

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014

	3 months ended 31st March 2014	3 months ended 31st March 2013
	Amount Rial '000	Amount Rial '000
Total assets	734,593	651,390
Total liabilities	506,264	451,501
Net assets (less minority)	176,962	170,104
Net assets per share	0.661	0.636
Current ratio	1.222	1.163

	3 months ended 31st March 2014	3 months ended 31st March 2013
	Amount Rial '000	Amount Rial '000
Gross profit	18,595	17,004
Gross profit margin %	33%	29%
Net profit	3,525	3,805
Earnings per share	0.013	0.014

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014

**Unaudited consolidated balance sheet as at
31st March 2014**

	Notes	3 months ended 31st March 2014 Amount Rial '000	3 months ended 31st March 2013 Amount Rial '000
Non current assets			
Property, plant and equipments		554,531	452,285
Intangible assets		31,966	33,531
Long term investments	5,6,7	322	322
Deferred tax asset		1,333	1,835
Other non current assets		3,113	8,791
		<u>591,265</u>	<u>496,764</u>
Current assets			
Inventories	1	4,149	10,209
Trade receivables & Prepayments	2&9	84,439	84,574
Receivables from related parties		215	232
Investments	5,6,7&9	16	16
Bank and cash		37,986	35,367
		<u>126,805</u>	<u>130,398</u>
Assets of disposal group classified as held-for-sale	5	16,523	24,228
Current assets		<u>143,328</u>	<u>154,626</u>
		Total assets	651,390
Current liabilities			
Trade & other creditors		66,253	57,954
Dividend payable		2,821	-
Payable to related parties		120	205
Bank overdrafts	4	2,485	2,298
Term loans - current portion	4	35,875	56,546
		<u>107,554</u>	<u>117,003</u>
Liabilities of disposal group classified as held-for-sale	5	9,747	15,907
Current liabilities		<u>117,301</u>	<u>132,910</u>
Long term liabilities			
Term loans and Senior notes	4	342,296	266,964
Mandatory convertible bonds	6	38,948	38,858
Non current payables and advances		2,355	6,906
Staff terminal benefits		5,364	5,863
		<u>388,963</u>	<u>318,591</u>
		Total Liabilities	451,501
Net assets	TOTAL -A	<u><u>228,329</u></u>	<u><u>199,889</u></u>
Capital and reserves			
Share capital		28,209	28,209
Treasury shares		(1,704)	(1,704)
Share premium		19,496	19,496
Legal reserve		9,603	10,530
Subordinated loan reserve		17,143	11,429
Retained earnings		100,731	98,831
Exchange gain on investment in foreign subsidiaries		36	231
Hedging reserve		(77)	(723)
Profit for the period		3,525	3,805
		<u>176,962</u>	<u>170,104</u>
Minority interest		51,367	29,785
		TOTAL-B	199,889

Note: Other non-current assets as of 31st March 2014 include 1) Rial 2.1 million of costs to mobilise certain vessels which will be amortised over the contract period (Q1 2013: Rial 7.6 million), and 2) Rial 1 million is a part of sales consideration relating to divestment of a subsidiary to be received over a period of next four years (Q1 2013 : Rial 1.2 million), the sales consideration to be received within next one year is classified under current assets .

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014

Unaudited consolidated income statement
For the three months ended
31st March 2014

	3 months ended 31st March 2014 Amount Rial '000	3 months ended 31st March 2013 Amount Rial '000
Continuing Operations:		
Turnover	56,375	58,314
Gross profit	<u>18,595</u>	<u>17,004</u>
Administration & general expenses	(5,976)	(5,529)
Operating profit	<u>12,619</u>	<u>11,475</u>
Finance charges	(6,652)	(5,178)
Amortisation	(8)	(5)
Gain on divestment of treasury MCBs (Note 6)	-	731
Other income	56	226
Profit before taxation and minority interests	<u>6,015</u>	<u>7,249</u>
Taxation	(2,217)	(2,210)
Profit for the period from continuing operations	<u>3,798</u>	<u>5,039</u>
Profit/loss from discontinued operations* (Note 5)	1,585	(176)
Profit for the period	<u>5,383</u>	<u>4,863</u>
Minority Interest	(1,858)	(1,058)
Net profit attributable to Ordinary Shareholders	<u>3,525</u>	<u>3,805</u>
Dividend per share	-	-
Net profit margin (%)	6.3%	6.5%

* Profit from discontinued operations for the period ended 31st March 2014 include profit of Rial 1.8 million from the divestment of Media and Communication Group.

