

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2011**

	<b>3 months ended 31st March 2011</b>	<b>3 months ended 31st March 2010</b>
	<b>Amount Rial '000</b>	<b>Amount Rial '000</b>
<b>Total assets</b>	<b>613,812</b>	440,114
<b>Total liabilities</b>	<b>419,913</b>	269,860
<b>Net assets (less minority)</b>	<b>169,610</b>	149,243
<b>Net assets per share</b>	<b>0.634</b>	0.558
<b>Current ratio</b>	<b>1.112</b>	1.085

	<b>3 months ended 31st March 2011</b>	<b>3 months ended 31st March 2010</b>
	<b>Amount Rial '000</b>	<b>Amount Rial '000</b>
<b>Gross profit</b>	<b>17,173</b>	13,712
<b>Gross profit margin %</b>	<b>25%</b>	25%
<b>Net profit</b>	<b>935</b>	4,688
<b>Earnings per share</b>	<b>0.003</b>	0.018



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**Unaudited consolidated balance sheet as at  
31st March 2011**

	Notes	<b>3 months ended 31st March 2011</b>	3 months ended 31st March 2010
		<b>Amount Rial '000</b>	Amount Rial '000
<b>Non current assets</b>			
Property, plant and equipments		403,186	289,271
Intangible assets		38,869	34,021
Long term investments	5,6,7	1,734	1,366
Deferred tax asset		448	1,229
		<u>444,237</u>	<u>325,887</u>
<b>Current assets</b>			
Inventories	1	21,685	8,274
Trade receivables & Prepayments	2&9	105,070	77,206
Receivables from related parties		5,562	867
Investments	5,6,7&9	15	12
Bank and cash		37,243	27,868
		<u>169,575</u>	<u>114,227</u>
<b>Current assets</b>		<u>169,575</u>	<u>114,227</u>
<b>Total assets</b>		<u>613,812</u>	<u>440,114</u>
<b>Current liabilities</b>			
Trade & other creditors		77,564	57,769
Dividend payable		3,385	3,385
Payable to related parties		815	556
Bank overdrafts	4	4,921	4,512
Term loans and leases	4	65,798	39,058
		<u>152,483</u>	<u>105,280</u>
<b>Current liabilities</b>		<u>152,483</u>	<u>105,280</u>
<b>Long term liabilities</b>			
Term loans and leases	4	250,387	144,117
Non current payables and advances		11,129	15,241
Staff terminal benefits		5,914	5,222
		<u>267,430</u>	<u>164,580</u>
<b>Total Liabilities</b>		<u>419,913</u>	<u>269,860</u>
<b>Net assets</b>	<b>TOTAL -A</b>	<u>193,899</u>	<u>170,254</u>
<b>Capital and reserves</b>			
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		96	59
Hedging reserve		(478)	(121)
Profit for the period		935	4,688
		<u>169,610</u>	<u>149,243</u>
Minority interest		24,289	21,011
	<b>TOTAL-B</b>	<u>193,899</u>	<u>170,254</u>



**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
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**Unaudited consolidated income statement**  
**For the three months ended**  
**31st March 2011**

	<b>3 months ended</b> <b>31st March 2011</b> <b>Amount</b> <b>Rial '000</b>	3 months ended 31st March 2010 Amount Rial '000
<b>Turnover</b>	<b>68,284</b>	55,720
<b>Gross profit</b>	<b>17,173</b>	13,712
Administration & general expenses	(7,703)	(5,493)
<b>Operating profit</b>	<b>9,470</b>	8,219
Provision for contract cancellation*	(2,237)	-
Finance charges	(4,009)	(2,025)
Amortisation	(5)	(2)
Other income	253	226
<b>Profit before taxation and minority interests</b>	<b>3,472</b>	6,418
Taxation	(1,765)	(1,121)
Profit for the period	1,707	5,297
Minority Interest	(772)	(609)
<b>Net profit attributable to Ordinary Shareholders</b>	<b>935</b>	4,688
<b>Dividend per share</b>	-	-
<b>Net profit margin (%)</b>	<b>1.4%</b>	8.4%

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



**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
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Unaudited consolidated statement of cash flows  
For the three months ended  
31st March 2011

	<b>3 months ended 31st March 2011</b>	3 months ended 31st March 2010
	Amount Rial '000	Amount Rial '000
<b>Cash from operations</b>	<b>10,573</b>	20,770
Tax paid	(1,770)	(1,093)
Net interest paid	(5,322)	(2,092)
<b>Net cash from operating activities</b>	<b>3,481</b>	17,585
<b>Net cash used in investing activities</b>	<b>(17,033)</b>	(16,100)
<b>Net cash from/(used in) financing activities</b>	<b>26,922</b>	(5,301)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>13,370</b>	(3,816)
Cash and cash equivalents brought forward	18,952	27,172
<b>Cash and cash equivalents carried forward</b>	<b>32,322</b>	23,356



