

Press Release

Tabreed's Shareholders Approve the Buyback of 28% of Bonds Held by Mubadala

Buyback of bonds will increase earnings per share

8th June, 2015 - Abu Dhabi, UAE: Shareholders of National Central Cooling Company PJSC ('Tabreed'), the Abu Dhabi-based regional district cooling utility company, yesterday approved the proposal presented by the company's Board of Directors at an Ordinary General Assembly ('OGA') to buy back 28 per cent of the mandatory convertible bonds held by Mubadala.

The resolution for the buyback of the equivalent of 854 million bonds at a cost of AED 1 billion was unanimously approved at an OGA attended by shareholders representing 55% of Tabreed's capital. The transaction will be finalized by early July, and the repurchased bonds will be cancelled.

Jasim Husain Thabet, Chief Executive Officer of Tabreed, said: "Our company's strong and consistent year-on-year performance since 2011 has enabled us to present this important proposal to our shareholders, and we are delighted that they have voted to approve it. This initiative is value-accretive for shareholders, and based on 2014 net income, will increase earnings per share by approximately 2.6 fils, while saving the company over AED 30 million annually.

"This buyback is part of our wider strategy to continuously improve our capital structure. It follows our 2014 refinancing, which also delivered annual savings of AED 9 million. The combined yearly savings from these two transactions will reach approximately AED 40 million."

The highest standards of corporate governance best practice were implemented in pursuing this transaction. Tabreed engaged HSBC to provide a fairness opinion to its Board of Directors which stated that (as at the date of that opinion and subject to its terms) it is HSBC's view that the proposed purchase price is fair from a financial point of view to Tabreed. Additionally, Mubadala, as the bondholder, did not vote at the OGA.

The buyback will be financed through a new loan which Tabreed secured during its 2014 refinancing, and which has a lower cost of servicing than the bonds it is repurchasing.

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About National Central Cooling Company PJSC (Tabreed)

Tabreed is an Abu Dhabi-based utility company that provides energy-efficient, cost-effective and environmentally-friendlier year-round district cooling solutions in the GCC. Founded in 1998, and listed on the Dubai Financial Market, Tabreed's cooling infrastructure is an integral part of the region's growth. The company now delivers 950,000 RT to major residential, commercial, government and private projects. Tabreed has 61 plants in the United Arab Emirates, three plants in Qatar, two in Saudi Arabia, two in Oman and one in Bahrain.

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