

Initial Annual Un-audited Financial Results for the year ended 31 December 2014

Al Suwadi Power Company SAOG (the “Company”) announces its initial annual un-audited financial results for the year ended 31 December 2014.

Pursuant to Article 3 of the Rules and Guidelines on Disclosure by Issuer of Securities and Insider Trading issued by the Capital Market Authority, the Company is pleased to disclose the following initial annual un-audited financial results for the year ended 31 December 2014, and a comparison with the preceding year ended 31 December 2013.

	Year ended 31 December 2014	Year ended 31 December 2013	Percentage change
	(RO '000) Unaudited	(RO '000) Audited	
Revenues	51,063	43,259	18.0%
Direct costs	(27,792)	(21,221)	
Gross profit	23,271	22,038	5.6%
Liquidated damages (net)	-	8,993	
	23,271	31,031	-25.0%
General and administrative expenses	(1,099)	(449)	
Profit before interest and tax	22,172	30,582	-27.5%
Finance costs (net)	(13,398)	(10,056)	
Profit before tax	8,774	20,526	-57.3%
Tax expense	(3,956)	(3,550)	
Net profit	4,818	16,976	-71.6%

The above reported numbers represent initial annual un-audited financial results and are subject to approval and confirmation by the Company’s Audit Committee and Board of Directors.

* Important note: for purposes of comparison, the Company advises that it started operations in April 2013 and that its contractual tariff is highly seasonal (lower in October to March and higher in April to September). Therefore, while revenues for the year ended 31 December 2014 (12 months of operations) are higher than 2013 (9 months of operations), the net profit is lower due to a blend of low and high tariffs (2014 was affected by six months of low winter tariff while 2013 included three months impact) and further due to the one-off settlement of liquidated damages under the EPC Contract in 2013.