**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
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**Unaudited consolidated statement of changes in equity**  
**For the three months ended**  
**31st March 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	-	-	-	-	935	935
Changes in hedging reserve					(478)	(478)
Dividend paid / payable	-	-	-	(3,385)	-	(3,385)
<b>31st March 2011</b>	<b>28,209</b>	<b>19,496</b>	<b>10,577</b>	<b>-</b>	<b>112,936</b>	<b>171,218</b>
1st January 2010	28,209	19,496	10,440	3,385	88,176	149,706
Net profit for the period	-	-	-	-	4,688	4,688
Changes in hedging reserve	-	-	-	-	(121)	(121)
Dividend paid / payable	-	-	-	(3,385)	-	(3,385)
<b>31st March 2010</b>	<b>28,209</b>	<b>19,496</b>	<b>10,440</b>	<b>-</b>	<b>92,743</b>	<b>150,888</b>



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**Notes**

**1. Inventories**

Inventories can be analysed as follows:

	<b>3 months ended 31st March 2011 Amount Rial '000</b>	<b>3 months ended 31st March 2010 Amount Rial '000</b>
Work in Progress	10,500	2,183
Catering stock	2,959	2,762
Spares	8,842	3,914
Less: provisions	(616)	(585)
	<b>21,685</b>	<b>8,274</b>

**2. Trade receivables**

Trade receivables can be analysed as follows

	<b>3 months ended 31st March 2011 Amount Rial '000</b>	<b>3 months ended 31st March 2010 Amount Rial '000</b>
Trade receivables & Prepayments	108,814	80,912
Less: Provisions	(3,744)	(3,706)
	<b>105,070</b>	<b>77,206</b>

Note:- 1) 2011 : NIL (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	Segment Results	Consolidated Results
Contract Services Group	23,217	(20,435)	2,782	-
Marine Group	26,166	(17,380)	8,786	-
Engineering Group	19,136	(20,089)	(953)	-
Other Operations	2,605	(2,443)	162	-
<b>Total segment result</b>	<b>71,124</b>	<b>(60,347)</b>	<b>10,777</b>	<b>10,777</b>
Intersegment adjustments	(2,618)	3,012	394	394
Provision for contract cancellation				(2,237)
Finance charges	-	-	-	(4,009)
Amortisation	-	-	-	(5)
Unallocated expenses	-	(1,479)	-	(1,479)
Unallocated income	31	-	-	31
Income tax	-	-	-	(1,765)
Minority Interest	-	-	-	(772)
<b>Consolidated results</b>	<b>68,537</b>	<b>(58,814)</b>	<b>11,171</b>	<b>935</b>



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**4. Bank loans, leases and overdrafts**

These can be analysed as follows:	<b>3 months ended 31st March 2011</b>	3 months ended 31st March 2010
	<b>Amount</b>	Amount
	<b>Rial '000</b>	Rial '000
Bank loans and leases	<b>316,185</b>	183,175
Overdrafts	<b>4,921</b>	4,512
	<b>321,106</b>	187,687
Current maturities of bank loans, leases & bank overdrafts	<b>(70,719)</b>	(43,570)
Long term element of bank loans and leases	<b>250,387</b>	144,117

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:

	<b>3 months ended 31st March 2011</b>	3 months ended 31st March 2010
	<b>Amount</b>	Amount
	<b>Rial '000</b>	Rial '000
Due within one year	<b>65,798</b>	39,058
Due after more than one year	<b>250,387</b>	144,117
	<b>316,185</b>	183,175

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:

<b>Company</b>	<b>31st March 2011 Holding</b>	31st March 2010 Holding
1) Dubai Wire Products Ltd	<b>37.65%</b>	20%
2) Global Fastners Ltd	<b>43.50%</b>	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 three months consolidated financials of the company.

**Jointly Controlled Entities**

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

The following joint controlled entity is held under a sub-subsidiary of Renaissance:-

1) Nico Doosan Babcock	<b>50%</b>	50%
2) DMS Jaya Marine WLL, Qatar	<b>51%</b>	51%
3) Jaya DMS Marine Pte Ltd., Singapore	<b>50%</b>	50%
4) Magistau Oblast Boat Yard LLP	<b>50%</b>	50%

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 Progressive Training Institute LLJV. NTI owns 49% of shareholding in the JV. The registration formalities of the JV is under process.





