

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2011

	9 months ended 30th September 2011	9 months ended 30th September 2010
	Amount Rial '000	Amount Rial '000
Total assets	636,740	524,361
Total liabilities	440,661	339,384
Net assets (less minority)	170,721	162,135
Net assets per share	0.638	0.606
Current ratio	1.003	1.065

	9 months ended 30th September 2011	9 months ended 30th September 2010
	Amount Rial '000	Amount Rial '000
Gross profit	48,198	53,840
Gross profit margin %	23%	29%
Net profit	3,402	17,514
Earnings per share	0.013	0.065



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**Unaudited consolidated balance sheet as at
30th September 2011**

	Notes	9 months ended 30th September 2011 Amount Rial '000	9 months ended 30th September 2010 Amount Rial '000
Non current assets			
Property, plant and equipments		432,519	360,053
Intangible assets		38,744	34,089
Long term investments	5,6,7	1,810	1,366
Deferred tax asset		564	1,229
		473,637	396,737
Current assets			
Inventories	1	23,260	20,871
Trade receivables & Prepayments	2&9	109,563	84,686
Receivables from related parties		794	912
Investments	5,6,7&9	15	12
Bank and cash		29,471	21,143
		163,103	127,624
		636,740	524,361
Current liabilities			
Trade & other creditors		69,686	55,252
Payable to related parties		1,318	1,059
Bank overdrafts	4	13,657	1,503
Term loans and leases	4	77,902	62,055
		162,563	119,869
Long term liabilities			
Term loans and leases	4	260,597	203,496
Non current payables and advances		11,009	10,499
Staff terminal benefits		6,492	5,520
		278,098	219,515
		440,661	339,384
Net assets	TOTAL -A	196,079	184,977
Capital and reserves			
Share capital		28,209	28,209
Treasury shares		(1,704)	(1,704)
Share premium		19,496	19,496
Legal reserve		10,577	10,440
Retained earnings		112,479	88,176
Exchange gain on investment in foreign subsidiaries		62	65
Income on treasury shares		174	175
Hedging reserve		(1,975)	(236)
Profit for the period		3,402	17,514
		170,720	162,135
Minority interest		25,359	22,842
	TOTAL-B	196,079	184,977

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
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Unaudited consolidated income statement
For the nine months ended
30th September 2011

	9 months ended 30th September 2011	9 months ended 30th September 2010
	Amount Rial '000	Amount Rial '000
Turnover	205,294	186,482
Gross profit	48,198	53,840
Administration & general expenses	(23,053)	(22,148)
Operating profit	25,145	31,692
Provision for contract cancellation*	(1,846)	-
Finance charges	(13,142)	(7,485)
Amortisation	(14)	(10)
Other income	675	837
Profit before taxation and minority interests	10,818	25,034
Taxation	(5,565)	(4,186)
Profit for the period	5,253	20,848
Minority Interest	(1,851)	(3,334)
Net profit attributable to Ordinary Shareholders	3,402	17,514
Dividend per share	-	-
Net profit margin (%)	1.7%	9.4%

* The provision is made for the net loss related to a contract cancellation by a client in the Company's Ship Building Operations.



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Unaudited consolidated statement of cash flows
For the nine months ended
30th September 2011

	9 months ended 30th September 2011 Amount Rial '000	9 months ended 30th September 2010 Amount Rial '000
Cash from operations	18,422	27,542
Tax paid	(4,162)	(5,291)
Net interest paid	(13,584)	(7,211)
Net cash (used in)/from operating activities	676	15,040
Net cash used in investing activities	(54,926)	(95,825)
Net cash from/(used in) financing activities	51,112	73,253
Net increase/(decrease) in cash & cash equivalents	(3,137)	(7,532)
Cash and cash equivalents brought forward	18,952	27,172
Cash and cash equivalents carried forward	15,814	19,640



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Unaudited consolidated statement of changes in equity
For the nine months ended
30th September 2011

	Share Capital	Share Premium	Legal Reserve	Proposed Distribution	Retained earnings	Total Rial '000
1st January 2011	28,209	19,496	10,577	3,385	112,479	174,146
Net profit for the period	-	-	-	-	3,402	3,402
Income on treasury shares	-	-	-	-	174	174
Changes in hedging reserve					(1,975)	(1,975)
Dividend paid / payable	-	-	-	(3,385)	-	(3,385)
30th September 2011	28,209	19,496	10,577	-	114,080	172,362
1st January 2010	28,209	19,496	10,440	3,385	88,176	149,706
Net profit for the period	-	-	-	-	17,514	17,514
Income on treasury shares	-	-	-	-	175	175
Changes in hedging reserve	-	-	-	-	(236)	(236)
Dividend paid / payable	-	-	-	(3,385)	-	(3,385)
30th September 2010	28,209	19,496	10,440	-	105,629	163,774



**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
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Notes

1. Inventories

Inventories can be analysed as follows:

	9 months ended 30th September 2011	9 months ended 30th September 2010
	Amount Rial '000	Amount Rial '000
Work in Progress	15,597	15,096
Catering stock	3,018	2,645
Spares	5,295	3,738
Less: provisions	(650)	(608)
	23,260	20,871

2. Trade receivables

Trade receivables can be analysed as follows

	9 months ended 30th September 2011	9 months ended 30th September 2010
	Amount Rial '000	Amount Rial '000
Trade receivables & Prepayments	113,545	88,092
Less: Provisions	(3,982)	(3,406)
	109,563	84,686

Note:- 1) 2011 : RO 2,336K (2010: NIL) Trade receivables discounted with banks are netted off from receivables.

