

12th May 2010
Ref.:TB/SH/RB/388/05-10/HA

12 مايو 2010
رقم الإشارة:ت/ب/ش/م/ب/ب/388/05-10/هـ سن

Ms. Fahima Al Bastaki
Senior Vice President Market Development
Division
Dubai Financial Market

السيدة/ فهيمسة البستكي المحترمة،،
نائب رئيس أول دائرة تطوير السوق
سوق دبي المالي

Subject: First Quarter Results of National
Central Cooling Company (PJSC)

الموضوع: نتائج الربع الأول للشركة الوطنية للتبريد
المركزي (ش.م.ع.)

Dear Ms. Al Bastaki,

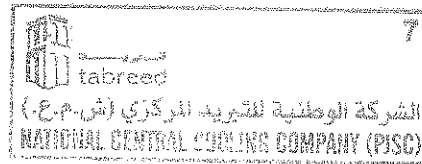
تحية طيبة وبعد،،،

Please find attached the first quarter results of National Central Cooling Company, in accordance with Article 36/7 of the Disclosure and Transparency Regulations.

نرفق طيه النتائج المالية للربع الأول للشركة الوطنية للتبريد المركزي ، وفقاً لنص المادة 36/7 من نظام الإفصاح والشفافية.

Yours Sincerely,

وتفضلوا بقبول فائق التقدير والإحترام،،،




Sujit Parhar
Chief Executive Officer

National Central Cooling Company PJSC

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2010 (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 2010, comprising of the interim consolidated statement of financial position as at 31 March 2010 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard 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.

Without qualifying our conclusion, we draw attention to Note 2.1 to the interim condensed consolidated financial statements which indicates that as of 31 March 2010, the Group's current liabilities exceeded its current assets by AED 5.01 billion and its accumulated losses of AED 1 billion amounted to 83 % of its share capital. These conditions, along with other matters as set forth in Note 2.1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The interim condensed consolidated financial statements have been prepared on a going concern basis as the management supported by the Board of Directors are confident on the positive outcome of the mitigating factors as outlined in Note 2.1 of the interim condensed consolidated financial statements.



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

11 May 2010
Abu Dhabi

National Central Cooling Company PJSC

INTERIM CONSOLIDATED INCOME STATEMENT

Three month period ended 31 March 2010 (Unaudited)

	<i>Notes</i>	<i>Three month period ended 31 March 2010 AED '000</i>	<i>Three month period ended 31 March 2009 AED '000</i>
Revenues	3	184,614	189,722
Operating costs	3	<u>(95,747)</u>	<u>(109,545)</u>
GROSS PROFIT		88,867	80,177
Administrative and other expenses		(46,315)	(40,636)
Other income		<u>2,042</u>	<u>1,665</u>
OPERATING PROFIT		44,594	41,206
Finance costs	3	(32,889)	(25,988)
Interest income	3	259	3,597
Changes in fair value of derivative liability		16,600	(1,900)
Changes in fair value of investments carried at fair value through income statement	3	-	85
Share of results of associates	3	<u>15,277</u>	<u>4,710</u>
PROFIT FOR THE PERIOD		<u>43,841</u>	<u>21,710</u>
Attributable to:			
Equity holders of the parent		40,438	10,771
Non-controlling interests		<u>3,403</u>	<u>10,939</u>
		<u>43,841</u>	<u>21,710</u>
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (AED)	4	<u>0.02</u>	<u>0.01</u>

The attached notes 1 to 9 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 2010 (Unaudited)

	<i>Three month period ended 31 March 2010 AED '000</i>	<i>Three month period ended 31 March 2009 AED '000</i>
Profit for the period	<u>43,841</u>	<u>21,710</u>
Other comprehensive income (loss)		
Changes in fair value of derivatives in cash flow hedges	2,466	(14,893)
Share of changes in fair value of derivatives of associate	(11)	2,962
Changes in fair value of available for sale investments	36	133
Exchange differences arising on translation of overseas operations	<u>(7)</u>	<u>(397)</u>
Other comprehensive income (loss) for the period	<u>2,484</u>	<u>(12,195)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>46,325</u>	<u>9,515</u>
Attributable to:		
Equity holders of the parent	42,922	(1,424)
Non-controlling interests	<u>3,403</u>	<u>10,939</u>
	<u>46,325</u>	<u>9,515</u>

The attached notes 1 to 9 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION At 31 March 2010 (Unaudited)

