

National Central Cooling Company PJSC

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

31 MARCH 2013 (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 31 March 2013, comprising of the interim consolidated statement of financial position as at 31 March 2013 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period ended 31 March 2013 and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with 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.

A handwritten signature in blue ink that reads 'Ernst & Young'.

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

29 April 2013
Abu Dhabi

National Central Cooling Company PJSC

INTERIM CONSOLIDATED INCOME STATEMENT

Three month period ended 31 March 2013 (Unaudited)

		<i>Three month period ended 31 March 2013</i>	<i>Three month period ended 31 March 2012</i>
	<i>Notes</i>	<i>AED '000</i>	<i>AED '000</i>
Revenues	3	218,575	219,020
Operating costs	3	(106,853)	(108,116)
GROSS PROFIT		111,722	110,904
Administrative and other expenses		(36,169)	(37,369)
OPERATING PROFIT		75,553	73,535
Finance costs	3	(39,969)	(48,603)
Finance income	3	1,318	3,595
Other income	3	58	158
Share of results of associates	3	10,395	7,251
Share of results of joint ventures	3	(95)	(492)
PROFIT FOR THE PERIOD		47,260	35,444
Attributable to:			
Ordinary equity holders of the parent		47,841	36,786
Non-controlling interests		(581)	(1,342)
		47,260	35,444
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (AED)	4	0.01	0.01

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three month period ended 31 March 2013 (Unaudited)

	<i>Three month period ended 31 March 2013 AED '000</i>	<i>Three month period ended 31 March 2012 AED '000</i>
PROFIT FOR THE PERIOD	47,260	35,444
Other comprehensive income		
Net movement in fair value of derivatives in cash flow hedges	(3,364)	(8,051)
Share of changes in fair value of derivatives of associate in cash flow hedges	2,327	2,459
Exchange differences arising on translation of overseas operations	(26)	(7)
Net other comprehensive expense to be reclassified to profit and loss in subsequent periods	(1,063)	(5,599)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	46,197	29,845
Attributable to:		
Ordinary equity holders of the parent	46,778	31,187
Non-controlling interests	(581)	(1,342)
	46,197	29,845

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013 (Unaudited)

		31 March 2013 AED '000	(Audited) 31 December 2012 AED '000
ASSETS	Notes		
Non-current assets			
Capital work in progress	5	104,267	110,829
Property, plant and equipment		4,909,763	4,939,095
Intangible assets		37,596	37,596
Investments in associates		413,148	401,487
Investments in joint ventures		1,414	1,427
Loans to a joint venture		56,544	56,544
Finance lease receivables		1,614,269	1,619,409
		7,137,001	7,166,387
Current assets			
Inventories		36,691	33,876
Accounts receivable and prepayments		524,523	558,266
Finance lease receivables		120,588	120,959
Contract work in progress		49,089	52,276
Cash and short term deposits		597,185	560,417
		1,328,076	1,325,794
TOTAL ASSETS		8,465,077	8,492,181
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		103,021	103,021
Retained earnings		145,097	130,209
Foreign currency translation reserve		(2,450)	(2,424)
Proposed dividends	10	166,832	-
Cumulative changes in fair value of derivatives		(49,537)	(48,500)
Mandatory convertible bonds – equity component	7	2,353,138	2,353,138
Other reserve	11	1,019,988	1,153,867
		4,393,136	4,346,358
Non-controlling interests		78,297	80,233
Total equity		4,471,433	4,426,591
Non-current liabilities			
Accounts payable and accruals		29,658	29,658
Interest bearing loans and borrowings		1,982,181	1,980,526
Islamic financing arrangements		506,266	505,790
Obligations under finance lease		24,961	26,112
Mandatory convertible bonds– liability component	7	521,800	545,130
Employees' end of service benefits		17,982	17,549
		3,082,848	3,104,765
Current liabilities			
Accounts payable and accruals		558,489	608,518
Advances from a related party		73,869	73,869
Interest bearing loans and borrowings		135,381	135,381
Islamic financing arrangements		22,894	22,894
Mandatory convertible bonds– liability component	7	112,799	112,799
Obligations under finance lease		7,364	7,364
		910,796	960,825
Total liabilities		3,993,644	4,065,590
TOTAL EQUITY AND LIABILITIES		8,465,077	8,492,181