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3. Segment Reporting

The Group operates under three primary business segments. The results of Media and Training business which are relatively small in relation to the Group's consolidated results are combined under Other Operations. 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 segment and combined Other Operations are as follows:-

Identity of Segments:	Amount in Rial '000				
	Segment Revenue	Segment Expenses excluding Depreciation	Depreciation	Segment Results	Consolidated Results
Contract Services Group	70,464	(58,744)	(4,060)	7,660	-
Marine Group	82,434	(43,916)	(12,357)	26,161	-
Engineering Group	56,711	(59,222)	(2,631)	(5,142)	-
Other Operations	7,838	(6,931)	(276)	631	-
Total segment result	217,447	(168,813)	(19,324)	29,310	29,310
Intersegment adjustments	(11,594)	11,757	-	163	163
Provision for contract cancellation	-	-	-	-	(1,846)
Finance charges	-	-	-	-	(13,142)
Amortisation	-	-	-	-	(14)
Unallocated expenses	-	(3,321)	(448)	-	(3,769)
Unallocated income	116	-	-	-	116
Income tax	-	-	-	-	(5,565)
Minority Interest	-	-	-	-	(1,851)
Consolidated results	205,969	(160,377)	(19,772)	29,473	3,402



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4. Bank loans, leases and overdrafts

These can be analysed as follows:	9 months ended 30th September 2011	9 months ended 30th September 2010
	Amount	Amount
	Rial '000	Rial '000
Bank loans and leases	338,499	265,551
Overdrafts	13,657	1,503
	352,156	267,054
Current maturities of bank loans, leases & bank overdrafts	(91,559)	(63,558)
Long term element of bank loans and leases	260,597	203,496

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 leases:

	9 months ended 30th September 2011	9 months ended 30th September 2010
	Amount	Amount
	Rial '000	Rial '000
Due within one year	77,902	62,055
Due after more than one year	260,597	203,496
	338,499	265,551

The long term loan includes RO 40 million Subordinated loan. The tenure of the loan is 7 years with repayment of four annual installments of RO 10 million starting from November 2014.

5. Investments in associates and subsidiaries

Associates

Investments in Associates are accounted for using the equity method.

The Associates of Renaissance Services SAOG are as follows:

Company	30th September 2011 Holding	30th September 2010 Holding
1) Dubai Wire Products Ltd	37.65%	20%
2) Global Fastners Ltd	43.50%	10%

The company acquired additional shareholdings of 17.65% in Dubai Wire and 33.50% in Global Fasteners w.e.f 1st January 2011. The company paid nil consideration for this acquisition. No share of profit from these two associates has been recognized in these nine months consolidated financials of the company.

Jointly Controlled Entities

Investments in jointly controlled entity is accounted for under the proportionate consolidation method.

The following joint controlled entity is held under subsidiaries of Renaissance:-

1) Nico Doosan Babcock, UAE	50%	50%
2) DMS Jaya Marine WLL, Qatar	51%	51%
3) Jaya DMS Marine Pte Ltd., Singapore	50%	50%
4) Magistau Oblast Boat Yard LLP, Kazakhstan	50%	50%
5) National Saudi Training Institute for Development Ltd, KSA	49%	-

NTI has entered into a JV with MMG group in the Kingdom of Saudi Arabia (KSA) in Jan 2011 for providing training services in KSA, the new JV will be operated in the name of National Saudi Training Institute for Development Ltd (NSTI). NTI owns 49% of shareholding in the JV. NSTI yet to start commercial operations.

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5. Investments in associates and subsidiaries (continued)

Subsidiaries

Investments in subsidiaries are accounted for using the consolidated method as per International Financial Reporting Standards ("IFRS")
The subsidiaries of Renaissance Services SAOG are as follows:

Company	30th September 2011 Holding %	30th September 2010 Holding %
1) National Training Institute LLC (NTI)	100%	100%
2) United Media Services LLC (UMS)	100%	100%
3) Tawoos Industrial Services Co LLC (TISCO)	100%	100%
4) Topaz Energy & Marine Limited (TOPAZ)	100%	100%
5) National Hospitality Institute SAOG (NHI)	45.55%	45.55%
6) Renaissance Energy Limited (REL)	100%	100%
Subsidiary of UMS LLC		
1) United Press and Publishing Co. LLC (UPP)	100%	100%
2) Oryx Media Services WLL (ORYX)	49%	49%
Subsidiary of TISCO LLC.		
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%	-
Subsidiary of NTI LLC		
1) National Training Institute Qatar WLL (NTIQ)	100%	100%
Subsidiary of NHI SAOG		
1) Nakshatra Hospitality India Private Limited (NHIPL)	100%	100%
Subsidiary of TOPAZ		
1) Nico Middle East Limited (NICO)	100%	100%
2) Topaz Holding Limited (THL)	100%	100%
3) Topaz Energy and Marine DMCC	100%	100%
4) Topaz Energy and Marine PLC (UK)	100%	-

BUE Marine Limited is 100% subsidiary of NICO. BUE Marine Limited is incorporated in UK, which operates through its subsidiary in several countries engaged principally in charter of offshore support vessels, vessel management and ship repair.