		31 March 2010 AED '000	(Audited) 31 December 2009 AED '000
	Notes		
ASSETS			
Non-current assets			
Capital work in progress	5	1,660,039	1,824,867
Property, plant and equipment		3,499,984	3,310,103
Intangible assets		37,600	37,600
Investments in associates		254,702	239,655
Available for sale investments		65,624	68,421
Loan to an associate		21,084	21,084
Finance lease receivable		<u>1,230,436</u>	<u>1,135,762</u>
		6,769,469	6,637,492
Current assets			
Inventories		36,278	36,307
Trade and other receivables		644,714	581,848
Loan to an associate		9,781	9,781
Finance lease receivable		58,017	33,862
Contract work in progress		39,418	30,813
Prepayments		1,617	5,374
Cash and short term deposits		<u>384,119</u>	<u>343,954</u>
		1,173,944	1,041,939
Assets classified as held for sale		-	<u>33,800</u>
		7,943,413	7,713,231
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital		1,213,380	1,213,380
Treasury shares		(10,050)	(10,050)
Statutory reserve		47,433	47,433
Accumulated losses		(1,005,328)	(1,045,766)
Foreign currency translation reserve		(699)	(692)
Cumulative changes in fair value of derivatives and available for sale investments		(75,212)	(77,703)
Mandatory convertible bond – equity component		<u>1,301,679</u>	<u>1,301,679</u>
		1,471,203	1,428,281
Non - controlling interests		<u>21,788</u>	<u>18,385</u>
		1,492,991	1,446,666
Total equity			
Non-current liabilities			
Retentions payable and deferred income		69,397	76,608
Obligations under finance lease		37,137	38,004
Mandatory convertible bond – liability component		146,345	160,847
Employees' end of service benefits		<u>16,902</u>	<u>16,116</u>
		269,781	291,575
Current liabilities			
Bank overdraft		53,074	52,007
Accounts payable and accruals		1,561,965	1,892,972
Advances		400,000	400,000
Interest bearing loans and borrowings	6	1,726,825	1,174,444
Islamic financing arrangements	6	2,312,895	2,330,327
Mandatory convertible bond – liability component		118,518	117,876
Obligations under finance lease		<u>7,364</u>	<u>7,364</u>
		6,180,641	5,974,990
Total liabilities		6,450,422	6,266,565
TOTAL EQUITY AND LIABILITIES		7,943,413	7,713,231

Khadem Abdulla Al Qubaisi
CHAIRMAN


Sujit S. Parhar
CHIEF EXECUTIVE OFFICER

The attached notes 1 to 9 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 2010 (Unaudited)

	Attributable to equity holders of the parent									
	Issued capital AED '000	Treasury shares AED '000	Statutory reserve AED '000	(Accumulated Losses) / Retained earnings AED '000	Foreign currency translation reserve AED '000	Cumulative changes in fair value of derivatives available for sale investments AED '000	Convertible bond - equity component AED '000	Total AED '000	Non-controlling interests AED '000	Total equity AED '000
Balance at 1 January 2009	1,213,380	(10,050)	47,433	71,733	(664)	(112,189)	1,301,679	2,512,322	161,766	2,674,088
Profit for the period	-	-	-	10,771	-	-	-	10,771	10,939	21,710
Other comprehensive loss for the period	-	-	-	-	(392)	(11,798)	-	(12,195)	-	(12,195)
Total comprehensive income for the period	-	-	-	10,771	(397)	(11,798)	-	(1,424)	10,939	9,515
Dividend paid to non-controlling interest shareholders	-	-	-	-	-	-	-	-	(540)	(540)
Balance at 31 March 2009	1,213,380	(10,050)	47,433	83,504	(1,061)	(123,987)	1,301,679	2,510,898	172,162	2,683,063
Balance at 1 January 2010	1,213,380	(10,050)	47,433	(1,045,766)	(692)	(77,703)	1,301,679	1,438,281	18,385	1,446,666
Profit for the period	-	-	-	40,438	-	-	-	40,438	3,403	43,841
Other comprehensive income (loss) for the period	-	-	-	-	(7)	2,491	-	2,484	-	2,484
Total comprehensive income for the period	-	-	-	40,438	(7)	2,491	-	42,922	3,403	46,325
Balance at 31 March 2010	1,213,380	(10,050)	47,433	(1,005,328)	(699)	(75,212)	1,301,679	1,471,203	21,788	1,492,991