Waleed Al Mokarrab Al Muhairi
 CHAIRMAN

Jasim H. Thabet
 CHIEF EXECUTIVE OFFICER

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three month period ended 31 March 2013 (Unaudited)

	Issued capital	Treasury shares	Statutory reserve	Retained earnings	Attributable to equity holders of the parent					Total	Non-controlling interests	Total equity
					Foreign currency translation reserve	Cumulative changes in fair value of derivatives	Mandatory convertible bonds - equity component	Proposed dividends	Other reserve			
	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 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 for the period	-	-	-	36,786	-	-	-	-	-	36,786	(1,342)	35,444
Other comprehensive expense for the period	-	-	-	-	(7)	(5,592)	-	-	-	(5,599)	-	(5,599)
Total comprehensive income (expense) for the period	-	-	-	36,786	(7)	(5,592)	-	-	-	31,187	(1,342)	29,845
Mandatory Convertible bond – coupon settled in kind	-	-	-	(26,648)	-	-	26,648	-	-	-	-	-
Subordinated loan facility	-	-	-	-	-	-	-	-	-	-	-	-
Tranche A – coupon settled in kind	-	-	-	(3,529)	-	-	3,529	-	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,907	1,907
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(7,000)	(7,000)
Balance at 31 March 2012	659,063	(2,016)	79,386	44,887	(2,310)	(46,749)	1,975,422	-	1,145,196	3,852,879	85,956	3,938,835
Balance at 1 January 2013	659,063	(2,016)	103,021	130,209	(2,424)	(48,500)	2,353,138	-	1,153,867	4,346,358	80,233	4,426,591
Profit for the period	-	-	-	47,841	-	-	-	-	-	47,841	(581)	47,260
Other comprehensive expense for the period	-	-	-	-	(26)	(1,037)	-	-	-	(1,063)	-	(1,063)
Total comprehensive income (expense) for the period	-	-	-	47,841	(26)	(1,037)	-	-	-	46,778	(581)	46,197
Transfer from other reserves to retained earnings (note 11)	-	-	-	133,879	-	-	-	-	(133,879)	-	-	-
Proposed dividends to ordinary shareholders (note 10)	-	-	-	(32,953)	-	-	-	32,953	-	-	-	-
Proposed dividends to mandatory convertible bond holder (note 10)	-	-	-	(133,879)	-	-	-	133,879	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,677	2,677
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,032)	(4,032)
Balance at 31 March 2013	659,063	(2,016)	103,021	145,097	(2,450)	(49,537)	2,353,138	166,832	1,019,988	4,393,136	78,297	4,471,433

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Three month period ended 31 March 2013 (Unaudited)

	<i>Three month period ended 31 March 2013 AED '000</i>	<i>Three month period ended 31 March 2012 AED '000</i>
	<i>Notes</i>	
OPERATING ACTIVITIES		
Profit for the period	47,260	35,444
Non-cash adjustments to reconcile profit for the period to net cash flows:		
Depreciation of property, plant and equipment	34,816	31,940
Finance income relating to finance lease receivable	(30,473)	(30,313)
Share of results of associates	(9,334)	(6,190)
Share of results of joint ventures	95	492
Net movement in employees' end of service benefits	433	-
Finance income	(1,318)	(3,595)
Finance costs	39,969	48,603
	81,448	76,381
Working capital adjustments:		
Inventories	(2,815)	837
Accounts receivable and prepayments	34,668	22,895
Contract work in progress	3,187	(1,411)
Accounts payable and accruals	(25,744)	(24,018)
Lease rental received	35,984	21,187
Net cash flows from operating activities	126,728	95,871
INVESTING ACTIVITIES		
Payments for capital work in progress	(27,101)	(40,557)
Interest received	393	1,934
Net cash flows used in investing activities	(26,708)	(38,623)
FINANCING ACTIVITIES		
Interest bearing loans and borrowings repaid	(306)	-
Payment for obligations under finance lease	(1,151)	(1,047)
Additional capital contribution by non controlling interest shareholders	2,677	1,907
Dividends paid to non-controlling interests shareholders	(4,032)	(7,000)
Cash coupons on mandatory convertible bonds	7 (30,147)	-
Interest paid	(30,293)	(39,241)
Net cash flows used in financing activities	(63,252)	(45,381)
NET INCREASE IN CASH AND CASH EQUIVALENTS	36,768	11,867
Cash and cash equivalents at 1 January	560,417	511,997
CASH AND CASH EQUIVALENTS AT 31 MARCH	6 597,185	523,864

