



# النهضة للخدمات ش.م.ع.ع. Renaissance Services SAOG

## CHAIRMAN'S STATEMENT – Q3 2010

On behalf of the Board of Directors, it gives me great pleasure to present to you the interim accounts for Renaissance Services SAOG for the nine-month period ending 30 September 2010.

### Financial Performance

The Renaissance approach to disciplined investment has sustained the company's profitable performance through nearly two years of global economic downturn. In our earlier reports, we had predicted improving market conditions in the second half of 2010. This has come to pass and is reflected in a further upward turn in the trajectory of our growth path.

	Rials Million		US\$ Million	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009
<b>Revenue</b>	187.3	176.1	486.5	457.4
<b>EBITDA</b>	49.7	42.9	129.2	111.5
<b>Operating Profit</b>	32.5	27.8	84.5	72.2
<b>Net Profit before minority</b>	20.8	17.6	54.2	45.8

### Marine

In my report for the previous quarter we highlighted the universal view shared among various industry experts and analysts that short-term market for Offshore Support Vessel (OSV) rates and vessel utilization shall remain under pressure in 2010, easing in the second half of the year. This is exactly what has happened and the growing impact of improving market conditions is reflected in the financial performance of Topaz Marine. This trend strengthens our confidence in the industry view that suggests there will be a significant firming of the market in 2011, with 2012 forecasts back to 2008 highs. In addition to this, two new vessels, Topaz Commander and Topaz Captain joined the fleet during the quarter and immediately commenced work under contracts in Vietnam and the US Gulf of Mexico.

Marine Group	Rials Million		US\$ Million	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009
Revenue	66.1	62.2	171.7	161.7
Operating profit	24.2	19.1	62.9	49.6

### Engineering

Topaz Engineering has been affected by the reduction in E&P expenditure during the recession. There is however good news to be seen in the Q3 performance and significant growth in the order book for the year ahead. The company has recently been awarded a Rials 38.5 million (US\$100m) EPC contract for the construction of an oil storage terminal in Fujairah. In this quarter the company completed a 3-year project for the fabrication of the hull and topsides of a 12,500 ton Mobile Offshore Production Unit (MOPU) for delivery to the Norwegian sector of the North Sea. The safe and successful completion of this project, at the company's Fabrication & Construction facility (ADYARD) in Abu Dhabi, illustrates Topaz Engineering's capability and capacity to deliver projects with increasing complexity, as a premier EPC contractor.

Engineering Group	Rials Million		US\$ Million	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009
Revenue	57.1	57.1	148.3	148.3
Operating profit	3.0	2.3	7.8	5.9

### Contract Services

The Contract Services business has also performed well during this period. TISCO has been appointed Master Caterer for the 2nd Asian Beach Games, due to be held in Oman in the final quarter of 2010. The company has also laid the groundwork for an important entry into the Abu Dhabi contract services market before the year-end.

Contract Services Group	Rials Million		US\$ Million	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009
Revenue	58.4	48.4	151.7	125.8
Operating profit	7.8	6.9	20.3	18.0

### Investment programme and capital raise initiatives – What next?

Assets in the Balance Sheet now stand at over Rials 500 million (US\$ 1.3 billion). The company is raising additional Tier II capital of Rials 40 million (US\$ 104 million) during this year. Year to date capital expenditure is Rials 96 million (US\$ 250 million), as part of planned capital expenditure over 2010-12 of Rials 522 million (US\$ 1.36 billion). Our plans are unfolding at the scale we envisaged, with even greater opportunity opening up before us. We now have the capital in place to meet the entire 2010-12 investment programme within the company's strong cashflows and headroom for leverage on our balance sheet. We continue to maintain prudent gearing ratios within banking covenants and well within industry norms for the sectors that we serve.

So we can now say that the company has in place the financial capacity to implement the current phase of identified sustainable organic growth plans for 2010-12 in our existing markets. This leads us to turn

our attention to what happens next. First, as I have said in earlier statements, our company has a credible growth story; strong, differentiated and defensible existing market positions; sound industry fundamentals; an experienced management team; and a flexible, resilient financial business model. From such a strong standpoint, it is clear that we have the competence and the human resources to grow exponentially in our core oilfield services business.

We see opportunity for further organic growth in both the Caspian and MENA regions. There are investment opportunities for the Contract Services business to enter new markets and extend its facilities management and facilities establishment property portfolio. There are opportunities for Topaz Engineering to invest in the expansion of its EPC capacity and capabilities. But the major capital hungry business model lies in Topaz Marine, with significant opportunities to further increase the size and enhance the deepwater capability of the OSV fleet in both existing and new markets.