The attached notes 1 to 9 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 2010 (Unaudited)

	<i>Three month period ended 31 March 2010 AED '000</i>	<i>Three month period ended 31 March 2009 AED '000</i>
OPERATING ACTIVITIES		
Profit for the period	43,841	21,710
Non cash adjustments to reconcile profit for the period to net cash flows:		
Depreciation of property, plant and equipment	26,413	18,519
Share of results of associates	(15,058)	(4,273)
Net movement in employees' end of service benefits	786	(256)
Finance income on finance lease receivable	(1,669)	-
Interest income	(259)	(3,597)
Finance costs	32,889	25,988
Changes in fair value relating to financial assets carried at fair value through income statement	-	(85)
Changes in fair value of derivative liability	(16,600)	1,900
Working capital adjustments:		
Inventories	29	33,656
Trade and other receivables and prepayments	(25,309)	(53,876)
Contract work in progress	(8,605)	(20,606)
Accounts payable and accruals	(36,741)	(7,590)
Lease rentals received	<u>658</u>	<u>-</u>
Net cash flows from operating activities	<u>375</u>	<u>11,490</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(29,970)	(4,782)
Purchase of intangible assets	-	(316)
Payments against capital work in progress	(402,417)	(464,225)
Advances received	-	400,000
Interest received	<u>259</u>	<u>3,597</u>
Net cash flows used in investing activities	<u>(432,128)</u>	<u>(65,726)</u>
FINANCING ACTIVITIES		
Interest bearing loans and borrowings received	550,000	157,168
Interest bearing loans and borrowings repaid	-	(62,041)
Islamic financing arrangement received	-	368,000
Islamic financing arrangement repaid	(20,000)	(378,735)
Transaction cost on interest bearing loans and borrowings	-	(3,213)
Transaction cost on Islamic financing arrangements	-	(7,930)
Payments for obligations under finance lease	(867)	(788)
Interest paid	(58,282)	(78,663)
Dividends paid to non-controlling interests	<u>-</u>	<u>(540)</u>
Net cash flows from (used in) financing activities	<u>470,851</u>	<u>(6,742)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	39,098	(60,978)
Cash and cash equivalents at 1 January	<u>291,947</u>	<u>468,633</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u>331,045</u>	<u>407,655</u>

The attached notes 1 to 9 form part of these interim condensed consolidated financial statements.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2010 (Unaudited)

1 ACTIVITIES

National Central Cooling Company PJSC (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). The principal activities of the Company are to construct, own, assemble, install, operate and maintain cooling and air conditioning systems. In addition, the Company's activities 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.

The interim condensed consolidated financial statements of the Group were authorised for issuance by the Board of Directors on 11 May 2010.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

At 31 March 2010, the Group's current liabilities exceeded its current assets by AED 5.01 billion (31 December 2009: AED 4.9 billion) and its accumulated losses of AED 1 billion (31 December 2009: AED 1.04 billion) amounted to 83 % (31 December 2009: 86%) of its issued share capital. The excess of current liabilities over current assets includes the impact of reclassification of interest bearing loans and borrowings and Islamic financing arrangements amounting to AED 2.8 billion (31 December 2009: AED 3.2 billion), net of prepaid finance costs, which were due more than one year from the balance sheet reporting date based on their respective original maturity profile but have been reclassified to current liability in the interim consolidated statement of financial position as at 31 March 2010. The reclassification has been made in accordance with the requirement of International Accounting Standard No.1 which requires an entity which breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability is capable of being payable on demand, to reclassify such liability as current. As at 31 March 2010, the Company had a technical breach in relation to its financial covenant in some of its debt obligations. A breach of a financial covenant in one debt obligation can result in cross default provisions in other debt obligations being triggered such that the entire debt obligations of the Group is capable of being payable on demand.

As noted above, the accumulated losses of the Group amounted to 83 % of the issued share capital at 31 March 2010. The UAE Commercial Companies Law of 1984 (as amended), states, "if the losses of a joint stock company amount to half the capital, the Board of Directors must call the extra ordinary general assembly to convene and decide whether the company should continue or be dissolved before the duration specified in its articles".

