

National Central Cooling Company PJSC

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)

31 MARCH 2005

**REVIEW REPORT TO THE BOARD OF DIRECTORS OF
NATIONAL CENTRAL COOLING COMPANY PJSC**

We have reviewed the accompanying consolidated balance sheet of National Central Cooling Company PJSC ('the Company') and its subsidiaries at 31 March 2005, and the related consolidated statements of income, cash flows and changes in equity for the three months period then ended. These interim condensed consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

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 presented fairly, in all material respects, in accordance with International Accounting Standard No. 34.

Signed by:
Bassam E Hage
Partner
Registration No. 258

Date
Abu Dhabi

National Central Cooling Company PJSC

CONSOLIDATED INCOME STATEMENT

Three months period ended 31 March 2005 (Unaudited)

	<i>Notes</i>	<i>Three months ended 31 March 2005 AED</i>	<i>Three months ended 31 March 2004 AED</i>
Revenues	3	78,550,804	32,027,562
Operating costs	3	(37,470,030)	(16,148,025)
GROSS PROFIT	3	41,080,774	15,879,537
Salaries and staff related costs		(9,612,781)	(4,657,018)
Other administrative expenses		(5,311,382)	(3,224,397)
Amortisation of goodwill and trademarks		(3,967)	(188,732)
		<u>(14,928,130)</u>	<u>(8,070,147)</u>
PROFIT FROM OPERATIONS		26,152,644	7,809,390
Finance costs		(7,072,775)	(3,528,130)
Other income		1,589,760	1,990,343
Share of results of associates		<u>67,784</u>	<u>-</u>
PROFIT BEFORE MINORITY INTERESTS		20,737,413	6,271,603
Minority interests		<u>(3,602,676)</u>	<u>(441,923)</u>
NET PROFIT FOR THE PERIOD		<u>17,134,737</u>	<u>5,829,680</u>
Basic earnings per share	4	<u><u>0.34</u></u>	<u><u>0.12</u></u>

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

CONSOLIDATED BALANCE SHEET

31 March 2005 (Unaudited)

		31 March 2005 AED	31 December 2004 AED
	<i>Notes</i>		
ASSETS			
Non-current assets			
Capital work in progress	5	470,461,091	330,869,051
Property, plant and equipment	6	767,847,565	772,893,901
Investments in associates	7	18,586,684	18,518,900
Advance to employee incentive scheme		17,454,170	12,416,431
Intangibles		30,040,331	30,044,298
Prepayments		28,084,432	21,987,485
		<u>1,332,474,273</u>	<u>1,186,730,066</u>
Current assets			
Inventories		13,236,589	8,417,912
Trade and other receivables	9	138,108,934	131,325,255
Contract work in progress		55,213,827	70,457,460
Prepayments		9,181,828	8,183,753
Bank balances and cash	10	219,575,570	255,389,978
		<u>435,316,748</u>	<u>473,774,358</u>
TOTAL ASSETS		<u>1,767,791,021</u>	<u>1,660,504,424</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	500,000,000	500,000,000
Statutory reserve		7,914,371	7,914,371
Retained earnings		46,803,747	29,669,010
Proposed dividend		-	25,000,000
Cumulative changes in fair value of derivatives		<u>1,247,006</u>	<u>(6,419,667)</u>
		555,965,124	556,163,714
Minority interest		<u>16,932,521</u>	<u>14,529,845</u>
Total equity		<u>572,897,645</u>	<u>570,693,559</u>
Non-current liabilities			
Accounts payable and accruals	13	2,662,325	1,194,280
Term loans	11	227,150,043	213,680,402
Islamic Ijara loans	12	324,322,983	324,322,983
Islamic Istisna'a loans	12	180,075,029	180,075,029
Islamic Muqawala loans	12	135,569,870	121,826,103
Employees' end of service benefits		<u>5,923,713</u>	<u>5,603,590</u>
		<u>875,703,963</u>	<u>846,702,387</u>
Current liabilities			
Accounts payable and accruals	13	228,204,570	171,578,635
Bank overdrafts	10	46,705,632	27,500,632
Current portion of term loans	11	26,562,840	26,312,840
Current portion of Ijara loans	12	9,395,644	9,395,644
Current portion of Muqawala loans	12	<u>8,320,727</u>	<u>8,320,727</u>
		<u>319,189,413</u>	<u>243,108,478</u>
TOTAL EQUITY AND LIABILITIES		<u>1,767,791,021</u>	<u>1,660,504,424</u>

