

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES  
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2016**

	<b>9 months ended 30th September 2016</b>	9 months ended 30th September 2015
	<b>Amount Rial '000</b>	Amount Rial '000
<b>Total assets</b>	<b>771,100</b>	758,115
<b>Total liabilities</b>	<b>510,322</b>	465,495
<b>Net assets (excluding Perpetual notes and Minority)</b>	<b>122,423</b>	161,295
<b>Net assets per share (Rial)</b>	<b>0.450</b>	0.598
<b>Current ratio</b>	<b>1.051</b>	1.412

	<b>9 months ended 30th September 2016</b>	9 months ended 30th September 2015
	<b>Amount Rial '000</b>	Amount Rial '000
<b>Gross profit</b>	<b>44,807</b>	53,881
<b>Gross profit margin %</b>	<b>29%</b>	30%
<b>Net profit/(loss)</b>	<b>(5,151)</b>	(5,745)
<b>Earnings per share (Rial) (after Perpetual notes coupon)</b>	<b>(0.033)</b>	(0.021)

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
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**Unaudited consolidated balance sheet as at  
30th September 2016**

	Notes	9 months ended 30th September 2016 Amount Rial '000	9 months ended 30th September 2015 Amount Rial '000
<b>Non current assets</b>			
Property, plant and equipment		619,224	593,926
Intangible assets		35,127	32,965
Long term investments	5,6,7	322	322
Deferred tax asset		563	1,151
Other long term receivables		1,899	3,950
		<u>657,135</u>	<u>632,314</u>
<b>Current assets</b>			
Inventories	1	4,987	4,696
Trade receivables & Prepayments	2&9	71,095	86,284
Receivables from related parties		897	181
Investments	5,6,7&9	14	14
Bank and cash		36,532	34,079
		<u>113,525</u>	<u>125,254</u>
Assets of disposal group classified as held-for-sale	5	440	547
		<u>113,965</u>	<u>125,801</u>
		<b>Current assets</b>	<b>125,801</b>
		<b>Total assets</b>	<b>771,100</b>
<b>Current liabilities</b>			
Trade & other creditors		67,482	61,229
Bank overdrafts	4	1,439	382
Term loans - current portion	4	27,298	26,756
Equity settled mandatory convertible bonds - current portion	4	11,996	569
		<u>108,215</u>	<u>88,936</u>
Liabilities of disposal group classified as held-for-sale	5	179	174
		<u>108,394</u>	<u>89,110</u>
		<b>Current liabilities</b>	<b>89,110</b>
<b>Long term liabilities</b>			
Term loans and Senior notes	4	348,529	339,778
Equity settled mandatory convertible bonds	4	-	21,021
Non current payables and advances		48,735	11,315
Staff terminal benefits		4,664	4,271
		<u>401,928</u>	<u>376,385</u>
		<b>Total Liabilities</b>	<b>465,495</b>
<b>Net assets</b>	<b>TOTAL -A</b>	<b>260,778</b>	<b>292,620</b>
<b>Capital and reserves</b>			
Share capital	4	29,878	29,065
Treasury shares	6	(5,163)	(3,446)
Share premium	4	22,573	21,045
Perpetual notes	4	46,799	47,129
Legal reserve		9,884	9,605
Subordinated loan reserve		20,000	21,429
Retained earnings		51,512	89,334
Exchange loss on investment in foreign subsidiaries		(1,109)	(138)
Income on treasury shares		-	146
Profit/(loss) for the period		(5,151)	(5,745)
		<u>169,223</u>	<u>208,424</u>
Minority interest		91,555	84,196
	<b>TOTAL-B</b>	<b>260,778</b>	<b>292,620</b>

Notes:

1) Non current payables and advances as of 30th September 2016 mainly include advance from a customer of Rial 29.8 million (2015: Nil) relating to a new contract in Kazakhstan and derivative liability of Rial 12.3 million (2015: Rial 7.6 million) relating to issue of shares in Topaz to an investor in 2014.