The above factors indicate the existence of a material uncertainty which may cast significant doubt about the Groups's ability to continue as a going concern. The interim condensed consolidated financial statements have been prepared on a going concern basis based on the following mitigating factors:

1. Short term loan facility approved by a shareholder amounting to AED 1.3 billion (this short-term financing may be converted to long-term capital) out of which an amount of AED 550 million has been drawn by the Company during the period;
2. Expected profitability and operating cash flows in the 12 month period ending 31 March 2011, which together with the short term loan in (1) above is expected to cover funding shortfall relating to anticipated operating and capital expenditure and finance costs up to 31 March 2011; and

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2010 (Unaudited)

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES continued

2.1 FUNDAMENTAL ACCOUNTING CONCEPT continued

3. Comprehensive recapitalization plan launched by the Company's Board of Directors on 7 March 2010 with the objective to achieve a stable long-term capital structure. The recapitalisation plan addresses the following:

- o Entering into discussions with strategic investors to provide the long-term capital necessary to support the development of the business;
- o Proposal for a capital reduction;
- o Options for new capital including a private placement and offering to all shareholders;
- o Proactively engaging with creditors to secure amendments to support the recapitalization process (address short-term maturity profile and other terms and conditions to facilitate new investment);
- o Identification of significant funding requirement to complete projects and fund committed capital expenditure; and
- o Addresses near-term operational funding issues through provision of AED 1.3 billion short term loan.

The above recapitalization plan will be presented at the proposed Extra Ordinary General Meeting to seek approval from the shareholders to authorize the Company's Board of Directors to negotiate and implement the recapitalization plan.

4. The Company's Board of Directors has resolved to call an extra ordinary general assembly to comply with the requirement of the UAE Commercial Companies Law of 1984 (as amended).
5. As of the date of approval of the interim condensed consolidated financial statements of the Company, no lender has requested accelerated repayment of its loans and borrowings. The management is currently engaged in discussions with the lenders to secure amendments to address the resulting short term maturity profile. Management is confident that the outcome of the discussions with the lenders and the implementation of the recapitalisation plan launched by the Company's Board of Directors on 7 March 2010 will address the liquidity risk of the Company.

The Company's management and Board of Directors are confident on the positive outcome of the mitigating factors noted above.

Had the going concern basis not been used, adjustments would be made relating to the recoverability of recorded asset amounts, or to the amounts of liabilities to reflect the fact the Group may be required to realise its assets and extinguish its liabilities other than in the normal course of business, at amounts different from those stated in the interim condensed consolidated financial statements.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2010 (Unaudited)

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES continued

2.2 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Company and its subsidiaries ("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 Group. 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 2009. In addition, results for the three months ended 31 March 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

2.3 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 2009.

3 SEGMENT INFORMATION

For management purposes, the Group is organised into four operating segments based on their products and services, 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 technologies. This also includes Tabreed's share in a joint venture engaged in similar activity.
- The 'contracting' segment is involved in construction of air conditioning chilled water central plants and networks for new or existing buildings. This also includes Tabreed's share in a joint venture which is involved in engineering, procurement, construction and construction management in the field of District Cooling.
- The 'manufacturing' segment is engaged in production of pre-insulated piping systems for chilled and hot water, gas and other energy related applications and provision of pipe protection services.
- The 'services' segment is involved in design and supervision of electrical, mechanical coding and sanitary engineering works.

Operating segments which have similar economic characteristics are aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements. However, Group financing (including finance costs, interest income, and changes in fair value of derivatives) is managed on a group basis and is not allocated to operating segments.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2010 (Unaudited)

3 SEGMENT INFORMATION continued

The following table presents revenue and results relating to the Group's operating segments for the three months ended 31 March 2010 and 2009, respectively.

