

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2015**

	9 months ended 30th September 2015 Amount Rial '000	9 months ended 30th September 2014 Amount Rial '000
Total assets	758,115	733,857
Total liabilities	465,495	498,163
Net assets (excluding Perpetual notes and Minority)	161,295	185,385
Net assets per share (refer note 4)	0.598	0.693
Current ratio	1.412	1.246

	9 months ended 30th September 2015 Amount Rial '000	9 months ended 30th September 2014 Amount Rial '000
Gross profit	53,822	61,952
Gross profit margin %	30%	34%
Net profit/(loss)	(5,745)	11,640
Earnings per share	(0.021)	0.044

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**Unaudited consolidated balance sheet as at
30th September 2015**

	Notes	9 months ended 30th September 2015 Amount Rial '000	9 months ended 30th September 2014 Amount Rial '000
Non current assets			
Property, plant and equipment		593,926	568,457
Intangible assets		32,965	31,952
Long term investments	5,6,7	322	322
Deferred tax asset		1,151	1,333
Other non current assets		3,950	1,150
		632,314	603,214
Current assets			
Inventories	1	4,696	7,807
Trade receivables & Prepayments	2&9	86,284	74,675
Receivables from related parties		181	182
Investments	5,6,7&9	14	16
Bank and cash		34,079	28,678
		125,254	111,358
Assets of disposal group classified as held-for-sale	5	547	19,285
		125,801	130,643
		758,115	733,857
Current liabilities			
Trade & other creditors		61,229	55,348
Payable to related parties		-	1
Bank overdrafts	4	382	826
Term loans - current portion	4	26,756	38,751
Equity settled mandatory convertible bonds - current portion	4	569	-
		88,936	94,926
Liabilities of disposal group classified as held-for-sale	5	174	9,940
		89,110	104,866
Long term liabilities			
Term loans and Senior notes	4	339,778	345,060
Equity settled mandatory convertible bonds (Note 4)	4	21,021	38,948
Non current payables and advances		11,315	3,495
Staff terminal benefits		4,271	5,794
		376,385	393,297
		465,495	498,163
Net assets	TOTAL -A	292,620	235,694
Capital and reserves			
Share capital (Note 4)		29,065	28,209
Treasury shares (Note 6)		(3,446)	(1,704)
Share premium (Note 4)		21,045	19,496
Legal reserve		9,605	9,603
Subordinated loan reserve		21,429	17,143
Retained earnings		89,334	100,731
Exchange gain/(loss) on investment in foreign subsidiaries		(138)	15
Income on treasury shares		146	146
Hedging reserve		-	105
Profit/(loss) for the period		(5,745)	11,640
		161,295	185,384
Perpetual notes (Note 4)		47,129	-
Minority interest		84,196	50,310
	TOTAL-B	292,620	235,694

Notes:

- 1) Other non-current assets as of 30th September 2015 mainly include a part of sales consideration Rial 2.6 million relating to divestment of Marine Engineering division to be received after one year. Sales consideration to be received within one year is classified under current assets.
- 2) Non current payables and advances as of 30th September 2015 include derivative liability of Rial 7.6 million (2014: Nil) relating to issue of shares in Topaz to an investor.

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Unaudited consolidated income statement
For the nine months ended
30th September 2015

	9 months ended 30th September 2015 Amount Rial '000	9 months ended 30th September 2014 Amount Rial '000
Continuing Operations:		
Turnover	179,243	181,974
Gross profit	53,822	61,952
Administration & general expenses *	(19,327)	(18,330)
Operating profit	34,495	43,622
Finance charges**	(24,265)	(21,215)
Amortization	(140)	(23)
Other income	87	223
Profit before taxation and minority interests	10,177	22,607
Taxation	(7,609)	(7,192)
Profit for the period from continuing operations	2,568	15,415
Profit/(loss) from discontinued operations*** (Note 5)	(3,185)	1,698
Profit/(loss) for the period	(617)	17,113
Minority Interest	(5,128)	(5,473)
Net profit/(loss) attributable to Ordinary Shareholders	(5,745)	11,640
Dividend per share	-	-
Net profit margin (%)	-3.2%	6.4%

* Administration & general expenses for the period ended 30th September 2015 include one-off receivables provision of Rial 1.9 million (2014: Rial 1.0 million).

** Finance charges for the period ended 30th September 2015 include write-off of unamortized loan arrangement costs Rial 3.2 million in Topaz.