Mohamed Saif Al Mazrouei
CHAIRMAN

Dany Safi
CHIEF EXECUTIVE OFFICER

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

CONSOLIDATED STATEMENT OF CASH FLOWS

Three months period ended 31 March 2005 (Unaudited)

	<i>Three months ended 31 March 2005 AED</i>	<i>Three months ended 31 March 2004 AED</i>
OPERATING ACTIVITIES		
Net profit for the period	17,134,737	5,829,680
Adjustment for:		
Depreciation	9,815,245	8,955,979
Amortisation of goodwill and trademarks	3,967	188,732
Provision for employees' end of service benefits	337,642	230,546
Finance cost	7,072,775	3,528,130
Interest income	(977,174)	(1,331,888)
Loss on sale of property, plant and equipment	-	7,197
	<u>33,387,192</u>	<u>17,408,376</u>
Working capital changes:		
Inventories	(4,818,677)	620,224
Contract work in progress	15,243,633	-
Receivables and prepayments	(6,905,488)	(11,137,890)
Accounts payable and accruals	<u>53,749,701</u>	<u>(60,465,672)</u>
Net cash from (used in) operations	90,656,361	(53,574,962)
Minority interest	2,402,676	(758,077)
Finance cost	(7,072,775)	(3,528,130)
Employees' end of service benefits paid	<u>(17,519)</u>	<u>(28,049)</u>
Net cash from (used in) operating activities	<u>85,968,743</u>	<u>(57,889,218)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,768,909)	(920,047)
Investments in associates	(67,784)	(6,630,000)
Additions to capital work in progress	(139,592,040)	(70,962,181)
Interest received	<u>977,174</u>	<u>1,331,888</u>
Net cash used in investing activities	<u>(143,451,559)</u>	<u>(77,180,340)</u>
FINANCING ACTIVITIES		
Dividends paid	(25,000,000)	-
Term loans received	27,682,851	387,378
Term loans repaid	(13,963,210)	(1,680,000)
Islamic Ijara loans received	-	187,425,000
Islamic Ijara loans repaid	-	(91,723,353)
Muqawala loans received	14,359,902	30,620,243
Muqawala loans repaid	(616,135)	(616,135)
Islamic Istisna'a loans received	<u>-</u>	<u>180,075,000</u>
Cash from financing activities	<u>2,463,408</u>	<u>304,488,133</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(55,019,408)	169,418,575
Cash and cash equivalents at the beginning of the period	<u>227,889,346</u>	<u>90,135,852</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>172,869,938</u>	<u>259,554,427</u>
Significant non-cash transactions, which have been excluded from the statement of cash flows, are as follows:		
Accounts payable and accruals - fair value adjustment for derivatives	693,460	(4,787,908)
Receivables and prepayments - fair value adjustment for derivatives	6,973,213	(2,258,090)
Increase in value of employee incentive scheme	5,037,739	-

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months period ended 31 March 2005 (Unaudited)