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2013 (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 29 April 2013.

2 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 2012. In addition, results for the three month period ended 31 March 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

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 2012, except for the adoption of the following new and amended standards as 1 January 2013.

The Group has applied, for the first time, certain standards and amendments that require restatement of previous financial statements. These include IFRS 10 Consolidated Financial Statements and amendments to IAS 1 Presentation of Financial Statements. As required by IAS 34, the nature and the effect of these changes are disclosed below. In addition, the application of IFRS 12 Disclosure of Interest in Other Entities would result in additional disclosures in the annual consolidated financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the interim condensed consolidated financial statements of the Group.

The nature and the impact of each new standard/amendment is described below:

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of overseas operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2013 (Unaudited)

2.2 SIGNIFICANT ACCOUNTING POLICIES continued

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

The application of this new standard had no impact on the Group.

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

The application of this new standard had no impact on the Group as all joint ventures are equity accounted.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for interim condensed consolidated financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Group has not made such disclosures.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

Other amendments

Several other amendments to IFRS apply for the first time in 2013. However, they do not impact the interim condensed consolidated financial statements of the Group. These new and amended standards are :

- IAS 1 Clarification of the requirement for comparative information (Amendment)
- IAS 32 Tax effects of distributions to holders of equity instruments (Amendment)
- IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)
- IAS 19 Employee Benefits (Revised 2011) (IAS 19R)
- IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7

The Group has not early adopted any other standard, interpretations or amendment that has been issued but is not yet effective.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2013 (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 systems.
- The 'Value chain business' support 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.

	Three month period ended 31 March 2013				Three month period ended 31 March 2012			
	Chilled water AED'000	Value chain business AED'000	Eliminations AED'000	Total AED'000	Chilled water AED'000	Value chain business AED'000	Eliminations AED'000	Total AED'000
Revenue								
External revenue	202,729	15,846	-	218,575	193,168	25,852	-	219,020
Inter-segment revenue	-	1,859	(1,859)	-	-	1,252	(1,252)	-
Total revenue	202,729	17,705	(1,859)	218,575	193,168	27,104	(1,252)	219,020
Operating costs	(96,838)	(12,474)	2,459	(106,853)	(87,933)	(21,905)	1,722	(108,116)
Gross profit	105,891	5,231	600	111,722	105,235	5,199	470	110,904
Results								
Segment results	74,263	618	672	75,553	73,190	(366)	711	73,535
Finance costs	-	-	-	(39,969)	-	-	-	(48,603)
Finance income	-	-	-	1,318	-	-	-	3,595
Other income	-	-	-	58	-	-	-	158
Share of results of associates	10,395	-	-	10,395	7,251	-	-	7,251
Share of results of joint ventures	(95)	-	-	(95)	(492)	-	-	(492)
Profit for the period				47,260				35,444

Inter-segment revenues are eliminated on consolidation.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2013 (Unaudited)

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

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of mandatory convertible bonds (note 7).

Diluted earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent (after adjusting for accretion on subordinated loan facility – liability component) by the weighted average number of ordinary shares used to calculate basic earnings per share, plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares (note 7).

At 31 December 2012, the Subordinated Bridge Loan facility Tranche A was rolled over in to Mandatory Convertible Bond and Tranche B was settled through the issue of Mandatory Convertible Bond.