	<i>Chilled water AED '000</i>	<i>Contracting AED '000</i>	<i>Manufacturing AED '000</i>	<i>Services AED '000</i>	<i>Eliminations AED '000</i>	<i>Total AED '000</i>
Three months ended 31 March 2010 (unaudited):						
Revenue						
External revenue	117,057	36,057	15,641	15,859	-	184,614
Inter-segment revenue	-	4,082	7,041	1,568	(12,691)	-
Total revenue	117,057	40,139	22,682	17,427	(12,691)	184,614
Operating cost	(61,964)	(18,436)	(12,983)	(2,364)	-	(95,747)
Gross profit	55,093	21,703	9,699	15,063	(12,691)	88,867
Results						
Segment results	22,820	15,638	686	5,450	-	44,594
Finance costs	-	-	-	-	-	(32,889)
Interest income	-	-	-	-	-	259
Changes in fair value of derivative liability	-	-	-	-	-	16,600
Share of results of associates	15,277	-	-	-	-	15,277
Profit for the period						43,841
Three months ended 31 March 2009 (unaudited):						
Revenue						
External revenue	61,284	26,317	81,405	20,716	-	189,722
Inter-segment revenue	-	-	310	1,979	(2,289)	-
Total revenue	61,284	26,317	81,715	22,695	(2,289)	189,722
Operating cost	(27,558)	(25,868)	(53,652)	(2,462)	-	(109,542)
Gross profit	33,726	449	28,063	20,233	(2,289)	80,177
Results						
Segment results	10,900	(144)	24,943	5,507	-	41,206
Finance costs	-	-	-	-	-	(25,988)
Changes in fair value of derivative liability	-	-	-	-	-	(1,900)
Interest income	-	-	-	-	-	3,597
Changes in fair value of investments	-	-	-	-	-	85
Share of results of associates	4,710	-	-	-	-	4,710
Profit for the period						21,710

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2010 (Unaudited)

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

Basic and diluted earnings per share are calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of mandatory convertible bond.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>Three month period ended 31 March 2010</i>	<i>Three month period ended 31 March 2009</i>
Profit for the period attributable to equity holders of the parent for basic and diluted earnings (AED '000)	<u>40,438</u>	<u>10,771</u>
Weighted average number of ordinary shares (excluding treasury shares) outstanding during the period ('000)	1,203,330	1,203,330
Effect of mandatory convertible bond ('000)	<u>674,603</u>	<u>674,603</u>
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of mandatory convertible bond ('000)	<u>1,877,933</u>	<u>1,877,933</u>
Basic and diluted earnings per share (AED)	<u>0.02</u>	<u>0.01</u>

Basic and diluted earnings per share has been calculated on the basis of maximum number of shares that may be issued for mandatory convertible bond.

5 CAPITAL WORK IN PROGRESS

During the three month period ended 31 March 2010 the Group has incurred expenditure of AED 139 million (31 March 2009: AED 532 million) primarily relating to construction of district cooling plants.

6 INTEREST BEARING LOANS AND BORROWINGS AND ISLAMIC FINANCING ARRANGEMENTS

During the period, the Group made the following total drawdowns and repayments on interest bearing loans and borrowings and Islamic financing arrangements:

	<i>Drawdown AED '000</i>	<i>Repayments AED '000</i>
Interest bearing loans (note a)	550,000	-
Islamic financing arrangements	-	20,000

- a) In February 2010, the Board of Directors of the Company approved short term funding from a shareholder amounting to AED 1.3 billion. During the period ended 31 March 2010, an amount of AED 550 million has been drawn on this facility.

National Central Cooling Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2010 (Unaudited)

7 COMMITMENTS AND CONTINGENCIES

Commitments

The Board of Directors has authorised future capital expenditure amounting to AED 950 million as of 31 March 2010 (31 December 2009: AED 1,108 million).

Contingencies

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

	<i>At 31 March 2010 AED '000</i>	<i>At 31 December 2009 AED '000</i>
Performance guarantees	66,277	64,462
Advance payment guarantees	20,517	20,471
Financial guarantees	<u>9,248</u>	<u>9,248</u>
	<u>96,042</u>	<u>94,181</u>

8 INVESTMENTS, BANK BALANCES AND CASH

Available for sale investments consist of investment in a listed equity with a carrying amount of AED 3.5 million (31 December 2009: AED 3.5 million) and investment in a managed fund with a carrying amount of AED 62.1 million (31 December 2009: AED 65 million).

Geographical concentration of available for sale investments and bank balances and cash is as follows:

	<i>At 31 March 2010 AED '000</i>	<i>At 31 December 2009 AED '000</i>
Within UAE	403,299	267,408
Outside UAE	<u>46,444</u>	<u>144,967</u>
	<u>449,743</u>	<u>412,375</u>

9 COMPARATIVE INFORMATION

Certain comparative figures were reclassified to conform with the current period presentation. Such reclassifications as discussed below have no effect on the results or the equity of the Group.

Statement of cash flows

- Interest paid amounting to AED 78.7 million for the period ended 31 March 2010 previously shown as part of Operating activities has now been reclassified to Financing activities.
- Non-cash adjustment relating to payables and accruals for capital work in progress amounting to AED 51.8 million has been adjusted against movement in the accounts payable under Operating activities.