We see current dislocation in the OSV sector following the deepest economic downturn in living memory. The sustained growth and profitability of Topaz Marine during this period was a rarity in the industry. As I wrote in my Q2 statement, independent analysis shows that the number of new-build vessels coming on stream during the coming eighteen months is slightly less than the number of old tonnage vessels that shall have to be retired. Some 40% of the global OSV fleet is over 25 years old. The 2,249 vessels in the current global OSV fleet is expected to emerge from this period at a net fleet of 2,229 (Source: Pareto Securities Research). With an average vessel age of 7.2 years, and falling, the Topaz Marine fleet is one of the youngest major OSV fleets in the world. As onshore oil depletes, the future exploration and development of new fields is moving increasingly offshore. Based on all these factors, the prognosis for the OSV industry and the Topaz Marine fleet is positive.

Topaz Marine has the opportunity to replicate its success in the Caspian and MENA markets by following future oil. The era of easy oil is over. New offshore oil and gas fields shall be increasingly deep, difficult, distant and dangerous. Markets such as Brazil and West Africa offer significant growth opportunity for Topaz Marine and Topaz Engineering. Under the coverage and protection of our international scale and world-class standards, the time is right to consider establishing a local presence in markets such as these, under our operating company mantra of Safe, Efficient, Green and Local. There is opportunity in following our portfolio of blue chip IOC clients into their important future markets around the globe.

For these reasons we are now seriously considering the next phase of capital raise to bring transformational change to our company. We must now maximize the scale of opportunity that lies before us. To this end we have significantly raised the scale and profile of industry, financial and legal advisors to advise us on our options. We believe this material increase in investment in professional advice will lead us to make the best possible choice for new capital raise in the very best interests of our shareholders. It would be premature and potentially misleading to openly discuss the options under consideration, until there is a firm recommendation to be made. At that point we shall make a clear public statement to our shareholders and the market.

### **Oman's 40<sup>th</sup> National Day**

This year we are celebrating the 40th anniversary of the accession of His Majesty Sultan Qaboos bin Said. It is a time to take stock of the amazing achievements and developments of the Omani nation during this era. Renaissance Services SAOG is itself a child of Oman's modern Renaissance. In this period of unprecedented progress and success for Oman, Renaissance has grown and flourished into a truly

Omani multi-national services company. We send His Majesty and the people of Oman our congratulations and best wishes at this special time.

**Samir J. Fancy**  
**Chairman**  
**Renaissance Services SAOG**

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES  
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010**

	<b>9 months ended 30th September 2010</b>	9 months ended 30th September 2009
	<b>Amount Rial '000</b>	Amount Rial '000
<b>Total assets</b>	<b>524,361</b>	408,520
<b>Total liabilities</b>	<b>339,384</b>	251,463
<b>Net assets (less minority)</b>	<b>162,135</b>	138,410
<b>Net assets per share</b>	<b>0.606</b>	0.517
<b>Current ratio</b>	<b>1.065</b>	1.108

	<b>9 months ended 30th September 2010</b>	9 months ended 30th September 2009
	<b>Amount Rial '000</b>	Amount Rial '000
<b>Gross profit</b>	<b>53,840</b>	46,669
<b>Gross profit margin %</b>	<b>29%</b>	27%
<b>Net profit</b>	<b>17,514</b>	15,177
<b>Earnings per share</b>	<b>0.065</b>	0.057

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010**

**Unaudited consolidated balance sheet as at  
30th September 2010**

	Notes	9 months ended 30th September 2010	9 months ended 30th September 2009
		Amount Rial '000	Amount Rial '000
<b>Non current assets</b>			
Property, plant and equipments		360,053	265,458
Intangible assets		34,089	34,027
Long term investments	5,6,7	1,366	2,213
Deferred tax asset		1,229	1,255
		<u>396,737</u>	<u>302,953</u>
<b>Current assets</b>			
Inventories	1	20,871	14,449
Trade receivables & Prepayments	2&9	84,686	79,917
Receivables from related parties		912	1,078
Investments	5,6,7&9	12	12
Bank and cash		21,143	10,111
		<u>127,624</u>	<u>105,567</u>
<b>Current assets</b>		<u>127,624</u>	<u>105,567</u>
<b>Total assets</b>		<u>524,361</u>	<u>408,520</u>
<b>Current liabilities</b>			
Trade & other creditors		55,252	57,438
Payable to related parties		1,059	553
Bank overdrafts	4	1,503	2,386
Term loans and leases	4	62,055	34,887
		<u>119,869</u>	<u>95,264</u>
<b>Current liabilities</b>		<u>119,869</u>	<u>95,264</u>
<b>Long term liabilities</b>			
Term loans and leases	4	203,496	134,380
Non current payables and advances		10,499	16,988
Staff terminal benefits		5,520	4,831
		<u>219,515</u>	<u>156,199</u>
<b>Total Liabilities</b>		<u>339,384</u>	<u>251,463</u>
<b>Net assets</b>	<b>TOTAL -A</b>	<u>184,977</u>	<u>157,057</u>
<b>Capital and reserves</b>			
Share capital		28,209	28,209
Treasury shares		(1,704)	(1,704)
Share premium		19,496	20,723
Legal reserve		10,440	9,087
Retained earnings		88,176	66,474
Exchange gain on investment in foreign subsidiaries		65	318
Income on treasury shares		175	126
Hedging reserve		(236)	-
Profit for the period		17,514	15,177
		<u>162,135</u>	<u>138,410</u>
Minority interest		22,842	18,647
		<u>184,977</u>	<u>157,057</u>
<b>TOTAL-B</b>		<u>184,977</u>	<u>157,057</u>