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 31 March 2013</i>	<i>Three month period ended 31 March 2012</i>
Profit for the period attributable to ordinary equity holders of the parent for basic earnings (AED '000)	<u>47,841</u>	<u>36,786</u>
Weighted average number of ordinary shares (excluding treasury shares) outstanding during the period ('000)	<u>657,047</u>	657,047
Effect of mandatory convertible bonds ('000)	<u>2,677,584</u>	2,312,382
Total ('000)	<u>3,334,631</u>	<u>2,969,429</u>
Basic earnings per share (AED)	<u>0.01</u>	<u>0.01</u>

Basic earnings per share has been calculated on the basis of maximum number of shares that may be issued for mandatory convertible bonds (note 7).

Diluted earnings per share

Profit for the period attributable to ordinary equity holders of the parent for basic earnings (AED '000)	<u>47,841</u>	36,786
Accretion on subordinated loan facility – Tranche B (AED'000) (note 7)	<u>-</u>	3,662
Profit for the period attributable to ordinary equity holders of the parent for diluted earnings (AED '000)	<u>47,841</u>	<u>40,448</u>
Weighted average number of ordinary shares for basic earnings per share ('000)	<u>3,334,631</u>	2,969,429
Effect of dilution for subordinated loan facility Tranche B ('000)	<u>-</u>	365,202
Total ('000)	<u>3,334,631</u>	<u>3,334,631</u>
Diluted earnings per share (AED)	<u>0.01</u>	<u>0.01</u>

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2013 (Unaudited)

5 CAPITAL WORK IN PROGRESS

During the three month period ended 31 March 2013 the Group has incurred expenditure of AED 5.4 million (31 March 2012: AED 13.5 million) primarily relating to construction of district cooling plants.

6 CASH AND CASH EQUIVALENTS

Geographical concentration of cash and cash equivalents is as follows:

	At 31 March 2013 AED '000	At 31 March 2012 AED '000
Within UAE	573,550	493,952
Outside UAE	23,635	29,912
	<u>597,185</u>	<u>523,864</u>

7 MANDATORY CONVERTIBLE BONDS

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

	Mandatory convertible bond (MCB 1)		
	<i>Liability component AED '000</i>	<i>Equity component AED '000</i>	<i>Total AED '000</i>
Balance at 1 January 2013	410,303	1,472,725	1,883,028
Accretion expense	4,094	-	4,094
Amortisation of transaction costs	219	-	219
Cash coupons paid	(18,831)	-	(18,831)
Balance at 31 March 2013	<u>395,785</u>	<u>1,472,725</u>	<u>1,868,510</u>

	Mandatory convertible bond (MCB 1A)		
	<i>Liability component AED '000</i>	<i>Equity component AED '000</i>	<i>Total AED '000</i>
Balance at 1 January 2013	90,719	320,462	411,181
Accretion expense	894	-	894
Cash coupons paid	(4,112)	-	(4,112)
Balance at 31 March 2013	<u>87,501</u>	<u>320,462</u>	<u>407,963</u>

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2013 (Unaudited)

7 MANDATORY CONVERTIBLE BONDS continued

	Mandatory convertible bond (MCB 1C)		
	<i>Liability</i>	<i>Equity</i>	<i>Total</i>
	<i>component</i>	<i>component</i>	
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Balance at 1 January 2013	156,907	559,951	716,858
Accretion expense	1,566	-	1,566
Amortisation of transaction costs	44	-	44
Cash coupons paid	(7,204)	-	(7,204)
Balance at 31 March 2013	151,313	559,951	711,264
Total balance of MCB1 and SBL at 31 March 2013	634,599	2,353,138	2,987,737
Total balance of MCB1 and SBL at 31 December 2012	657,929	2,353,138	3,011,067

Allocated to the bonds as follows:

MCB1 (representing 1,672,519,762 shares at AED 1 each)	410,303	1,472,725	1,883,028
MCB 1C (representing 639,862,459 shares at AED 1 each)	156,907	559,951	716,858
MCB 1A & 1C (representing 365,202,112 shares at AED 1 each)	90,719	320,462	411,181
	657,929	2,353,138	3,011,067

Liability component of mandatory convertible bonds is analysed in the interim consolidated statement of financial position as follows:

	<i>At 31 March</i>	<i>At 31 December</i>
	<i>2013</i>	<i>2012</i>
	<i>AED '000</i>	<i>AED '000</i>
Current	112,799	112,799
Non current	521,800	545,130
	634,599	657,929

8 COMMITMENTS AND CONTINGENCIES

Capital commitments

The authorised capital expenditure contracted for at 31 March 2013 but not provided for amounted to AED 82 million (31 December 2012: AED 75 million).

