

Renaissance posts strong jump in net profit

MUSCAT — Renaissance Services has announced a net profit of RO 15.3 million for the six-month period ending June 30, 2008, which represents a major jump over earnings of RO 7.1 million reported during the corresponding period in 2007.

"The financial results for H1 are positive in comparison to the same period last year and in terms of the company's plans for 2008, as the strategic investment programme behind our marine and oil and gas services businesses in international markets, is achieving and exceeding objectives," Chairman Samir J. Fancy stated in the Chairman's Report.

The net profit of RO 15.3 million includes a net capital gain of RO 4.8 million arising from the divestment of the group's technology businesses, as announced in the first quarter (Q1). EBITDA of RO 30.3 million also includes RO 6 million from this divestment. In comparison with the same period last year revenue has increased by 28 per cent; profit from operations has increased by 29 per cent; EBITDA without capital gain has increased by 30 per cent, and with capital gain has increased by 62.6 per cent, the statement said.

Net profit without capital gain increased by 47 per cent, and with capital gain has

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increased by 114.7 per cent. Operating margins at 14.6 per cent are similar to last year's margins of 14.4 per cent. This is in spite of severe inflationary pressure on costs, in particular affecting employment and living costs across all businesses and food consumable costs in the contract services businesses, Fancy added.

Renaissance operates internationally, with business activities in more than 16 countries and more than 10,000 employees. "Our largest presence is in the Middle East and the Caspian, but we have growing opera-

tions further afield in SE Asia, Africa and Europe. Our home market of Oman generates some 25 per cent of our revenues; and in Oman and abroad, more than 75 per cent of our revenues are from services to the oil and gas sector," the Chairman said.

Renaissance's Marine & Engineering Group (MEG) has marine businesses which collectively own and operate an offshore support vessel fleet that has grown to 91 vessels in 2008; and engineering businesses delivering quality oil and gas fabrication and maintenance, and specialist afloat ship repair services. The Contract Services (CSG) has services businesses pro-

viding large-scale catering and related life support services; and facilities management businesses delivering turnkey contract services including build, own and operate facilities establishment projects.

As a collective business the market capitation of Renaissance surpassed a valuation of \$1 billion for the first time in the current financial period.

The Marine & Engineering Group (MEG) is on course to surpass that value in its own right, based just on the current identified strategic investment programme, and the existing portfolio of long and short-term contracts in hand.