



## OVERVIEW

On behalf of the Board of Directors, I present the unaudited accounts for Renaissance Services SAOG for the three-month period ended 31 March 2017 (First Quarter, Q1).

## RENAISSANCE GROUP

As I said in our 2016 Annual Report, we must steer through another challenging year in 2017; serving our customers, ensuring our liquidity, controlling our costs and our customers' costs, and meeting our financial obligations. Stable cash flow is a top priority. Taking prudent care through 2017 will lay the foundation for a better 2018, secured in the form of the Tengiz Project in TOPAZ and the buildup to higher occupancy in our Renaissance Village Duqm in RENAISSANCE.

## FINANCIAL PERFORMANCE

Stable cash flow, meeting all our financial obligations, is visible in EBITDA and Operating Profit, albeit at lower levels than in the same period last year.

Continuing Operations	Rial Million		USD Million	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Revenue	46.6	56.3	121.0	146.3
EBITDA	15.6	20.6	40.6	53.5
Operating profit	7.4	11.9	19.2	30.9
Net profit/(loss) after tax	(1.0)	2.7	(2.5)	7.0
Net profit/(loss) after minority interest	(2.5)	0.5	(6.4)	1.2



	Rial Million		USD Million	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Revenue	22.4	29.9	58.2	77.7
Operating profit	5.4	8.3	14.2	21.6
Net profit/(loss) after tax	(1.3)	0.7	(3.4)	1.8
Net loss after minority interest	(3.0)	(1.5)	(7.9)	(3.9)

## TENGIZ PROJECT

The flagship Tengiz project is progressing well and in line with plans to start in 2018. Construction of the 17 Multi Carrying vessels is on time and on budget. This project shall deliver a material boost to performance from H2 2018.



## FINANCIAL STABILITY

Management and company advisors are keeping a close eye on the financial markets, and working with the institutions, to ensure the company remains agile to improve its financial structure at all times. The company continues to compare favourably against its global peer group particularly with respect to financial stability, in this difficult time throughout the industry. The cornerstone of belief is that the Oil industry lives on, and offshore oil, particularly in shallow and medium depth - which is the Topaz sweet spot - has a strong position in the supply chain.



## MARKET OUTLOOK

2017 remains challenging, but with some green shoots. The company is protected through secure long term stable contracts. Our principal current risk market is Africa, but the management team remains confident and committed to that market and its potential for our future. As the industry stabilizes after the oil price crisis, more opportunity will follow when capex starts to flow again into key oil exploration and production projects. The significant structural reduction of cost in the supply chain - at first, a heavy burden on oilfield services companies such as Topaz - will now help drive recovery. Previously unviable offshore projects are now deemed profitable and ripe for development. In this market, cost and cash discipline continue to be our key mantras in 2017.

We have taken cost reduction and efficiency actions early in the oil price crisis. Because of this, Topaz offers its clients effective solutions as the whole industry adjusts to the new norm of lower oil price. Topaz is in the right pricing zone and continues to focus on being the most efficient operator, reinforcing core strengths: our excellent safety record; our modern and well-maintained fleet; our client-led service proposition; and our quality crew and personnel.

Looking ahead, the rebalancing of supply and demand in the oil industry will, in time, boost OSV services.



	Rial Million		USD Million	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Revenue	24.1	26.5	62.7	68.8
Operating profit	1.9	3.6	5.0	9.4
Net profit after tax	1.1	2.8	2.8	7.3
Net profit after minority interest	1.3	2.8	3.4	7.3



Q1 2016 performance included income from two temporary high profit streams; and Q1 2017 performance remains positive despite increased cost of doing business in our home market of Oman; and the impact of planned losses in the occupancy build-up phase of Renaissance Village Duqm.

## INTERNATIONAL

Our investment in development of new opportunities in the UAE and other GCC markets remains a cost burden as we seek traction to diversify our geographical footprint. In Norway, the prevailing impact of the oil price crisis in the North Sea means fewer rigs in operation and, therefore, reduced returns for our business in 2017.