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
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**Unaudited consolidated income statement**  
**For the nine months ended**  
**30th September 2016**

	9 months ended 30th September 2016 Amount Rial '000	9 months ended 30th September 2015 Amount Rial '000
<b>Continuing Operations:</b>		
Turnover	156,926	179,159
Gross profit	<u>44,807</u>	<u>53,881</u>
Administration & general expenses	(16,324)	(18,204)
Operating profit	<u>28,483</u>	<u>35,677</u>
Finance charges	(21,123)	(24,265)
Other income	210	87
Profit before taxation and minority interests	<u>7,570</u>	<u>11,499</u>
Taxation	(6,613)	(7,609)
Profit for the period from continuing operations	<u>957</u>	<u>3,890</u>
Loss from discontinued operations (Note 5)	(114)	(4,507)
Profit/(loss) for the period	<u>843</u>	<u>(617)</u>
Minority interest	(5,994)	(5,128)
Net loss attributable to Ordinary Shareholders	<u>(5,151)</u>	<u>(5,745)</u>
Dividend per share	-	-
Net profit margin (%)	-3.3%	-3.2%

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**Unaudited consolidated statement of cash flows**  
**For the nine months ended**  
**30th September 2016**

	<b>9 months ended 30th September 2016</b>	<b>9 months ended 30th September 2015</b>
	<b>Amount Rial '000</b>	<b>Amount Rial '000</b>
<b>Cash from operations</b>	<b>61,183</b>	55,084
Tax paid	(5,904)	(6,446)
Net interest paid	(21,123)	(20,288)
<b>Net cash from operating activities</b>	<b>34,156</b>	28,350
<b>Net cash used in investing activities</b>	<b>(70,581)</b>	(26,990)
<b>Net cash from/(used) in financing activities</b>	<b>30,270</b>	(6,959)
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(6,155)</b>	(5,599)
Cash and cash equivalents brought forward	41,248	39,296
<b>Cash and cash equivalents carried forward</b>	<b>35,093</b>	33,697

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
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**Unaudited consolidated statement of changes in equity**  
**For the nine months ended**  
**30th September 2016**

	Share Capital	Share Premium	Legal Reserve	Proposed Distribution	Retained earnings	Total Rial '000
1st January 2016	29,065	21,045	9,817	-	55,402	115,329
Net loss for the period	-	-	-	-	(5,151)	(5,151)
Shares issued on conversion of MCBs (Note 4)	813	1,528	-	-	-	2,341
Transfer to legal reserve	-	-	67	-	(67)	-
Perpetual notes coupon paid	-	-	-	-	(3,817)	(3,817)
Transaction with MI	-	-	-	-	(6)	(6)
<b>30th September 2016</b>	<b>29,878</b>	<b>22,573</b>	<b>9,884</b>	<b>-</b>	<b>46,361</b>	<b>108,696</b>
1st January 2015	28,209	19,496	9,605	-	92,155	149,465
Net loss for the period	-	-	-	-	(5,745)	(5,745)
Share issued on conversion of MCBs	856	1,549	-	-	-	2,405
Income on treasury shares	-	-	-	-	146	146
Dividend paid	-	-	-	-	(2,821)	(2,821)
<b>30th September 2015</b>	<b>29,065</b>	<b>21,045</b>	<b>9,605</b>	<b>-</b>	<b>83,735</b>	<b>143,450</b>

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
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**Notes**

**1. Inventories**

Inventories can be analysed as follows:

	<b>9 months ended 30th September 2016</b>	<b>9 months ended 30th September 2015</b>
	<b>Amount Rial '000</b>	<b>Amount Rial '000</b>
Catering stock	2,997	2,989
Spares	1,990	1,707
	<b>4,987</b>	<b>4,696</b>

**2. Trade receivables**

Trade receivables can be analysed as follows

	<b>9 months ended 30th September 2016</b>	<b>9 months ended 30th September 2015</b>
	<b>Amount Rial '000</b>	<b>Amount Rial '000</b>
Trade receivables & Prepayments	80,822	96,204
Less: Provisions	(9,727)	(9,920)
	<b>71,095</b>	<b>86,284</b>

**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:-

	<b>Amount in Rial '000</b>				
<b>Identity of Segments:</b>	<b>Segment Revenue</b>	<b>Segment Expenses excluding Depreciation</b>	<b>Depreciation</b>	<b>Segment Results</b>	<b>Consolidated Results</b>
Marine Group (Topaz)	83,273	(40,624)	(21,467)	21,182	-
Contract Services Group (Renaissance)	73,863	(62,239)	(4,112)	7,512	-
<b>Total segment result</b>	<b>157,136</b>	<b>(102,864)</b>	<b>(25,579)</b>	<b>28,693</b>	<b>28,693</b>
Finance charges	-	-	-	-	(21,123)
Taxation	-	-	-	-	(6,613)
Loss from discontinued operations	-	-	-	-	(114)
Minority Interest	-	-	-	-	(5,994)
<b>Consolidated results</b>	<b>157,136</b>	<b>(102,864)</b>	<b>(25,579)</b>	<b>28,693</b>	<b>(5,151)</b>