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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	31st March 2011 Holding %	31st March 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%	-
<b>Subsidiary of UMS LLC</b>		
1) United Press and Publishing Co. LLC (UPP)	100%	100%
2) Oryx Media Services WLL (ORYX)	49%	49%
<b>Subsidiary of TISCO LLC.</b>		
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%	-
<b>Subsidiary of NTI LLC</b>		
1) National Training Institute Qatar WLL (NTIQ)	100%	100%
<b>Subsidiary of NHI SAOG</b>		
1) Nakshatra Hospitality India Private Limited (NHIPL)	100%	100%
<b>Subsidiary of TOPAZ</b>		
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 Ltd (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 provide catering and allied services. The subsidiaries in Iraq and Qatar yet to start operations.

Renaissance Services SAOG has incorporated a new subsidiary, Renaissance Energy Limited (REL) in May 2010 in Jebel Ali Free Zone Authority, Dubai.

Topaz has established a new wholly owned subsidiary Topaz Energy and Marine Ltd. (UK) with the objective of listing Topaz in the London Stock Exchange.



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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
	3 months ended 31st March 2011	3 months ended 31st March 2010	3 months ended 31st March 2011	3 months ended 31st March 2010
	Amount	Amount	Amount	Amount
	Rial '000	Rial '000	Rial '000	Rial '000
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)**

Short Term investments	Market Value	Market Value	Book Value	Book Value
	3 months ended 31st March 2011	3 months ended 31st March 2010	3 months ended 31st March 2011	3 months ended 31st March 2010
	Amount	Amount	Amount	Amount
	Rial '000	Rial '000	Rial '000	Rial '000
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 1,734 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.

Investment income can be analysed as follows	3 months ended	3 months ended
	31st March 2011	31st March 2010
	Amount	Amount
	Rial '000	Rial '000
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:-

**31st March 2011**

	<b>Holding %</b>	<b>Number of Securities</b>	<b>Market Value</b> Amount Rial '000	<b>Book Value</b> Amount Rial '000	<b>Cost</b> Amount Rial '000
<b>MSM Quoted Securities</b>	<b>%</b>	-	-	-	-
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.					
<b>Foreign Listed Securities</b>	<b>0%</b>	-	-	-	-
As of 31st March 2011		-	-	-	-

	<b>Holding %</b>	<b>Book Value</b> Amount Rial '000	<b>Cost</b> Amount Rial '000
<b>MSM Unquoted Securities</b>			
IMTAC LLC	1.25%	197	-
Total as of 31st March 2011		197	-
<b>Foreign Unlisted Securities</b>	<b>0%</b>	-	-
Total as of 31st March 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**

	<b>3 months ended</b> <b>31st March 2011</b> Amount Rial '000	<b>3 months ended</b> 31st March 2010 Amount Rial '000
Tawoos LLC - Services	5	5
	<u>5</u>	<u>5</u>

**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:

	<b>3 months ended</b> <b>31st March 2011</b> Amount Rial '000	<b>3 months ended</b> 31st March 2010 Amount Rial '000
Tawoos LLC	-	-
	<u>-</u>	<u>-</u>



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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:

	<b>3 months ended 31st March 2011 Amount Rial '000</b>	<b>3 months ended 31st March 2010 Amount Rial '000</b>
Tawoos LLC	7	29
Receivable from related parties	7	29

**9. Provisions**

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

<b>Provisions for :</b>	<b>Receivable &amp; Prepayments</b>	<b>Value of Investments</b>	<b>Inventories</b>	<b>Total Amount Rial '000</b>
Beginning balance of Provision	3,725	-	615	4,340
Provided during the period	52	-	1	53
(Released) during the period	(33)	-	-	(33)
(Written off) during the period	-	-	-	-
Provision balance as of 31st March 2011	3,744	-	616	4,360

<b>Book value of Assets:</b>	<b>Receivable &amp; Prepayments</b>	<b>Value of Investments</b>	<b>Inventories</b>	<b>Total Amount Rial '000</b>
Value of assets before provision	108,814	1,749	22,301	132,864
Provision balance as of 31st March 2011	(3,744)	-	(616)	(4,360)
Book value of assets as of 31st March 2011	105,070	1,749	21,685	128,504

**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:

	<b>3 months ended 31st March 2011 No of shares</b>	<b>3 months ended 31st March 2010 No of shares</b>
<b>Common Share holders:</b>		
Tawoos LLC	42,538,025	42,538,025
<b>Preferred Shareholders:</b>		
Nil	-	-
	42,538,025	42,538,025