	<i>Attributable to equity holders of the parent</i>							
	<i>Share capital AED</i>	<i>Statutory reserve AED</i>	<i>Retained earnings AED</i>	<i>Proposed dividend AED</i>	<i>Cumulative changes in fair value of derivatives AED</i>	<i>Total AED</i>	<i>Minority interest AED</i>	<i>Total equity AED</i>
Balance at 1 January 2004	500,000,000	5,160,205	25,838,149	15,000,000	(4,315,300)	541,683,054	7,986,372	549,669,426
Net profit for the period	-	-	5,829,680	-	-	5,829,680	441,923	6,271,603
Dividend paid	-	-	-	-	-	-	(1,200,000)	(1,200,000)
Changes in fair value of derivatives	-	-	-	-	(7,045,998)	(7,045,998)	-	(7,045,998)
Balance at 31 March 2004	<u>500,000,000</u>	<u>5,160,205</u>	<u>31,667,829</u>	<u>15,000,000</u>	<u>(11,361,298)</u>	<u>540,466,736</u>	<u>7,228,295</u>	<u>547,695,031</u>
Balance at 1 January 2005	500,000,000	7,914,371	29,669,010	25,000,000	(6,419,667)	556,163,714	14,529,845	570,693,559
Net profit for the period	-	-	17,134,737	-	-	17,134,737	3,602,676	20,737,413
Dividends paid	-	-	-	(25,000,000)	-	(25,000,000)	(1,200,000)	(26,200,000)
Changes in fair value of derivatives	-	-	-	-	7,666,673	7,666,673	-	7,666,673
Balance at 31 March 2005	<u>500,000,000</u>	<u>7,914,371</u>	<u>46,803,747</u>	<u>-</u>	<u>1,247,006</u>	<u>555,965,124</u>	<u>16,932,521</u>	<u>572,897,645</u>

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2005 (Unaudited)

1 ACTIVITIES

National Central Cooling Company PJSC 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). The principal objectives of the Company are to construct, own, assemble, install, operate and maintain cooling and conditioning systems. In addition, the Company's objectives include the distribution and sale of chilled water for use in district cooling technologies.

The Company's registered office is located at P O Box 32444, Dubai, United Arab Emirates.

2 SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Company and its subsidiaries are prepared in accordance with International Accounting Standard (IAS) No. 34, Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2004.

3 SEGMENTAL ANALYSIS

	<i>Services AED</i>	<i>Chilled water AED</i>	<i>Contracting AED</i>	<i>Manufacturing AED</i>	<i>Total AED</i>
31 March 2005					
Revenues	9,072,729	28,475,951	19,518,973	21,483,151	78,550,804
Operating costs	<u>(1,099,168)</u>	<u>(12,004,452)</u>	<u>(11,069,627)</u>	<u>(13,296,783)</u>	<u>(37,470,030)</u>
Gross profit	<u>7,973,561</u>	<u>16,471,499</u>	<u>8,449,346</u>	<u>8,186,368</u>	<u>41,080,774</u>
31 March 2004					
Revenues	1,090,302	23,394,848	161,511	7,380,901	32,027,562
Operating costs	<u>(276,922)</u>	<u>(10,730,951)</u>	<u>(113,791)</u>	<u>(5,026,361)</u>	<u>(16,148,025)</u>
Gross profit	<u>813,380</u>	<u>12,663,897</u>	<u>47,720</u>	<u>2,354,540</u>	<u>15,879,537</u>

4 BASIC EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

	31 March 2005	31 March 2004
Net profit for the period (AED)	<u>17,134,737</u>	<u>5,829,680</u>
Ordinary shares issued	<u>50,000,000</u>	<u>50,000,000</u>
Earnings per share (AED)	<u>0.34</u>	<u>0.12</u>

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2005 (Unaudited)

5 CAPITAL WORK IN PROGRESS

The movement in capital work in progress during the period / year is as follows:

	31 March 2005 AED	31 December 2004 AED
Balance at 1 January	305,013,108	116,264,445
Additions during the period / year	129,803,365	205,774,009
Transfer to property, plant and equipment	-	(17,025,346)
Balance at 31 March / 31 December	434,816,473	305,013,108
Advances to contractors	<u>35,644,618</u>	<u>25,855,943</u>
	<u>470,461,091</u>	<u>330,869,051</u>

A substantial portion of capital work in progress has been funded under Islamic financing arrangements and term loans (notes 11 and 12).