*** Profit/(Loss) from discontinued operations for the period ended 30th September 2015 include capital loss of Rial 2.1 million on sale of Marine Engineering Division (2014: Include profit of Rial 1.8 million from the divestment of Media and Communication Group).

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Unaudited consolidated statement of cash flows
For the nine months ended
30th September 2015

	9 months ended 30th September 2015 Amount Rial '000	9 months ended 30th September 2014 Amount Rial '000
Cash from operations	55,084	60,740
Tax paid	(6,446)	(5,362)
Net interest paid	(20,288)	(21,319)
Net cash from/(used in) operating activities	28,350	34,059
Net cash from /(used) in investing activities *	(26,990)	(88,885)
Net cash from/(used in) financing activities	(6,959)	(3,275)
Net increase/(decrease) in cash & cash equivalents	(5,599)	(58,101)
Cash and cash equivalents brought forward	39,296	85,953
Cash and cash equivalents carried forward	33,697	27,852

* 2015 Net cash received from investing activities include cash inflow of Rial 0.4 million from divestment of Marine Engineering Division in Q3 2015. 2014 Net cash received from investing activities include cash inflow of Rial 7.4 million from divestment of a subsidiary (National Training Institute) and remaining balance of Rial 1.3 million from divestment of Topaz Oil and Gas division (part of the Engineering segment), both of these were divested in 2013. It also include cash inflow of Rial 2.3 million from divestment of the Media and Communication group, which was divested in Q1 2014.

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Unaudited consolidated statement of changes in equity
For the nine months ended
30th September 2015

	Share Capital	Share Premium	Legal Reserve	Proposed Distribution	Retained earnings	Total Rial '000
1st January 2015	28,209	19,496	9,605	-	92,155	149,465
Net profit/(loss) for the period	-	-	-	-	(5,745)	(5,745)
Shares issued on conversion of MCBs (Note 4)	856	1,549	-	-	-	2,405
Income on treasury shares	-	-	-	-	146	146
Dividend paid	-	-	-	-	(2,821)	(2,821)
30th September 2015	29,065	21,045	9,605	-	83,735	143,450
1st January 2014	28,209	19,496	9,718	-	103,437	160,860
Net profit for the period	-	-	-	-	11,640	11,640
Transfer related to divestment of a subsidiary	-	-	(115)	-	115	-
Hedging reserve	-	-	-	-	105	105
Income on treasury shares	-	-	-	-	146	146
Dividend paid	-	-	-	-	(2,821)	(2,821)
30th September 2014	28,209	19,496	9,603	-	112,622	169,930

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Notes

1. Inventories

Inventories can be analysed as follows:

	9 months ended 30th September 2015 Amount Rial '000	9 months ended 30th September 2014 Amount Rial '000
Inventory for sale	-	3,058
Catering stock	2,989	3,500
Spares	1,707	1,288
Less: provisions	-	(39)
	4,696	7,807

2. Trade receivables

Trade receivables can be analysed as follows

	9 months ended 30th September 2015 Amount Rial '000	9 months ended 30th September 2014 Amount Rial '000
Trade receivables & Prepayments	96,204	82,164
Less: Provisions	(9,920)	(7,489)
	86,284	74,675

3. Segment Reporting

The Group operates under two business segments. The results of segments are analysed by this classification and not by geographical classification. Inter segment pricing is determined on an arm's length basis. Information relating to these primary segments are as follows:-

	Amount in Rial '000				
Identity of Segments:	Segment Revenue	Segment Expenses excluding Depreciation	Depreciation	Segment Results	Consolidated Results
Marine Group (Topaz)	105,506	(55,712)	(20,371)	29,423	-
Contract Services Group (Renaissance)	73,881	(62,765)	(3,658)	7,458	-
Total segment result	179,387	(118,477)	(24,029)	36,881	36,881
Intersegment adjustments	(128)	128	-	-	-
Finance charges	-	-	-	-	(24,265)
Amortisation	-	-	-	-	(140)
Unallocated expenses	-	(2,300)	(70)	-	(2,370)
Unallocated income	71	-	-	-	71
Taxation	-	-	-	-	(7,609)
Profit/(loss) from discontinued operations	-	-	-	-	(3,185)
Minority Interest	-	-	-	-	(5,128)
Consolidated results	179,330	(120,649)	(24,099)	36,881	(5,745)

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4. Bank loans, senior notes and overdrafts

These can be analysed as follows:

	9 months ended 30th September 2015	9 months ended 30th September 2014
	Amount Rial '000	Amount Rial '000
Bank loans and senior notes	366,534	383,811
Overdrafts	382	826
	366,916	384,637
Current maturities of bank loans & bank overdrafts	(27,138)	(39,577)
Long term element of bank loans and senior notes	339,778	345,060

The bank loans and overdrafts are secured by charge over certain assets of the company and its subsidiaries and corporate guarantees. The Rial loans, Foreign currency loans, Rial overdrafts and Foreign currency overdrafts bear commercial rates.