Contingencies

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

	<i>At 31 March</i>	<i>At 31 December</i>
	<i>2013</i>	<i>2012</i>
	<i>AED '000</i>	<i>AED '000</i>
Performance guarantees	114,262	127,998
Advance payment guarantees	3,942	3,131
Financial guarantees	13,526	6,589
	131,730	137,718

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2013 (Unaudited)

9 RELATED PARTY TRANSACTIONS

Related parties represent the Government of Abu Dhabi and related departments and institutions (owner of the majority shareholder), 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 interim consolidated income statement are as follows:

	Three month period ended 31 March 2013				Three month period ended 31 March 2012			
	Revenue	Operating costs	Interest expense	Other income	Revenue	Operating costs	Interest expense	Other income
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Associated companies	-	21,935	-	1,064	-	21,810	-	1,054
Majority shareholder	-	-	5,660	-	8,399	-	9,095	-
Associate of majority shareholder	12,430	-	-	-	10,477	-	-	-
Government related departments and institutions	6,668	13,179	14,537	-	6,483	10,426	15,936	-

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

	31 March 2013				
	Loan receivable	Mandatory convertible bonds	Accounts Receivable	Accounts payables and advances	Interest bearing loans and Islamic financing arrangements
	AED'000	AED'000	AED'000	AED'000	AED'000
Associated companies	-	-	17,322	21,772	-
Joint venture	56,544	-	6,043	-	-
Majority shareholder	-	2,987,737	-	-	-
Associate of a majority shareholder	-	-	36,232	73,869	-
Government related departments and institutions	-	-	14,520	3,555	1,759,107
	56,544	2,987,737	74,117	99,196	1,759,107

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2013 (Unaudited)

9 RELATED PARTY TRANSACTIONS continued

			31 December 2012		
	Loan receivable	Mandatory convertible bonds	Accounts Receivable	Accounts payables and advances	Interest bearing loans and Islamic financing arrangements
	AED'000	AED'000	AED'000	AED'000	AED'000
Associated companies	-	-	28,105	30,707	-
Joint venture	56,544	-	5,538	-	-
Majority shareholder	-	3,011,067	-	-	-
Associate of a majority shareholder	-	-	24,480	73,869	-
Government related departments and institutions	-	-	13,467	4,142	1,757,439
	<u>56,544</u>	<u>3,011,067</u>	<u>71,590</u>	<u>108,718</u>	<u>1,757,439</u>

Compensation of key management personnel

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

	Three month period ended 31 March 2013 AED '000	Three month period ended 31 March 2012 AED '000
Short-term benefits	4,268	4,927
Employees' end of service benefits	140	233
	<u>4,408</u>	<u>5,160</u>
Number of key management personnel	<u>17</u>	<u>21</u>

10 EVENT AFTER THE REPORTING DATE

During the period, the Board of Directors proposed a dividend of 5 fils per share in respect of the fiscal year ended 31 December 2012. This dividend was approved by the shareholders at the Annual General Meeting held on 16 April 2013.

The dividend consisted of a cash payment (AED 32.9 million in total) to the common shareholders and a settlement of dividends accruing to holders of the mandatory convertible bonds of 133.9 million in the form of additional convertible bonds with no coupon, convertible into the Company's shares by April 2019. AED 133.9 million represents a dividend of 5 fils per share for 2,677,584 shares to be issued to mandatory convertible bond holders by 2019 (note 4).

Furthermore, board remuneration of AED 7.5 million for the year ended 31 December 2012 was also approved at the Annual General Meeting.

11 OTHER RESERVE

The Company's Board of Directors resolved to transfer an amount of AED 133.9 million from the other reserve to retained earnings during the period.