Press Release

Tabreed's 2018 Full Year Net Profit Increases 7% During its 20th Year of Operation

Board of Directors recommends increasing dividend by 19% to 9.5 fils per share

31 January, 2019 – Abu Dhabi, United Arab Emirates: National Central Cooling Company PJSC (DFM: Tabreed), the leading UAE-based regional cooling provider today released its audited financial results for 2018. Tabreed reported a 7% increase in net profit to AED 427.6 million for the full year by adding 39,061 RT of new connections resulting in the delivery of over 1.1 million refrigeration tons (RTs) of cooling capacity. Based on such results, Tabreed's Board of Directors recommended a cash dividend for 2018 of 9.5 fils per share, up from 8 fils per share paid in 2018.

Tabreed announced a number of significant achievements during 2018, in addition to celebrating its 20th anniversary. During the year, Tabreed acquired 50% of S&T Cool District Cooling Company LLC, a major district cooling provider on Reem Island in Abu Dhabi, from Aldar Properties. Tabreed also sold part of its stake in its associate Saudi Tabreed to the IDB Infrastructure Fund II.

Tabreed also added 39,061 RT of new customer connections across the GCC and included Warner Bros. World Abu Dhabi theme park, which opened on Yas Island in July 2018 and which reinforced Tabreed's reputation as a partner of choice for the UAE's most high-profile assets.

In addition, Tabreed successfully issued a US$500 million, seven year tenor sukuk, which was 50% oversubscribed, reflecting strong demand from local and international investors, and received investment grade credit ratings from Moody's and Fitch of Baa3 and BBB respectively. These consistently strong results, new sukuk and new bank facilities of up to AED 1.5 billion reinforce Tabreed's strong business model and solid funding base, positioning it well for future growth.

Financial highlights – 12 months ended 31 December 2018:

- Net profit attributable to the parent increased by 7 per cent to AED 427.6 million (2017: AED 400.1 million)
- Group revenue increased by 3 per cent to AED 1,446.9 million (2017: AED 1,399.4 million)
- Core chilled water revenue increased by 3 per cent to AED 1,361.3 million (2017: AED 1,317.3 million)
- EBITDA increased by 10 per cent to AED 694.2 million (2017: AED 628.4 million)
- Share of results of associates and joint ventures decreased by 30 per cent to AED 90.3 million (2017: AED 128.8 million), due to the impact of new accounting standards (IFRS 15)

Operational highlights – 12 months ended 31 December 2018:

- Total Group connected capacity across the GCC increased to 1,131,379 Refrigeration Tons (RT), with 39,061 RT of new customer connections added and 3 new plant(s) became fully operational

Environmental highlights – 12 months ended 31 December 2018:

- Contributed to saving 1.97 billion kilowatt/hour across the GCC – enough energy to power approximately 112,000 homes in the UAE every year
- These power savings prevented the release into the atmosphere of 986,000 metric tons of carbon dioxide – the equivalent of eliminating the emissions from 214,000 vehicles annually

Khaled Abdulla Al Qubaisi, Tabreed's Chairman, commented: "Tabreed has become the leader in district cooling, with 74 plants across five countries. Our financial and operational achievements this year demonstrate continuing excellence across our business. I am optimistic about 2019 and beyond as economic diversification in the GCC and increasing urbanization drives investment in high-density developments. This will leave Tabreed well positioned to provide cost-effective and environmentally friendly cooling solutions for our region. We will continue to play a crucial role in the development of the infrastructure of the GCC and beyond."

"In line with our commitment to continue delivering shareholder value and based on our achievements and performance in 2018, the company's Board of Directors will recommend increasing cash dividends to 9.5 fils at the upcoming annual general assembly," **Al Qubaisi added**.

Jasim Husain Thabet, Tabreed's Chief Executive Officer, commented: "Our business has gone from strength to strength in our 20th year of operation. We made great strides to improve our performance, implementing new technology to achieve greater efficiencies while forging strategic partnerships to increase our loyal customer base. Our relentless commitment to our strategy is reflected in our results, which show a 7% increase in net profit, as well as 39,061 RT new customer connections and numerous industry awards recognising our achievements. We are looking forward to the year ahead, where we'll continue to provide cost-effective cooling for our customers, which deliver significant energy and environmental benefits while adding value for our shareholders."

Tabreed's excellence in Operational, Health, Safety and Environment and Human Resources was recognised with four leading industry awards during the last quarter of the year, including 'District Cooling Utility Provider of the Year' at the Climate Control Awards, 'Excellence in HSE on a Project' at the Big Project Middle East Awards, Group Carbon Champions Award at the District Cooling 2018 Conference, and the Korn Ferry 2018 Employee Engagement Award.

Throughout the year, Tabreed delivered significant savings in energy consumption, costs and carbon dioxide emissions. Overall, Tabreed cools the equivalent of 113 towers the size of the Burj Khalifa, with 986,000 tons of annual elimination of CO_2 emissions – which is equal to removing 214,000 cars from our streets every year.

As part of its corporate social responsibility mandate, Tabreed held its annual blood drive and worked with the Zayed Bin Sultan Al Nahyan Charitable & Humanitarian Foundation and donated electronic and furniture items, which will be sent to schools in third world countries.

Tabreed is a partner of choice for organizations across the GCC in providing environmentally friendly district cooling solutions that support the region's energy sustainability. With 74 district cooling plants located throughout the region, Tabreed currently cools key landmarks in the region including Abu Dhabi's Al Maryah Island, Yas Island, Sheikh Zayed Grand Mosque, Dubai Metro, Ferrari World Abu Dhabi, Dubai Parks and Resorts, and the Jabal Omar Development in the Holy City of Mecca, Kingdom of Saudi Arabia.

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About National Central Cooling Company PJSC (Tabreed)

Tabreed is the leading UAE-based regional district cooling utility company that provides energy-efficient, cost-effective and environmentally friendly year-round district cooling solutions in the GCC. Founded in 1998, and listed on the Dubai Financial Market (DFM), Tabreed's cooling infrastructure is an integral part of the region's growth. The company now delivers over one million refrigeration tons to major residential, commercial, government and private projects. Tabreed owns and operates 74 plants in its portfolio across the GCC, including 63 plants in the United Arab Emirates, two in the Kingdom of Saudi Arabia, 4 in Oman, one in the Kingdom of Bahrain and others in the region.

For more information, please visit www.tabreed.ae or contact:

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