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014

Unaudited consolidated statement of cash flows
 For the three months ended
 31st March 2014

	3 months ended 31st March 2014 Amount Rial '000	3 months ended 31st March 2013 Amount Rial '000
Cash from operations	17,498	11,996
Tax paid	(1,729)	(1,887)
Net interest paid	(6,822)	(5,617)
Net cash from/(used in) operating activities	8,947	4,492
Net cash from/(used in) investing activities *	(49,890)	9,033
Net cash from/(used in) financing activities	(9,509)	(2,977)
Net increase/(decrease) in cash & cash equivalents	(50,452)	10,548
Cash and cash equivalents brought forward	85,953	22,521
Cash and cash equivalents carried forward	35,501	33,069

* Q1 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. Q1 2013 Net cash received from investing activities include Rial 11.4 million from divestment of MCBs held by the Group.

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014

Unaudited consolidated statement of changes in equity
For the three months ended
31st March 2014

	Share Capital	Share Premium	Legal Reserve	Proposed Distribution	Retained earnings	Total Rial '000
1st January 2014	28,209	19,496	9,718	-	103,437	160,860
Net profit for the period	-	-	-	-	3,525	3,525
Transfer from legal reserve related to divestment of a subsidiary	-	-	(115)	-	115	-
Hedging reserve	-	-	-	-	(77)	(77)
Dividend payable	-	-	-	-	(2,821)	(2,821)
31st March 2014	28,209	19,496	9,603	-	104,179	161,487
1st January 2013	28,209	19,496	10,530	-	98,831	157,066
Net profit for the period	-	-	-	-	3,805	3,805
Hedging reserve	-	-	-	-	(723)	(723)
31st March 2013	28,209	19,496	10,530	-	101,913	160,148

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014

Notes

1. Inventories

Inventories can be analysed as follows:

	3 months ended 31st March 2014	3 months ended 31st March 2013
	Amount Rial '000	Amount Rial '000
Work in Progress	-	4,510
Catering stock	2,449	3,472
Spares	1,739	3,513
Less: provisions	(39)	(1,286)
	4,149	10,209

2. Trade receivables

Trade receivables can be analysed as follows

	3 months ended 31st March 2014	3 months ended 31st March 2013
	Amount Rial '000	Amount Rial '000
Trade receivables & Prepayments	91,003	88,881
Less: Provisions	(6,564)	(4,307)
	84,439	84,574

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014

3. Segment Reporting

The Group operates under two primary 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:-

Identity of Segments:	Amount in Rial '000				
	Segment Revenue	Segment Expenses excluding Depreciation	Depreciation	Segment Results	Consolidated Results
Contract Services Group	22,046	(18,423)	(1,037)	2,586	-
Marine Group	34,418	(17,966)	(5,640)	10,812	-
Total segment result	56,464	(36,389)	(6,677)	13,398	13,398
Intersegment adjustments	(60)	60	-	-	-
Finance charges	-	-	-	-	(6,652)
Amortisation	-	-	-	-	(8)
Unallocated expenses	-	(730)	(20)	-	(750)
Unallocated income	27	-	-	-	27
Income tax	-	-	-	-	(2,217)
Profit from discontinued operations					1,585
Minority Interest	-	-	-	-	(1,858)
Consolidated results	56,431	(37,059)	(6,697)	13,398	3,525

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014

4. Bank loans, senior notes and overdrafts

These can be analysed as follows:	3 months ended 31st March 2014	3 months ended 31st March 2013
	Amount Rial '000	Amount Rial '000
Bank loans and senior notes	378,171	323,510
Overdrafts	<u>2,485</u>	<u>2,298</u>
	380,656	325,808
Current maturities of bank loans & bank overdrafts	(38,360)	(58,844)
Long term element of bank loans and senior notes	<u>342,296</u>	<u>266,964</u>

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:

	3 months ended 31st March 2014	3 months ended 31st March 2013
	Amount Rial '000	Amount Rial '000
Due within one year	35,875	56,546
Due after more than one year	342,296	266,964
	<u>378,171</u>	<u>323,510</u>

The Group' subsidiary, Topaz had issued Rial 135 million aggregate principal amount of 8.625% senior notes (the senior notes) in Q4 2013. Out of the proceeds from the issuance of the senior notes, Rial 46.2 million were used to prepay amounts outstanding under some of the senior secured bank borrowings and the balance proceeds have been used for acquisition of vessels. The Senior Notes will mature on 1 November 2018 and are classified under long term loans.

The long term loan includes Rial 30 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.

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	31st March 2014 Holding	31st March 2013 Holding
1) Dubai Wire Products Ltd	37.65%	37.65%
2) Global Fastners Ltd.	43.50%	43.50%

The Group had decided to sell investments in associate companies i.e. Dubai Wire and Global Fastener Limited following the approval of Board on 12 August 2012. Accordingly, the carrying amount of the investments in these two associates of Rial 1.6 million were classified as assets held for sale under IFRS 5. The investments in these associates were not divested in 2013. As at 31 December 2013, the recoverability of these investments was uncertain and accordingly, on a prudent basis, the carrying amount of these investments was fully written-off.