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**4. Bank loans, senior notes and overdrafts**

These can be analysed as follows:	<b>9 months ended 30th September 2016 Amount Rial '000</b>	9 months ended 30th September 2015 Amount Rial '000
Bank loans and senior notes	375,827	366,534
Overdrafts	<u>1,439</u>	<u>382</u>
	377,266	366,916
Current maturities of bank loans & bank overdrafts	<u>(28,737)</u>	<u>(27,138)</u>
Long term portion of bank loans and senior notes	<u><u>348,529</u></u>	<u><u>339,778</u></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:

The maturity of the bank loans and senior notes:	<b>9 months ended 30th September 2016 Amount Rial '000</b>	9 months ended 30th September 2015 Amount Rial '000
Due within one year	27,298	26,756
Due after one year	<u>348,529</u>	<u>339,778</u>
	<u><u>375,827</u></u>	<u><u>366,534</u></u>

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

Long term portion of loans includes Rial 10 million of subordinated loan due for repayment after one year and current maturities also include an amount of Rial 10 million of subordinated loan payable within one year.

**Equity settled mandatory convertible bonds and Perpetual Notes**

Renaissance Services SAOG (the company) had 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 the balance sheet are net of treasury MCBs held by its Group company.

In accordance with the approved repurchase program, the company has completed repurchase of the first and second tranches of MCBs in Q3 2015. The remaining 13,734,045 MCBs in the second tranche were converted to 8,126,654 shares at a conversion price of RO 0.169 per MCB in Q3 2016. The company has also repurchased 60,230,215 MCBs out of the third/final tranche of 141,054,404 MCBs that were due for conversion in July 2017, at a repurchase price of RO 0.149 amounting to RO 9.0 million. The remaining 80,824,189 MCBs in the third tranche shall be converted to equity shares in July 2017.

Repurchase of the first and second tranches of MCBs was financed by issuing Step-up Subordinated Perpetual Notes ("Perpetual notes"). Renaissance International Limited (the "Issuer"), a limited liability company registered in Cayman Islands and a wholly-owned subsidiary of the company, had issued RO 48.3 million (USD 125.5 million) perpetual notes. Issuance costs amounting to RO 1.5 million (USD 3.9 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 bear 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% per annum on the outstanding perpetual notes. Coupon distributions are reported in the consolidated statement of changes in equity.

The company has utilised its new long term credit lines to finance the repurchase of third/final tranche of MCBs.

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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 were fully written-off in 2013. Since then these associates have been dormant in 2015 and liquidation of these associates is currently in progress.

**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 2016 Holding %	30th September 2015 Holding %
1) Topaz Energy & Marine Limited (TEAM JAFZA)	100%	100%
2) Tawoos Industrial Services Company SAOC (TISCO)	100%	100%
3) Renaissance Duqm Holding SAOC (RDH)	51.9%	51.9%
4) National Hospitality Institute SAOC (NHI)	52.02%	45.55%
5) Renaissance Energy Limited (REL)	100%	100%
6) Renaissance International Limited (RIL)	100%	100%
7) Renaissance Integrated Facilities Management SAOC (RIFM)	100%	-
<b>Subsidiaries of TEAM JAFZA</b>		
1) Topaz Energy & Marine Limited (Topaz)	90.2%	90.2%
2) Topaz Energy and Marine PLC	100%	100%
3) Topaz Holding Limited (THL)	-	100%
<b>Subsidiaries of TISCO</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%	100%
5) Renaissance Facilities Management Company SAOC (RFMC)	100%	100%
<b>Subsidiary of RDH</b>		
1) Renaissance Duqm Accommodation Company SAOC (RDAC)	100%	100%

RDH is a holding company to hold investments in Renaissance Duqm Accommodation Company SAOC, which is engaged in building, owning and operating permanent accommodation facilities in Duqm. Currently, construction of the permanent accommodation facilities is in progress.

The Group had incorporated a new subsidiary, RIFM, in Q4 2015. Its principal activities include building, owning and operating accommodation facilities. RIFM has not yet commenced operations.