6 PROPERTY, PLANT AND EQUIPMENT

	<i>Property and plant AED</i>	<i>Furniture and fixtures AED</i>	<i>Office equipment and instruments AED</i>	<i>Motor vehicles AED</i>	<i>Total AED</i>
Cost:					
At 1 January 2005	825,494,926	5,242,162	11,641,215	2,031,200	844,409,503
Additions	<u>4,152,134</u>	<u>59,052</u>	<u>557,723</u>	<u>-</u>	<u>4,768,909</u>
At 31 March 2005	<u>829,647,060</u>	<u>5,301,214</u>	<u>12,198,938</u>	<u>2,031,200</u>	<u>849,178,412</u>
Depreciation:					
At 1 January 2005	(63,158,968)	(2,778,931)	(4,675,203)	(902,500)	(71,515,602)
Charge for the period	<u>(9,075,338)</u>	<u>(223,447)</u>	<u>(418,995)</u>	<u>(97,465)</u>	<u>(9,815,245)</u>
At 31 March 2005	<u>(72,234,306)</u>	<u>(3,002,378)</u>	<u>(5,094,198)</u>	<u>(999,965)</u>	<u>(81,330,847)</u>
Net carrying amount:					
At 31 March 2005	<u>757,412,754</u>	<u>2,298,836</u>	<u>7,104,740</u>	<u>1,031,235</u>	<u>767,847,565</u>
At 31 December 2004	<u>762,335,958</u>	<u>2,463,231</u>	<u>6,966,012</u>	<u>1,128,700</u>	<u>772,893,901</u>

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2005 (Unaudited)

6 PROPERTY, PLANT AND EQUIPMENT continued

The depreciation charge for the period has been dealt with as follows:

	<i>31 March 2005 AED</i>	<i>31 March 2004 AED</i>
Included in operating costs	8,807,999	8,184,130
Included in other administrative expenses	1,007,246	765,376
Included in capital work in progress	-	6,473

At 31 March 2005, the net book value of plant financed by Islamic Ijara loans under sale and leaseback Ijara financing arrangements amounted to AED 403,337,048 (31 December 2004: AED 407,973,838). This includes balance funded by Sukuk financing amounting to AED 150,756,653 (note 12).

Certain of the plants are constructed on land which has been granted to the Company and one of its subsidiaries at nominal or no cost to them.

7 INVESTMENTS IN ASSOCIATES

	<i>Country of incorporation</i>	<i>31 March 2005</i>	<i>Ownership 31 December 2004</i>
Industrial City Cooling Company	Emirate of Abu Dhabi	20%	20%
Qatar Central Cooling Company	State of Qatar	44.5%	44.5%

Both associates are involved in the same business activity as the Company. The reporting dates for the associates are identical to the Company.

The following is a summary of the carrying value of the investments:

	<i>31 March 2005 AED</i>	<i>31 December 2004 AED</i>
Cost of investment	18,746,611	18,746,611
Share of post acquisition results	<u>(159,927)</u>	<u>(227,711)</u>
Carrying value of investments	<u>18,586,684</u>	<u>18,518,900</u>

Management believes that the carrying values of the investments will be realised in full.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2005 (Unaudited)

8 INTEREST IN JOINT VENTURE

The share of the assets and liabilities of the joint venture included in the interim condensed consolidated financial statements is as follows:

	<i>31 March 2005 AED</i>	<i>31 December 2004 AED</i>
Current assets	75,857,443	20,391,586
Non-current assets	<u>819,862</u>	<u>2,599,270</u>
	<u>76,677,305</u>	<u>22,990,856</u>
Current liabilities	65,332,182	17,773,850
Non-current liabilities	<u>58,794</u>	<u>58,284</u>
	<u>65,390,976</u>	<u>17,832,134</u>

There are no revenues or expenses of the joint venture for the period ended 31 March 2005 and year ended 31 December 2004 included in the interim condensed consolidated financial statements.

9 TRADE AND OTHER RECEIVABLES

	<i>31 March 2005 AED</i>	<i>31 December 2004 AED</i>
Trade accounts receivable	120,446,641	113,913,819
Other receivables	<u>17,662,293</u>	<u>17,411,436</u>
	<u>138,108,934</u>	<u>131,325,255</u>

As amounts receivable are stated net of any required provision and are short term in nature, fair value approximates carrying value.

