Margin	85%	89%	
Profit from Operations	15	18	(13%)

- Sales decreased by 15% in 2009 reflecting slowdown in the real estate sector
- Costs increased by 11% over H1 09
- Gross margins fell to 85% from 89% in H1 09 driven by the negative impact of fixed costs combined with sales decline
- Profit from operations fell 13% to AED 15m
- EBITDA of AED 15m against AED 18m in H1 09

Revenue (AED m)⁽¹⁾



Segment Result (AED m)⁽¹⁾



Notes

1. Not adjusted for transfers between business segments

Update on Recapitalization Program

Steve Ridlington

CFO



Update on Recapitalization Process

	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"> AGA and EGA held and resolutions approved Subject to regulatory approval, Tabreed intends to reduce the Company's share capital through the cancellation of approximately 970 MM shares. <ul style="list-style-type: none"> The cancellation of shares will be on a pro-rata basis at a ratio of 5:1 Each shareholder will retain one share for every five shares it holds, and the remaining shares will be cancelled Tabreed has submitted the capital reduction proposal to the Emirates Securities and Commodities Authority for approval
Banks	<ul style="list-style-type: none"> Pursue a 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"> Refinancing proposal currently being discussed with a Coordinating Committee of banks Refinancing expected to close in Q4 2010
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 ongoing
Mandatory Convertible Sukuk	<ul style="list-style-type: none"> Renegotiation of existing terms to improve liquidity Implement through an amendment process 	<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 Amendments will be proposed as part of wider recapitalisation process
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 outcome of wider recapitalization process Ongoing discussions

Summary

Sujit Parhar

CEO



- **Robust H1 10 results announced**
 - Sales of AED 432.3 million
 - Gross Profit of AED 197.5 million
 - Net Profit of AED 86.8 million (Tabreed's share 80.7m)
- **Strong cash generating capability**
 - EBITDA of AED 161.6m
- **Further progress made on recapitalization program**
 - On-track for Q4 10 close
- **Focus remains on cost discipline, improving productivity and delivering pipeline of new projects**
- **Business transformation continues**
 - Saudi Tabreed contract with Aramco is project financed
 - Selective growth opportunities being discussed
- **Positioning for the future**
 - Grow a stable and long term business



Q&A



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