The maturity of the bank loans and senior notes:

	9 months ended 30th September 2015	9 months ended 30th September 2014
	Amount Rial '000	Amount Rial '000
Due within one year	26,756	38,751
Due after one year	339,778	345,060
	366,534	383,811

The Group' subsidiary, Topaz has entered into a comprehensive financing facility with syndicate of banks on a conventional and Shari'ah compliant Islamic basis for USD 550 million in Q2 2015. This includes USD 350 million senior secured 7 year facility (Tranche A), USD 100 million senior secured 5 year Revolving Credit Facility (Tranche B) and USD 100 million senior unsecured 5 year amortizing facility (Tranche C). Tranche A has been utilized to repay existing bank debt of USD 350 million and remaining two tranches B and C (USD 200 million), which are undrawn, are available for capex financing/general corporate purposes.

Topaz had issued USD 350 million aggregate principal amount of 8.625% senior notes (the senior notes) in Q4 2013. The Senior Notes will mature on 1 November 2018 and are classified under long term loans.

The long term loan includes Rial 20 million of subordinated loan due for repayment after one year and current maturities include an amount of Rial 10 million of subordinated loan payable within one year. The tenure of the loan is 7 years with repayment of four annual installments of Rial 10 million starting from November 2014.

Equity settled mandatory convertible bonds and Perpetual Notes

Renaissance Services SAOG (the company) issued 423,141,678 Mandatory Convertible Bonds (MCBs) to its shareholders at RO 0.102 each (including RO 2 baizas for expenses) on 26 July 2012. The Group companies subscribed 30,673,468 MCBs out of the total issue. MCBs disclosed in balance sheet are net of treasury MCBs held by its Group company.

During Q4 2014, the company re-evaluated the accounting for its mandatorily convertible bonds. The terms of the bonds entitled the shareholders to receive bonds as rights and provided the benefits that are generally associated with a rights issue, being an entitlement to receive shares at the defined ratio. It was noted that such benefit entitlement given to shareholders is regarded as a transfer of benefits. Accordingly, the company revised its accounting of the bonds by recognizing the value of benefits transferred under the bond issue as an equity movement in its statement of changes in equity. Q3 2015, accordingly present the application of this revised accounting for the bonds. Consequently, the net assets per share is lower in Q3 2015 as compared to Q3 2014.

The shareholders and the MCB holders of the company approved MCBs repurchase program in their respective General meetings held in June 2015. Accordingly, the company completed repurchase of first tranche of MCBs in July 2015. Out of 141,032,909 due for conversion in July 2015, 126,914,334 MCBs were repurchased at a price of RO 0.170 per MCB amounting to RO 21.6 million. The balance 14,118,575 MCBs were converted to 8,556,712 shares at a conversion price of RO 0.165 per MCB. The company has also repurchased 127,320,320 out of second tranche of MCBs in August 2015 at a repurchase price of RO 0.151 amounting to RO 19.2 million.

Repurchase of these MCBs was financed by issuing Step-up Subordinated Perpetual Notes ("Perpetual notes"). Renaissance International Limited (the "Issuer"), a limited liability Company registered in the Cayman Islands and a wholly-owned subsidiary of the company, has issued RO 48.3 million (USD 125.5 million). Issuance costs amounting to RO 1.2 million (USD 3.1 million) were incurred. Perpetual notes are listed on the Irish Stock Exchange. These Perpetual notes are a perpetual security in respect of which there is no fixed redemption date. Perpetual notes are callable by the issuer 5 years after the issue date, being 29 July 2020 (the "First Call Date"). Perpetual notes bears a coupon rate of 7.9% per annum, from the issue date to the First Call Date, payable semi-annually in arrears, however these can be deferred. Post first call date the coupon rate shall increase to 12.9% pa on the outstanding perpetual notes. Coupon distributions will be reported in the consolidated statement of changes in equity.

