

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES  
INTERIM REPORT FOR THE PERIOD ENDED 30TH JUNE 2014**

	<b>6 months ended 30th June 2014 Amount Rial '000</b>	6 months ended 30th June 2013 Amount Rial '000
<b>Total assets</b>	<b>733,789</b>	661,322
<b>Total liabilities</b>	<b>504,402</b>	455,104
<b>Net assets (less minority)</b>	<b>181,035</b>	175,110
<b>Net assets per share</b>	<b>0.677</b>	0.655
<b>Current ratio</b>	<b>1.312</b>	1.368

	<b>6 months ended 30th June 2014 Amount Rial '000</b>	6 months ended 30th June 2013 Amount Rial '000
<b>Gross profit</b>	<b>39,582</b>	36,247
<b>Gross profit margin %</b>	<b>34%</b>	30%
<b>Net profit</b>	<b>7,368</b>	8,691
<b>Earnings per share</b>	<b>0.028</b>	0.032

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 30TH JUNE 2014**

**Unaudited consolidated balance sheet as at  
30th June 2014**

	Notes	6 months ended 30th June 2014 Amount Rial '000	6 months ended 30th June 2013 Amount Rial '000
<b>Non current assets</b>			
Property, plant and equipments		558,556	449,442
Intangible assets		31,958	33,522
Long term investments	5,6,7	322	322
Deferred tax asset		1,333	1,835
Other non current assets		1,881	5,364
		<u>594,050</u>	<u>490,485</u>
<b>Current assets</b>			
Inventories	1	4,383	6,562
Trade receivables & Prepayments	2&9	77,627	95,898
Receivables from related parties		205	205
Investments	5,6,7&9	16	16
Bank and cash		38,927	42,418
		<u>121,158</u>	<u>145,099</u>
Assets of disposal group classified as held-for-sale	5	18,581	25,738
		<u>139,739</u>	<u>170,837</u>
		<b>Current assets</b>	
		<u>139,739</u>	<u>170,837</u>
		<b>Total assets</b>	
		<u>733,789</u>	<u>661,322</u>
<b>Current liabilities</b>			
Trade & other creditors		54,345	60,370
Payable to related parties		19	182
Bank overdrafts	4	-	486
Term loans - current portion	4	41,810	50,404
		<u>96,174</u>	<u>111,442</u>
Liabilities of disposal group classified as held-for-sale	5	10,300	13,453
		<u>106,474</u>	<u>124,895</u>
		<b>Current liabilities</b>	
		<u>106,474</u>	<u>124,895</u>
<b>Long term liabilities</b>			
Term loans and Senior notes	4	349,430	279,097
Mandatory convertible bonds	6	38,948	38,874
Non current payables and advances		3,942	6,161
Staff terminal benefits		5,608	6,077
		<u>397,928</u>	<u>330,209</u>
		<b>Total Liabilities</b>	
		<u>504,402</u>	<u>455,104</u>
<b>Net assets</b>	<b>TOTAL -A</b>	<u>229,387</u>	<u>206,218</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		9,603	10,530
Subordinated loan reserve		17,143	11,429
Retained earnings		100,731	98,831
Exchange gain on investment in foreign subsidiaries		24	237
Income on treasury shares		146	-
Hedging reserve		19	(609)
Profit for the period		7,368	8,691
		<u>181,035</u>	<u>175,110</u>
Minority interest		48,352	31,108
	<b>TOTAL-B</b>	<u>229,387</u>	<u>206,218</u>

Note: Other non-current assets as of 30th June 2014 include 1) Rial 1.2 million of costs to mobilise certain vessels which will be amortised over the contract period (H1 2013: Rial 4.0 million), and 2) Rial 0.7 million is a part of sales consideration relating to divestment of a subsidiary to be received over a period of next three years (H1 2013 : Rial 0.9 million), the sales consideration to be received within next one year is classified under current assets.

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
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**Unaudited consolidated income statement**  
**For the six months ended**  
**30th June 2014**

	<b>6 months ended 30th June 2014</b>	6 months ended 30th June 2013
	<b>Amount Rial '000</b>	Amount Rial '000
<b>Continuing Operations:</b>		
<b>Turnover</b>	<b>117,112</b>	121,027
<b>Gross profit</b>	<b>39,582</b>	36,247
Administration & general expenses	(12,123)	(11,123)
<b>Operating profit</b>	<b>27,459</b>	25,124
Finance charges	(13,871)	(10,493)
Amortisation	(15)	(14)
Gain on divestment of treasury MCBs (Note 6)	-	731
Other income	162	342
<b>Profit before taxation and minority interests</b>	<b>13,735</b>	15,690
Taxation	(4,599)	(4,548)
<b>Profit for the period from continuing operations</b>	<b>9,136</b>	11,142
Profit/(loss) from discontinued operations* (Note 5)	1,785	(83)
<b>Profit for the period</b>	<b>10,921</b>	11,059
Minority Interest	(3,553)	(2,368)
<b>Net profit attributable to Ordinary Shareholders</b>	<b>7,368</b>	8,691
<b>Dividend per share</b>	-	-
<b>Net profit margin (%)</b>	<b>6.3%</b>	7.2%

\* Profit from discontinued operations for the period ended 30th June 2014 include profit of Rial 1.8 million from the divestment of Media and Communication Group.