## RENAISSANCE VILLAGE DUQM

Our flagship Renaissance Village Duqm has opened for business. We do expect occupancy build-up to be slow in 2017. Major clients have signed up as long-term customers and have moved into the state-of-the-art facilities. Other contractors are moving in and more are expected as new projects are awarded. Short term customers have included business visitors, short term contract teams and military.

The support from this early build-up of client base is an endorsement of the SEZAD vision for workforce accommodation in Duqm. Oman is showing the world how world class accommodation facilities can be put in place for workforces to live in dignity, with the highest standards of safety and occupational health - but at affordable prices, cheaper than a temporary portacabin project camp.

## OUTLOOK

We continue to confront tough challenges throughout 2017. Cash is king, and we are generating sufficient cash flows to meet our obligations. Communication is vital, guided by our long-proven policy of open transparency with all our stakeholders, as we steer prudently through this period. Our businesses continue to outperform their peers in industry benchmarking of performance. Our future is clear and bright, with both businesses securing strong growth platforms for 2018, including the Tengiz Project for TOPAZ and the Renaissance Village Duqm for RENAISSANCE.

## TRIBUTE

On behalf of the Board of Directors, I express our sincere gratitude to His Majesty Sultan Qaboos bin Said for his leadership in creating a stable and secure nation, in which our company may thrive and prosper at home and abroad.

Samir J. Fancy  
Chairman



## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS ON 31 MARCH 2017

	2017 Rial '000	2016 Rial '000
<b>Non-current assets</b>		
Property, plant and equipment	618,310	574,805
Intangible assets	35,166	32,998
Other non-current assets	8,888	4,045
	<b>662,364</b>	611,848
<b>Current assets</b>	<b>105,052</b>	114,250
<b>Current liabilities</b>	<b>89,219</b>	90,075
Equity settled mandatory convertible bonds - current portion	11,994	584
<b>Net current assets</b>	<b>3,839</b>	23,591
<b>Non-current liabilities</b>		
Term loans and senior notes, excluding current maturities	356,735	327,165
Equity settled mandatory convertible bonds	-	21,007
Non current payables and advances	89,853	23,327
	<b>446,588</b>	371,499
<b>Net assets</b>	<b>219,615</b>	263,940
<b>Equity</b>		
Share capital	29,878	29,065
Treasury shares	(5,163)	(3,445)
Share premium	22,302	21,045
Legal reserve	10,163	9,884
Subordinated loan reserve	1,429	20,000
Retained earnings	22,979	53,877
Other reserves	(1,009)	(1,081)
	<b>80,579</b>	129,345
Perpetual notes	46,799	46,799
Non controlling interest	92,237	87,796
<b>Total equity</b>	<b>219,615</b>	263,940

## UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2017

	2017 Rial '000	2016 Rial '000
<b>Continuing Operations</b>		
<b>Revenue</b>	<b>46,587</b>	56,343
Operating expenses	(31,092)	(35,840)
Depreciation	(8,106)	(8,606)
<b>Profit from operations</b>	<b>7,389</b>	11,897
Net finance costs	(6,604)	(6,720)
<b>Profit before tax</b>	<b>785</b>	5,177
Taxation	(1,751)	(2,485)
<b>Profit/(loss) for the period from continuing operations</b>	<b>(966)</b>	2,692
Loss for the period from discontinued operations	-	(6)
<b>Profit/(loss) for the period</b>	<b>(966)</b>	2,686
<b>Net profit/(loss) attributable to:-</b>		
Shareholders of the Parent Company	(2,483)	451
Non-controlling interest	1,517	2,235
	<b>(966)</b>	2,686

**Note:**  
1) The complete accounts will be sent by mail to shareholders within 7 days of receipt of request.  
2) The complete set of financial results can be accessed at [www.renaissance.om](http://www.renaissance.om)

Renaissance Services SAOG

P.O.Box- 1676, Muttrah, PC - 114, Sultanate of Oman  
Website: [www.renaissance.om](http://www.renaissance.om)