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5. Investments in associates and subsidiaries

Associates

Investments in Associates are accounted for using the equity method.

Following closure of operations of the company's associate companies i.e. Dubai Wire and Global Fastener Limited in 2013, the carrying amount of investments in these associates was fully written-off in 2013. These associates were dormant in 2014 and initiatives are on to liquidate these companies.

Subsidiaries

Investments in subsidiaries are accounted for using the consolidated method as per International Financial Reporting Standards ("IFRS").

The subsidiaries of Renaissance Services SAOG (the company) are as follows:

Company	30th September 2015	30th September 2014
	Holding %	Holding %
1) Topaz Energy & Marine Limited (TEAM JAFZA)	100%	100%
2) Tawoos Industrial Services Co LLC (TISCO)	100%	100%
3) Renaissance Duqm Holding SAOC (RDH)	51.9%	-
4) National Hospitality Institute SAOG (NHI)	45.55%	45.55%
5) Renaissance Energy Limited (REL)	100%	100%
6) Renaissance International Limited (RIL)	100%	-
Subsidiaries of TOPAZ		
1) Topaz Energy & Marine Limited (Topaz) [earlier known as Nico Middle East Limited (NICO)]	90.2%	100%
2) Topaz Holding Limited (THL)	100%	100%
3) Topaz Energy and Marine PLC	100%	100%
4) Topaz Engineering Limited	-	100%
Subsidiaries of TISCO		
1) Rusail Catering & Cleaning Services LLC (RCCS)	100%	100%
2) Supraco Ltd. (Supraco)	100%	100%
3) Renaissance Contract Services International LLC (RCSI)	100%	100%
4) Al Wasita Catering Services LLC (Al Wasita)	100%	100%
5) Renaissance Facilities Management Company SAOC (RFMC)	100%	-
Subsidiary of RDH		
1) Renaissance Duqm Accommodation Company SAOC (RDAC)	100%	-

Renaissance Services SAOG has incorporated a new subsidiary, RDH, in February 2015. RDH is a holding company to hold investments in Renaissance Duqm Accommodation Company SAOC (incorporated in February 2015), which is engaged in building, owning and operating permanent accommodation facilities in Duqm.

Renaissance Services SAOG has incorporated a new subsidiary, RIL in Cayman Islands in June 2015 as a special purpose vehicle to issue Perpetual notes to finance repurchase of MCBs issued by the company.

During 2013, the assets and liabilities of UMS, NHI and Marine Engineering Division (Topaz Engineering Limited) were presented as held-for-sale. In Q1 2014, the Group disposed of UMS (Media and Communication Group). In Q3 2015, the Group disposed of Marine Engineering Division for a consideration of RO 7.1 million (USD 18.5 million). This divestment resulted in a loss of RO 2.1 million (USD 5.5 million). The assets and liabilities of NHI continue to present as held-for-sale in Q3 2015.

BUE Marine Limited is 100% subsidiary of Topaz. BUE Marine Limited is incorporated in UK, which operates through its subsidiaries and is engaged principally in charter of marine vessels and vessel management.

Supraco Limited through its subsidiaries in Norway provides contract catering services.

RCSI through its subsidiaries in Angola and UAE provides catering and allied services.

The Group has incorporated a new subsidiary, RFMC, which is engaged in provision of contract catering, facilities management and establishment, operations and maintenance services.

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6. Investments

Investments include all long term and short term investments of the company, excluding only those associates and subsidiaries listed in Note.5. Marketable Securities are carried at their open market value.

Unquoted and other investments are carried at cost adjusted for any permanent diminutions in value.

Investments can be analysed as follows:

Short Term investments	Market Value	Market Value	Book Value	Book Value
	9 months ended	9 months ended	9 months ended	9 months ended
	30th September 2015	30th September 2014	30th September 2015	30th September 2014
	Amount	Amount	Amount	Amount
	Rial '000	Rial '000	Rial '000	Rial '000
Marketable securities - Available for sale				
Banking	-	-	-	-
Investments	-	-	-	-
Insurance	-	-	-	-
Services	-	-	-	-
Industrial	14	16	14	16
Government Bonds	-	-	-	-
	14	16	14	16
Marketable securities-Foreign				
Banking	-	-	-	-
Investments	-	-	-	-
Industrial	-	-	-	-
Bonds	-	-	-	-
	-	-	-	-
Unquoted and other investments				
Unquoted Omani shares	-	-	-	-
Investment fund units	-	-	-	-
Term deposits	-	-	-	-
Unquoted foreign shares	-	-	-	-
	-	-	-	-

Long Term investments

Long term investments of Rial 322 K (2014: Rial 322 K) include unquoted investments.