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
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Unaudited consolidated statement of cash flows  
For the six months ended  
30th June 2014

	<b>6 months ended 30th June 2014</b>	6 months ended 30th June 2013
	<b>Amount Rial '000</b>	Amount Rial '000
<b>Cash from operations</b>	<b>38,217</b>	29,564
Tax paid	(3,637)	(3,401)
Net interest paid	(14,061)	(11,159)
<b>Net cash from/(used in) operating activities</b>	<b>20,519</b>	15,004
<b>Net cash from/(used in) investing activities *</b>	<b>(68,195)</b>	1,376
<b>Net cash from/(used in) financing activities</b>	<b>650</b>	3,031
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(47,026)</b>	19,411
Cash and cash equivalents brought forward	85,953	22,521
<b>Cash and cash equivalents carried forward</b>	<b>38,927</b>	41,932

\* H1 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. It also include cash inflow of Rial 2.3 million from divestment of the Media and Communication group, which was divested in Q1 2014. H1 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 30TH JUNE 2014**

**Unaudited consolidated statement of changes in equity**  
**For the six months ended**  
**30th June 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	-	-	-	-	7,368	7,368
Transfer from legal reserve related to divestment of a subsidiary	-	-	(115)	-	115	-
Income on treasury shares	-	-	-	-	146	146
Hedging reserve	-	-	-	-	19	19
Dividend paid	-	-	-	-	(2,821)	(2,821)
<b>30th June 2014</b>	<b>28,209</b>	<b>19,496</b>	<b>9,603</b>	<b>-</b>	<b>108,264</b>	<b>165,572</b>
1st January 2013	28,209	19,496	10,530	-	98,831	157,066
Net profit for the period	-	-	-	-	8,691	8,691
Hedging reserve	-	-	-	-	(609)	(609)
<b>30th June 2013</b>	<b>28,209</b>	<b>19,496</b>	<b>10,530</b>	<b>-</b>	<b>106,913</b>	<b>165,148</b>

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 30TH JUNE 2014**

**Notes**

**1. Inventories**

Inventories can be analysed as follows:

	<b>6 months ended 30th June 2014</b>	<b>6 months ended 30th June 2013</b>
	<b>Amount Rial '000</b>	<b>Amount Rial '000</b>
Work in Progress	-	1,234
Catering stock	2,963	3,191
Spares	1,459	3,156
Less: provisions	(39)	(1,019)
	<b>4,383</b>	<b>6,562</b>

**2. Trade receivables**

Trade receivables can be analysed as follows

	<b>6 months ended 30th June 2014</b>	<b>6 months ended 30th June 2013</b>
	<b>Amount Rial '000</b>	<b>Amount Rial '000</b>
Trade receivables & Prepayments	84,348	100,605
Less: Provisions	(6,721)	(4,707)
	<b>77,627</b>	<b>95,898</b>

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
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**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	45,935	(38,088)	(2,151)	5,696	-
Marine Group	71,346	(36,263)	(11,641)	23,442	-
<b>Total segment result</b>	<b>117,281</b>	<b>(74,351)</b>	<b>(13,792)</b>	<b>29,138</b>	<b>29,138</b>
Intersegment adjustments	(75)	75	-	-	-
Finance charges	-	-	-	-	(13,871)
Amortisation	-	-	-	-	(15)
Unallocated expenses	-	(1,544)	(41)	-	(1,585)
Unallocated income	68	-	-	-	68
Income tax	-	-	-	-	(4,599)
Profit from discontinued operations	-	-	-	-	1,785
Minority Interest	-	-	-	-	(3,553)
<b>Consolidated results</b>	<b>117,274</b>	<b>(75,820)</b>	<b>(13,833)</b>	<b>29,138</b>	<b>7,368</b>

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

These can be analysed as follows:	<b>6 months ended 30th June 2014</b>	6 months ended 30th June 2013
	<b>Amount</b>	Amount
	<b>Rial '000</b>	Rial '000
Bank loans and senior notes	<b>391,240</b>	329,501
Overdrafts	<b>-</b>	486
	<b>391,240</b>	329,987
Current maturities of bank loans & bank overdrafts	<b>(41,810)</b>	(50,890)
Long term element of bank loans and senior notes	<b>349,430</b>	279,097

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:

	<b>6 months ended 30th June 2014</b>	6 months ended 30th June 2013
	<b>Amount</b>	Amount
	<b>Rial '000</b>	Rial '000
Due within one year	<b>41,810</b>	50,404
Due after one year	<b>349,430</b>	279,097
	<b>391,240</b>	329,501

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:

	<b>30th June 2014</b>	30th June 2013
<b>Company</b>	<b>Holding</b>	Holding
1) Dubai Wire Products Ltd	<b>37.65%</b>	37.65%
2) Global Fastners Ltd.	<b>43.50%</b>	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.