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows include the following balance sheet amounts:

	<i>31 March 2005 AED</i>	<i>31 March 2004 AED</i>
Bank balances and cash	219,575,570	283,065,262
Bank overdrafts	<u>(46,705,632)</u>	<u>(23,510,835)</u>
	<u>172,869,938</u>	<u>259,554,427</u>

Bank balances and cash include bank deposits of AED 77,000,000 (2004: AED 144,104,163) placed with commercial banks in the United Arab Emirates. These are denominated in AED with effective rates in the range of 1.7 % to 2.25% (2004: 0.875% to 3.5%).

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2005 (Unaudited)

11 TERM LOANS

	<i>31 March 2005 AED</i>	<i>31 December 2004 AED</i>
Term loans	253,458,345	239,705,494
Other loan	<u>254,538</u>	<u>287,748</u>
	<u>253,712,883</u>	<u>239,993,242</u>
<i>Due in less than one year</i>		
Term loans	26,430,000	26,180,000
Other loan	<u>132,840</u>	<u>132,840</u>
	<u>26,562,840</u>	<u>26,312,840</u>
<i>Due in more than one year</i>		
Term loans	227,028,345	213,525,494
Other loan	<u>121,698</u>	<u>154,908</u>
	<u>227,150,043</u>	<u>213,680,402</u>
	<u>253,712,883</u>	<u>239,993,242</u>

The term loans are secured by pledges over plant and capital work in progress and a corporate guarantee in accordance with the facility agreements and are summarised as follows:

- The first term loan amounting to AED 7,423,594 is repayable in 4 annual instalments, 3 instalments each of AED 1,680,000 commencing January 2003 and the last instalment for the remaining balance. This loan carries interest at 1.5% over 6 months EBOR.
- On 24 November 2003, the Company entered into a 12 years, AED 700,000,000 term loan facility agreement (the "new facility") with a syndicate of international and UAE based banks. This facility agreement is to acquire new central cooling plants, and was used in 2004 to refinance the term loan amounting to AED 135 million, which is secured over previously constructed central cooling plants, along with the repayment of the bilateral bridging loan of AED 44 million. As at 31 March 2005, the Company has drawn down an amount of AED 276 million (2004: AED 250 million) under the new facility, repayable in 24 semi annual instalments commencing 1 October 2004 in accordance with an agreed upon schedule.
- During 2005, the Company entered into a 4 years, AED 1,000,000 term loan. This term loan is repayable in 8 annual instalments of AED 125,000 each commencing 6 months from 17 January 2005. This loan carries interest at 1.25% over 6 months EBOR.

As the term loans attract interest at rates which vary with market movements, the fair value of the term loans approximates their carrying value.

At 31 March 2005, unutilised term loan facilities available to the Company amounted to AED 424 million (2004: AED 450 million).

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2005 (Unaudited)

12 ISLAMIC FINANCING ARRANGEMENTS

	<i>31 March 2005 AED</i>	<i>31 December 2004 AED</i>
Ijara loans	333,718,627	333,718,627
Istisna'a loans	180,075,029	180,075,029
Muqawala loans	<u>143,890,597</u>	<u>130,146,830</u>
	<u>657,684,253</u>	<u>643,940,486</u>
<i>Due in less than one year:</i>		
Ijara loans	9,395,644	9,395,644
Muqawala loans	<u>8,320,727</u>	<u>8,320,727</u>
	<u>17,716,371</u>	<u>17,716,371</u>
<i>Due in more than one year:</i>		
Ijara loans	324,322,983	324,322,983
Istisna'a loans	180,075,029	180,075,029
Muqawala loans	<u>135,569,870</u>	<u>121,826,103</u>
	<u>639,967,882</u>	<u>626,224,115</u>
	<u>657,684,253</u>	<u>643,940,486</u>

Ijara and Istisna'a loans:

The Islamic Ijara and Istisna'a loans consist of a number of facilities, which are secured by an assignment of the plant purchased under the Islamic financing arrangement and a joint credit and Islamic loan facility agreement.

Facility 1

The first facility of AED 150,000,000 is repayable in 16 fixed semi-annual instalments commencing from 18 March 2004 and a fluctuating profit charge is paid under the Islamic financing agreements, which is based on EIBOR plus a margin. The amount outstanding at 31 March 2005 is AED 146,293,597 (2004: AED 146,293,597).