A subsidiary company holds 14,554,586 shares in Renaissance Services SAOG. The cost of these treasury shares is Rial 1,704 K. This company also holds 30,673,468 MCBs issued by the parent company. Out of the total treasury MCBs holding, 10,223,466 MCBs were converted to 6,196,039 shares at a value of RO 1,741 K in July 2015.

The total cost of these treasury share holding amounting to RO 3,446 K has been shown as a deduction from equity.

6a. Investments income

Realised

Realised investment income represents gains and losses on disposal of investments and other realised investment related gains and losses.

Unrealised

Marketable securities are recorded at their open market value. Movements in the carrying values of marketable securities are taken to unrealised investment income.

Investment income can be analysed as follows	9 months ended	9 months ended
	30th September 2015	30th September 2014
	Amount	Amount
	Rial '000	Rial '000
Realised	-	-
Unrealised	-	-
	-	-

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7. Details of significant Investments

Details of all the reporting company's investments including Associates/Subsidiaries for which either the reporting company's holdings represent 10% or more of the issued share capital or the reporting company's holdings exceed 10% of the market value of the reporting company's investment portfolio are provided as follows as on:-

30th September 2015

	Holding %	Number of Securities	Market Value Amount Rial '000	Book Value Amount Rial '000	Cost Amount Rial '000
MSM Quoted Securities	%	-	-	-	-
NHI a partly owned subsidiaries of Renaissance Services SAOG is public joint stock company, listed with Muscat Security Market. The results of NHI have been consolidated in these financial statements.					

Foreign Listed Securities	0%	-	-	-	-
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As of 30th September 2015		-	-	-	-
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	Holding %		Book Value Amount Rial '000	Cost Amount Rial '000
MSM Unquoted Securities	0%		-	-
<hr/>				
Total as of 30th September 2015			-	-
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Foreign Unlisted Securities	0%		-	-
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Total as of 30th September 2015			-	-
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8. Related parties & holders of 10% of company shares.

The nature of significant transactions involving related parties holding 10% or more of the company's shares and the amounts involved during the period were as follows:

Income items

	9 months ended 30th September 2015 Amount Rial '000	9 months ended 30th September 2014 Amount Rial '000
Tawoos LLC - Services	14	15
	<hr/> 14 <hr/>	<hr/> 15 <hr/>

Expense Items

The nature of significant transactions involving related parties holding 10% or more of the company's shares and the amounts involved during the period were as follows:

	9 months ended 30th September 2015 Amount Rial '000	9 months ended 30th September 2014 Amount Rial '000
Tawoos LLC	-	-
	<hr/> - <hr/>	<hr/> - <hr/>

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8a. Loans, Advances, Receivables due, Provisions & write offs

Loans, advances or receivables due from related parties holding 10% or more of the company's shares minus all provisions and write-offs which have been made on these accounts at any time, are further analysed as follows:

	9 months ended 30th September 2015 Amount Rial '000	9 months ended 30th September 2014 Amount Rial '000
Tawoos LLC	5	42
Receivable from related parties	5	42

9. Provisions

Changes to the level of provisions during the period can be analysed as follows.

Provisions for :	Receivable & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Beginning balance of Provision	7,788	-	-	7,788
Provided during the period	2,148	-	-	2,148
(Released) during the period	(16)	-	-	(16)
(Written off) during the period	-	-	-	-
Provision balance as of 30th September 2015	9,920	-	-	9,920
Book value of Assets:				
	Receivable & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Value of assets before provision	96,204	336	4,696	101,236
Provision balance as of 30th September 2015	(9,920)	-	-	(9,920)
Book value of assets as of 30th September 2015	86,284	336	4,696	91,316

10. Shareholders

All the shareholders of the company who own 10% or more of the company's shares and the number of shares they hold are as follows:

	9 months ended 30th September 2015 No of shares	9 months ended 30th September 2014 No of shares
Common Share holders:		
Tawoos LLC	42,538,025	42,538,025
Preferred Shareholders:		
Nil	-	-
	42,538,025	42,538,025