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010**

**Unaudited consolidated income statement**  
**For the nine months ended**  
**30th September 2010**

	<b>9 months ended</b>	9 months ended
	<b>30th September 2010</b>	30th September 2009
	<b>Amount</b>	Amount
	<b>Rial '000</b>	Rial '000
<b>Turnover</b>	<b>186,482</b>	173,022
<b>Gross profit</b>	<b>53,840</b>	46,669
Administration & general expenses	(22,148)	(21,952)
<b>Operating profit</b>	<b>31,692</b>	24,717
Finance charges	(7,485)	(6,118)
Amortisation	(10)	(31)
Other income	837	3,071
<b>Profit before taxation and minority interests</b>	<b>25,034</b>	21,639
Taxation	(4,186)	(3,997)
Profit for the period	20,848	17,642
Minority Interest	(3,334)	(2,465)
<b>Net profit attributable to Ordinary Shareholders</b>	<b>17,514</b>	15,177
<b>Dividend per share</b>	-	-
<b>Net profit margin-%</b>	<b>9.4%</b>	8.8%

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010**

Unaudited consolidated statement of cash flows  
For the nine months ended  
30th September 2010

	<b>9 months ended 30th September 2010</b>	<b>9 months ended 30th September 2009</b>
	<b>Amount Rial '000</b>	<b>Amount Rial '000</b>
<b>Cash from operations</b>	<b>27,542</b>	30,296
Tax paid	(5,292)	(2,829)
Net interest paid	(7,211)	(6,296)
<b>Net cash from operating activities</b>	<b>15,040</b>	21,171
<b>Net cash used in investing activities</b>	<b>(95,825)</b>	(45,019)
<b>Net cash used in financing activities</b>	<b>73,253</b>	19,365
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(7,533)</b>	(4,483)
Cash and cash equivalents brought forward	27,172	12,208
<b>Cash and cash equivalents carried forward</b>	<b>19,640</b>	<b>7,725</b>



**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010**

**Unaudited consolidated statement of changes in equity**  
**For the nine months ended**  
**30th September 2010**

	Share Capital	Share Premium	Legal Reserve	Proposed Distribution	Retained earnings	Total Rial '000
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)
<b>30th September 2010</b>	<b>28,209</b>	<b>19,496</b>	<b>10,440</b>	<b>-</b>	<b>105,629</b>	<b>163,774</b>
1st January 2009	24,530	20,723	9,087	6,132	66,474	126,946
Net profit for the period	-	-	-	-	15,177	15,177
Income on treasury shares	-	-	-	-	126	126
Stock dividend	3,679	-	-	-	-	3,679
Dividend paid / payable	-	-	-	(6,132)	-	(6,132)
<b>30th September 2009</b>	<b>28,209</b>	<b>20,723</b>	<b>9,087</b>	<b>-</b>	<b>81,777</b>	<b>139,796</b>

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES  
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010**

**Notes**

**1. Inventories**

Inventories can be analysed as follows:

	<b>9 months ended 30th September 2010</b>	9 months ended 30th September 2009
	<b>Amount Rial '000</b>	Amount Rial '000
Work in Progress	15,096	8,785
Catering stock	2,645	2,657
Spares	3,738	3,585
Less: provisions	(608)	(578)
	<b>20,871</b>	<b>14,449</b>

**2. Trade receivables**

Trade receivables can be analysed as follows

	<b>9 months ended 30th September 2010</b>	9 months ended 30th September 2009
	<b>Amount Rial '000</b>	Amount Rial '000
Trade receivables & Prepayments	88,092	83,340
Less: Provisions	(3,406)	(3,423)
	<b>84,686</b>	<b>79,917</b>

Note:- 1) 2010 : NIL (2009: NIL ) Trade receivables discounted with banks are netted off from receivables.