Facility 2 (Sukuk Financing)

On 2 March 2004, the Company entered into Purchase and Ijara Agreements ('the Agreement') with Tabreed Financing Corporation for the sale and leaseback of certain assets of the Company as specified in the Agreement with a total cost of US \$51 million (AED 187.4 million).

Furthermore, the Company entered into an Istisna'a Agreement dated 2 March 2004 with Tabreed Financing Corporation for the manufacture and commission of certain assets as specified in the Istisna'a Agreement amounting to US \$49 million (AED 180 million). On completion, the specified assets will be sold and leased back from Tabreed Financing Corporation under similar arrangements as specified in the existing Ijara Agreement above.

In March 2009, the Company will purchase the assets leased back under the Ijara Agreement from Tabreed Financing Corporation for an amount of US \$100 million, which is the full repayment of the Ijara and Istisna'a loans referred to above.

The Ijara Agreement carries 10 semi-annual rental payments of AED 5,154,000 commencing 2 September 2004. In respect of the Istisna'a assets, the Company is obligated to make 10 semi-annual pre-rental payments of AED 4,952,062 commencing 2 September 2004.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2005 (Unaudited)

12 ISLAMIC FINANCING ARRANGEMENTS continued

Muqawala loans:

The Company has entered into two Islamic Muqawala loan arrangements as follows:

- The first Muqawala loan amounting to AED 28 million (31 December 2004: AED 29 million) is in respect of the procurement and manufacturing of certain items for use in the construction of plants under an Islamic loan facility agreement dated 31 July 2002. The facility is repayable in 14 semi-annual instalments commencing from 29 January 2003. A fluctuating profit charge is paid under the Islamic financing agreement which is based on market rates.
- The second Muqawala loan amounting to AED 116 million (31 December 2004: AED 101 million) is in respect of the construction of a project under an Islamic loan facility dated 25 March 2003. The facility is repayable in 16 semi-annual rental instalments commencing on 1 May 2006. A variable element is payable with each instalment which is based on market rates plus a mark up.

At 31 March 2005, unutilised Islamic funding available to the Company amounted to AED 4.4 million (31 December 2004: AED 18.7 million).

As the Islamic loan arrangements except for facility 2 attract a fluctuating profit charge which varies with market interest rate movements, the fair value of such Islamic loans approximates their carrying value. Information on facility 2's principal characteristics is presented above.

13 ACCOUNTS PAYABLE AND ACCRUALS

	<i>31 March 2005 AED</i>	<i>31 December 2004 AED</i>
<i>Amounts due in less than one year</i>		
Accounts payable	117,427,702	70,544,856
Retentions payable	13,287,838	17,798,140
Negative fair value of derivatives	554,103	1,247,563
Other payables	69,422,074	54,017,175
Payable to former shareholders	11,208,525	13,006,071
Accrued expenses	<u>16,304,328</u>	<u>14,964,830</u>
	<u>228,204,570</u>	<u>171,578,635</u>
<i>Amounts due in more than one year</i>		
Retentions payable	<u>2,662,325</u>	<u>1,194,280</u>

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2005 (Unaudited)

14 SHARE CAPITAL

	<i>31 March 2005 AED</i>	<i>31 December 2004 AED</i>
Authorised share capital		
100,000,000 (2004: 50,000,000) ordinary share at AED 10 each	<u>1,000,000,000</u>	<u>500,000,000</u>
Issued share capital		
50,000,000 ordinary share at AED 10 each	<u>500,000,000</u>	<u>500,000,000</u>

The Company's authorised share capital was increased to 100,000,000 ordinary shares at the extra-ordinary General Meeting held in March 2005 by way of a rights issue.

15 CAPITAL COMMITMENTS

The Board of Directors have authorised future capital expenditure amounting to AED 1,179.3 million (31 December 2004: AED 1,179.3 million). Included in this amount is AED 778.8 million (31 December 2004: AED 778.8 million) which is expected to be incurred by the year ended 31 December 2004.