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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	30th June 2014 Holding %	30th June 2013 Holding %
1) National Training Institute LLC (NTI)	-	100%
2) United Media Services LLC (UMS)	-	100%
3) Tawoos Industrial Services Co LLC (TISCO)	<b>100%</b>	100%
4) Topaz Energy & Marine Limited (TOPAZ JAFZA)	<b>100%</b>	100%
5) National Hospitality Institute SAOG (NHI)	<b>45.55%</b>	45.55%
6) Renaissance Energy Limited (REL)	<b>100%</b>	100%
<b>Subsidiary of UMS LLC</b>		
1) United Press and Publishing Co. LLC (UPP)	-	100%
2) Oryx Media Services WLL (ORYX)	-	49%
3) UMS International FZ LLC	-	100%
<b>Subsidiary of TISCO LLC.</b>		
1) Rusail Catering & Cleaning Services LLC (RCCS)	<b>100%</b>	100%
2) Supraco Ltd. (Supraco)	<b>100%</b>	100%
3) Renaissance Contract Services International LLC (RCSI)	<b>100%</b>	100%
4) Al Wasita Catering Services LLC (Al Wasita)	<b>100%</b>	100%
<b>Subsidiary of NTI LLC</b>		
1) National Training Institute Qatar WLL (NTIQ)	-	100%
<b>Subsidiary of TOPAZ</b>		
1) Topaz Energy & Marine Limited (TOPAZ BARMUDA) [earlier known as Nico Middle East Limited (NICO)]	<b>100%</b>	100%
2) Topaz Holding Limited (THL)	<b>100%</b>	100%
3) Topaz Energy and Marine PLC (UK)	<b>100%</b>	100%
4) Topaz Engineering Limited	<b>100%</b>	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 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 Topaz Barmuda. 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.

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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</b> <b>6 months ended</b> <b>30th June 2014</b> <b>Amount</b> <b>Rial '000</b>	Market Value 6 months ended 30th June 2013 Amount Rial '000	<b>Book Value</b> <b>6 months ended</b> <b>30th June 2014</b> <b>Amount</b> <b>Rial '000</b>	Book Value 6 months ended 30th June 2013 Amount Rial '000
<b>Short Term investments</b>				
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.

	<b>6 months ended</b> <b>30th June 2014</b> <b>Amount</b> <b>Rial '000</b>	6 months ended 30th June 2013 Amount Rial '000
Investment income can be analysed as follows		
Realised (Note 6)	-	731
Unrealised	-	-
	<u>-</u>	<u>731</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 June 2014**

	<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>	%	-	-	-	-
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>	0%	-	-	-	-
<hr/>					
As of 30th June 2014		-	-	-	-
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	<b>Holding %</b>	<b>Book Value</b> Amount Rial '000	<b>Cost</b> Amount Rial '000
<b>MSM Unquoted Securities</b>	0%	-	-
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Total as of 30th June 2014		-	-
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<b>Foreign Unlisted Securities</b>	0%	-	-
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Total as of 30th June 2014		-	-
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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>6 months ended</b> <b>30th June 2014</b> Amount Rial '000	6 months ended 30th June 2013 Amount Rial '000
Tawoos LLC - Services	10	10
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	10	10
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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>6 months ended</b> <b>30th June 2014</b> Amount Rial '000	6 months ended 30th June 2013 Amount Rial '000
Tawoos LLC	-	-
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	-	-
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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>6 months ended 30th June 2014 Amount Rial '000</b>	<b>6 months ended 30th June 2013 Amount Rial '000</b>
Tawoos LLC	37	28
Receivable from related parties	37	28

**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	6,211	-	39	6,250
Provided during the period	796	-	-	796
(Released) during the period	-	-	-	-
(Written off) during the period	(286)	-	-	(286)
Provision balance as of 30th June 2014	6,721	-	39	6,760

<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	84,348	338	4,422	89,108
Provision balance as of 30th June 2014	(6,721)	-	(39)	(6,760)
Book value of assets as of 30th June 2014	77,627	338	4,383	82,348

**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>6 months ended 30th June 2014 No of shares</b>	<b>6 months ended 30th June 2013 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