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010**

**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	58,360	(50,556)	7,804	-
Marine Group	66,125	(41,960)	24,165	-
Engineering Group	57,071	(54,111)	2,960	-
Other Operations	7,246	(6,774)	472	-
<b>Total segment result</b>	<b>188,802</b>	<b>(153,401)</b>	<b>35,401</b>	<b>35,401</b>
Intersegment adjustments	(1,626)	1,626	-	-
Finance charges	-	-	-	(7,485)
Amortisation	-	-	-	(10)
Unallocated expenses	-	(3,014)	-	(3,014)
Unallocated income	142	-	-	142
Income tax	-	-	-	(4,186)
Minority Interest	-	-	-	(3,334)
<b>Consolidated results</b>	<b>187,318</b>	<b>(154,789)</b>	<b>35,401</b>	<b>17,514</b>

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010**

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

These can be analysed as follows:	<b>9 months ended</b>	9 months ended
	<b>30th September 2010</b>	30th September 2009
	<b>Amount</b>	Amount
	<b>Rial '000</b>	Rial '000
Bank loans and leases	265,551	169,267
Overdrafts	<u>1,503</u>	<u>2,386</u>
	<b>267,054</b>	171,653
Current maturities of bank loans, leases & bank overdrafts	<b>(63,558)</b>	(37,273)
Long term element of bank loans and leases	<u><b>203,496</b></u>	<u>134,380</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 leases:

	<b>9 months ended</b>	9 months ended
	<b>30th September 2010</b>	30th September 2009
	<b>Amount</b>	Amount
	<b>Rial '000</b>	Rial '000
Due within one year	62,055	34,887
Due after more than 1 year	<b>203,496</b>	134,380
	<u><b>265,551</b></u>	<u>169,267</u>

Finance leases are related to certain Vessels acquired under arrangement of finance lease. Finance lease is non cancelable lease commitments with monthly rental payments.

**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>30th September 2010</b>	30th September 2009
	<b>Holding</b>	Holding
1) Dubai Wire Products Ltd.	<b>20%</b>	20%

*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%

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES  
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010**

**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 2010 Holding %	30th September 2009 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) Renaissance Facility Management Services LLC (RFMS)	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%	-

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.

TOPAZ has incorporated a new subsidiary, Topaz Energy and Marine DMCC in Dubai to own its newly acquired corporate office.

TISCO has incorporated a new subsidiary in Abu Dhabi, Renaissance Facility Management Services LLC (RFMS) in June 2010, providing contract catering services. TISCO is also in the process of incorporating a fully owned subsidiary in Dubai.

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

RCSI has a subsidiary in Qatar. RCSI and its subsidiary provide contract catering services.

NTI & NHI have incorporated fully owned subsidiaries in Qatar & India respectively, providing training services in these respective countries.

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

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES  
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010**

**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
	9 months ended	9 months ended	9 months ended	9 months ended
	30th September 2010	30th September 2009	30th September 2010	30th September 2009
	Amount	Amount	Amount	Amount
	Rial '000	Rial '000	Rial '000	Rial '000
Marketable securities - Available for sale				
Banking	-	-	-	-
Investments	-	-	-	-
Insurance	-	-	-	-
Services	-	-	-	-
Industrial	12	12	12	12
Government Bonds	-	-	-	-
	<u>12</u>	<u>12</u>	<u>12</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
	9 months ended	9 months ended	9 months ended	9 months ended
	30th September 2010	30th September 2009	30th September 2010	30th September 2009
	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 1,366 K, (2009: Rial 2,213 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 1,704K 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	9 months ended	9 months ended
	30th September 2010	30th September 2009
	Amount	Amount
	Rial '000	Rial '000
Realised	-	-
Unrealised	-	-
	<u>-</u>	<u>-</u>



**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES  
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010**

**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>9 months ended 30th September 2010 Amount Rial '000</b>	<b>9 months ended 30th September 2009 Amount Rial '000</b>
Tawoos LLC	22	39
Receivable from related parties	22	39

**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	3,903	-	579	4,482
Provided during the period	339	-	29	368
(Released) during the period	(629)	-	-	(629)
(Written off) during the period	(207)	-	-	(207)
Provision balance as of 30th September 2010	3,406	-	608	4,014

<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	88,092	1,378	21,479	110,949
Provision balance as of 30th September 2010	(3,406)	-	(608)	(4,014)
Book value of assets as of 30th September 2010	84,686	1,378	20,871	106,935

**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>9 months ended 30th September 2010 No of shares</b>	<b>9 months ended 30th September 2009 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