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014**

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 2014 Holding %	31st March 2013 Holding %
1) National Training Institute LLC (NTI)	-	100%
2) United Media Services LLC (UMS)	-	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%
2) Oryx Media Services WLL (ORYX)	-	49%
3) UMS International FZ LLC	-	100%
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%	100%
Subsidiary of NTI LLC		
1) National Training Institute Qatar WLL (NTIQ)	-	100%
Subsidiary of TOPAZ		
1) Nico Middle East Limited (NICO)	100%	100%
2) Topaz Holding Limited (THL)	100%	100%
3) Topaz Energy and Marine PLC (UK)	100%	100%
4) Topaz Engineering Limited	100%	100%

In 2013 the Group disposed of its subsidiary National Training Institute LLC (NTI).

As on 31 December 2013, the assets and liabilities related to UMS, NHI and Topaz Marine and Engineering Division (part of Topaz Engineering Limited) were presented as held-for-sale. In Q1 2014, the Group disposed of UMS (Media and Communication Group). The effective date of disposal is 31 March 2014 as per the share purchase agreement (SPA).

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

RCSI through its subsidiaries in Angola, UAE and Iraq provides catering and allied services. The subsidiary in Iraq is yet to start operations. The subsidiary in UAE had temporarily closed its operations during 2012 following completion of its contract in Abu Dhabi.

Al Wasita is yet to start operations.

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.

In 2013, Topaz Engineering Limited had divested its Oil & Gas Engineering business and currently has only Marine Engineering business.

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014

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 3 months ended 31st March 2014 Amount Rial '000	Market Value 3 months ended 31st March 2013 Amount Rial '000	Book Value 3 months ended 31st March 2014 Amount Rial '000	Book Value 3 months ended 31st March 2013 Amount Rial '000
Short Term investments				
Marketable securities - Available for sale				
Banking	-	-	-	-
Investments	-	-	-	-
Insurance	-	-	-	-
Services	-	-	-	-
Industrial	16	16	16	16
Government Bonds	-	-	-	-
	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
Marketable securities-Foreign				
Banking	-	-	-	-
Investments	-	-	-	-
Industrial	-	-	-	-
Bonds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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 322 K (2013: Rial 322 K) include unquoted investments.

A subsidiary company holds 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.

In the year 2012 two of Renaissance subsidiaries had invested Rial 13.5 million (132,447,571 MCBs at Rial 0.102) in mandatory convertible bonds (MCBs) issued by Renaissance Services SAOG. In March 2013, International Financial Corporation had acquired 101,887,000 MCBs from one of the company's subsidiary. The subsidiary made a net gain of Rial 731K from this sale. The remaining treasury MCB's 30,673,468 at a cost of Rial 3,128,694 are netted off from the total MCB's issued by Renaissance, and the net amount is shown in the balance sheet.

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.

	3 months ended 31st March 2014 Amount Rial '000	3 months ended 31st March 2013 Amount Rial '000
Investment income can be analysed as follows		
Realised (Note 6)	-	731
Unrealised	-	-
	<u>-</u>	<u>731</u>

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014**

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:-

31st March 2014

	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 31st March 2014		-	-	-	-

	Holding %	Book Value Amount Rial '000	Cost Amount Rial '000
MSM Unquoted Securities	0%	-	-
Total as of 31st March 2014		-	-
Foreign Unlisted Securities	0%	-	-
Total as of 31st March 2014		-	-

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

	3 months ended 31st March 2014 Amount Rial '000	3 months ended 31st March 2013 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:

	3 months ended 31st March 2014 Amount Rial '000	3 months ended 31st March 2013 Amount Rial '000
Tawoos LLC	-	-
	<u>-</u>	<u>-</u>

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2014

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:

	3 months ended 31st March 2014 Amount Rial '000	3 months ended 31st March 2013 Amount Rial '000
Tawoos LLC	33	31
Receivable from related parties	33	31

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	6,211	-	39	6,250
Provided during the period	359	-	-	359
(Released) during the period	-	-	-	-
(Written off) during the period	(6)	-	-	(6)
Provision balance as of 31st March 2014	6,564	-	39	6,603

Book value of Assets:	Receivable & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Value of assets before provision	91,003	338	4,188	95,529
Provision balance as of 31st March 2014	(6,564)	-	(39)	(6,603)
Book value of assets as of 31st March 2014	84,439	338	4,149	88,926

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:

	3 months ended 31st March 2014 No of shares	3 months ended 31st March 2013 No of shares
Common Share holders:		
Tawoos LLC	42,538,025	42,538,025
Preferred Shareholders:		
Nil	-	-
	42,538,025	42,538,025