Al Wasita is a wholly owned subsidiary of TISCO which was formed during 2010 to acquire the shares in Al Wasita Emirates Catering Services LLC, a company incorporated in the UAE, which is engaged in the supply of catering services

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

RCSI through its subsidiaries in Angola, UAE, Iraq and Qatar provides catering and allied services. The subsidiaries in Iraq and Qatar yet to start operations.

Topaz has established a new wholly owned subsidiary Topaz Energy and Marine PLC (UK) with the objective of listing Topaz in the London Stock Exchange. This UK registered company is dormant now.

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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:

	Market Value 9 months ended 30th September 2011	Market Value 9 months ended 30th September 2010	Book Value 9 months ended 30th September 2011	Book Value 9 months ended 30th September 2010
	Amount Rial '000	Amount Rial '000	Amount Rial '000	Amount Rial '000
Short Term investments				
Marketable securities - Available for sale				
Banking	-	-	-	-
Investments	-	-	-	-
Insurance	-	-	-	-
Services	-	-	-	-
Industrial	15	12	15	12
Government Bonds	-	-	-	-
	<u>15</u>	<u>12</u>	<u>15</u>	<u>12</u>
Marketable securities-Foreign				
Banking	-	-	-	-
Investments	-	-	-	-
Industrial	-	-	-	-
Bonds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6. Investments (continued)

	Market Value 9 months ended 30th September 2011	Market Value 9 months ended 30th September 2010	Book Value 9 months ended 30th September 2011	Book Value 9 months ended 30th September 2010
	Amount Rial '000	Amount Rial '000	Amount Rial '000	Amount Rial '000
Short Term investments				
Unquoted and other investments				
Unquoted Omani shares	-	-	-	-
Investment fund units	-	-	-	-
Term deposits	-	-	-	-
Unquoted foreign shares	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Long Term investments

Long term investments of Rial 1,810 K, (2010: Rial 1,366 K) includes investment in associates, quoted and unquoted investments.

Some subsidiaries of the Parent Company hold 14,554,586 shares in Renaissance Services SAOG. The cost of these treasury shares Rial 1,704 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.

	9 months ended 30th September 2011	9 months ended 30th September 2010
	Amount Rial '000	Amount Rial '000
Investment income can be analysed as follows		
Realised	-	-
Unrealised	-	-
	<u>-</u>	<u>-</u>

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7. Details of significant Investments

Details of all the reporting companies investment including Associates/Subsidiaries for which either the reporting companies holding represents 10% or more of the issued share capital or the reporting companies holding exceeds 10% of the market value of the reporting companies investment portfolio are provided as follows as on:-
30th September 2011

	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%	-	-	-	-
As of 30th September 2011		-	-	-	-

	Holding %	Book Value Amount Rial '000	Cost Amount Rial '000
MSM Unquoted Securities			
IMTAC LLC	1.25%	197	-
Total as of 30th September 2011		197	-
Foreign Unlisted Securities	0%	-	-
Total as of 30th September 2011		-	-

8. Related parties & holders of 10% of company shares.

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

Income items

	9 months ended 30th September 2011 Amount Rial '000	9 months ended 30th September 2010 Amount Rial '000
Tawoos LLC - Services	15	14
	15	14

Expense Items

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

	9 months ended 30th September 2011 Amount Rial '000	9 months ended 30th September 2010 Amount Rial '000
Tawoos LLC	-	-
	-	-

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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 companies 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 2011 Amount Rial '000	9 months ended 30th September 2010 Amount Rial '000
Tawoos LLC	5	22
Receivable from related parties	5	22

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	3,725	-	615	4,340
Provided during the period	569	-	35	604
(Released) during the period	(312)	-	-	(312)
(Written off) during the period	-	-	-	-
Provision balance as of 30th September 2011	3,982	-	650	4,632

Book value of Assets:	Receivable & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Value of assets before provision	113,545	1,825	23,910	139,280
Provision balance as of 30th September 2011	(3,982)	-	(650)	(4,632)
Book value of assets as of 30th September 2011	109,563	1,825	23,260	134,648

10. Shareholders

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

	9 months ended 30th September 2011 No of shares	9 months ended 30th September 2010 No of shares
Common Share holders:		
Tawoos LLC	42,538,025	42,538,025
Preferred Shareholders:		
Nil	-	-
	42,538,025	42,538,025