During 2013, the assets and liabilities of NHI and Topaz Engineering Limited were presented as held-for-sale. In Q3 2015, the Group disposed of TEL and this divestment resulted in a loss of RO 2.1 million (USD 5.5 million). The assets and liabilities of NHI are continued to be presented as held-for-sale in Q3 2016. NHI converted from a public joint stock company (SAOG) to a closed joint stock company (SAOC) in Q2 2016.

Topaz and its subsidiaries are engaged in the provision of offshore support vessels and other marine vessels on charter primarily to oil and gas industry.

During the year 2015, the group had dissolved Topaz Holdings Limited.

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

RCSI through its subsidiaries in Angola and UAE, provides catering and allied services. RCSI's subsidiary in Angola had been classified as discontinued operations following closure of its operations in 2015. In Q3 2016, the Group (through RCSI) has acquired 80% holding in a company, Emirates Taste Catering Services LLC registered in UAE for a purchase consideration of RO 2.0 million. Cost incurred for this acquisition is RO 0.1 million. The goodwill arising out of this transaction is RO 1.9 million.

The Group had incorporated a new subsidiary, RFMC, in 2015 and it is engaged in the provision of contract catering, facilities management and establishment, operations and maintenance services. RFMC has not yet commenced operations.



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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:

	<b>Market Value 9 months ended 30th September 2016 Amount Rial '000</b>	<b>Market Value 9 months ended 30th September 2015 Amount Rial '000</b>	<b>Book Value 9 months ended 30th September 2016 Amount Rial '000</b>	<b>Book Value 9 months ended 30th September 2015 Amount Rial '000</b>
<b>Short Term investments</b>				
Marketable securities - Available for sale				
Banking	-	-	-	-
Investments	-	-	-	-
Insurance	-	-	-	-
Services	-	-	-	-
Industrial	14	14	14	14
Government Bonds	-	-	-	-
	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</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 (2015: Rial 322 K) include unquoted investments.

A subsidiary company holds 26,800,921 shares (2015 - 20,750,625 shares) in Renaissance Services SAOG (RSS). Cost of these treasury shares of Rial 5,163 K (2015: Rial 3,445 K) has been shown as a deduction from equity. This subsidiary company also holds 10,225,000 MCBs (2015: 20,450,002 MCBs) issued by RSS. The increase in number and cost of treasury shares pertains to conversion of 10,225,002 MCBs held by this subsidiary company to 6,050,296 shares of RSS in 2016.

**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.

	<b>9 months ended 30th September 2016 Amount Rial '000</b>	<b>9 months ended 30th September 2015 Amount Rial '000</b>
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 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 2016**

	<b>Holding %</b>	<b>Number of Securities</b>	<b>Market Value Amount Rial '000</b>	<b>Book Value Amount Rial '000</b>	<b>Cost Amount Rial '000</b>
<b>MSM Quoted Securities</b>	<b>0%</b>	-	-	-	-
<b>Foreign Listed Securities</b>	<b>0%</b>	-	-	-	-
<hr/>					
As of 30th September 2016		-	-	-	-
<hr/>					

	<b>Holding %</b>		<b>Book Value Amount Rial '000</b>	<b>Cost Amount Rial '000</b>
<b>MSM Unquoted Securities</b>	<b>0%</b>		-	-
<hr/>				
Total as of 30th September 2016			-	-
<hr/>				
<b>Foreign Unlisted Securities</b>	<b>0%</b>		-	-
<hr/>				
Total as of 30th September 2016			-	-
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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**

	<b>9 months ended 30th September 2016 Amount Rial '000</b>	<b>9 months ended 30th September 2015 Amount Rial '000</b>
Tawoos LLC - Services	11	14
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	11	14
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**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:

	<b>9 months ended 30th September 2016 Amount Rial '000</b>	<b>9 months ended 30th September 2015 Amount Rial '000</b>
Tawoos LLC	-	-
<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:

	<b>9 months ended 30th September 2016 Amount Rial '000</b>	<b>9 months ended 30th September 2015 Amount Rial '000</b>
Tawoos LLC	16	5
Receivable from related parties	16	5

**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	8,715	-	-	8,715
Provided during the period	1,012	-	-	1,012
(Released) during the period	-	-	-	-
(Written off) during the period	-	-	-	-
Provision balance as of 30th September 2016	9,727	-	-	9,727
<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	80,822	336	4,987	86,145
Provision balance as of 30th September 2016	(9,727)	-	-	(9,727)
Book value of assets as of 30th September 2016	71,095	336	4,987	76,418

**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:

	<b>9 months ended 30th September 2016 No of shares</b>	<b>9 months ended 30th September 2015 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