

**VOLTAMP ENERGY SAOG |**  
**Unaudited Results for the nine months period ended**  
**30 September 2008**



CONSOLIDATED UNAUDITED BALANCE SHEET	As on 30 <sup>th</sup> September 2008 RO	As on 31 <sup>st</sup> December 2007 RO
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,181,420	521,201
Investments	270,608	666,704
Deferred tax asset	15,472	15,472
<b>Total non-current assets</b>	<b>1,467,500</b>	<b>1,203,377</b>
<b>Current assets</b>		
Inventories	3,144,852	2,564,161
Trade and other receivables	5,314,613	3,452,146
Due from related parties	-	900
Cash in hand and at banks	6,555,548	86,699
<b>Total current assets</b>	<b>15,015,013</b>	<b>6,103,906</b>
<b>Total assets</b>	<b>16,482,513</b>	<b>7,307,283</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	5,000,000	3,500,000
Share Premium Account	6,286,344	-
Legal reserve	868,723	848,395
Retained earnings	2,019,419	13,876
<b>Total equity</b>	<b>14,174,486</b>	<b>4,362,271</b>
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
Long term loan	370,801	20,833
<b>Total Non current liabilities</b>	<b>370,801</b>	<b>20,833</b>
<b>Current liabilities</b>		
Trade and other payables	1,549,957	1,207,247
Due to related parties	3,830	10,650
Bank borrowings	93,708	1,249,223
Current portion of long term loan	-	125,000
Taxation	289,731	332,059
<b>Total current liabilities</b>	<b>1,937,226</b>	<b>2,924,179</b>
<b>Total liabilities</b>	<b>2,308,027</b>	<b>2,945,012</b>
<b>Equity and liabilities</b>	<b>16,482,513</b>	<b>7,307,283</b>
<b>Net Assets</b>	<b>14,174,486</b>	<b>4,362,271</b>
<b>Net assets per share</b>	<b>0.283</b>	<b>0.125</b>

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**CONSOLIDATED UNAUDITED STATEMENT OF CASH FLOWS**

	<b>Nine months                      Period                      ended 30<sup>th</sup>                      September                      2008                      RO</b>	<b>Nine months                      Period                      ended 30<sup>th</sup>                      September                      2007                      RO</b>
Cash from operations	593,276	1,703,123
Director Remuneration	(30,000)	(17,713)
Interest paid	<b>(104,033)</b>	(160,182)
Taxation paid	<b>(332,059)</b>	(104,303)
Net cash flows from (used in) operating activities	<b>127,184</b>	<b>1,420,925</b>
Net cash (used)/generated in investing activities	<b>(946,205)</b>	<b>(299,113)</b>
Net cash (used)/generated in financing activities	<b>7,287,870</b>	(22,917)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>6,468,849</b>	1,098,895
Cash and cash equivalents brought forward	<b>86,699</b>	<b>(2,515,497)</b>
<b>Cash and cash equivalents carried forward</b>	<b>6,555,548</b>	<b>(1,416,602)</b>

**BOARD OF DIRECTORS REPORT**

On behalf of the Board of Directors, it gives me great pleasure to present you the report for the nine months Period ending 30<sup>th</sup> September 2008 of Voltamp Energy SAOG.

The key performance indicators are as under:

	<b>Nine months period ended 30<sup>th</sup> September 2008</b>	<b>Nine months period ended 30<sup>th</sup> September 2007</b>	<b>% Increase</b>
	<b>RO</b>	<b>RO</b>	
Sales	10,378,623	7,575,771	37.00
EBIDTA	2,520,195	2,134,304	18.08
Profit before tax	2,315,602	1,881,524	23.07
Profit after tax	2,025,871	1,661,141	21.96
Earning per share(RO for the period)	0.041*	0.047*	-12.76*
	<b>As on 30<sup>th</sup> September 2008</b>	<b>As on 31<sup>st</sup> Dec 2007</b>	<b>% Increase</b>
	<b>RO</b>	<b>RO</b>	
Total Assets	16,482,513	7,307,283	125.56
Net Assets (Total Equity)	14,174,486	4,362,271	224.93
Net Assets per share (RO)	0.283*	0.125*	126.40*
Share Capital	5,000,000	3,500,000	
* Please note the change in Share capital			

**Operating Performance**

**Sales**

Sales for the nine months period ended 30 September 2008 registered a growth of 37% as compared to same period last year. This growth was due to higher utilization of production capacity and higher realization.

**Production**

Production during the nine months period ended 30 September 2008 increased due to optimum utilization of production facilities and increase in employment of work force.

**Net Profit**

The net profit after tax registered growth of 21.96% during this period. This increase was mainly due to increased sales and optimum utilization of resources.

**The Earning per share** for the nine months period ended 30 September 2008 was RO 0.041 for a share of face value of RO 0.100 on the increased capital of RO 5 M (last year capital RO 3.5 M). **The Net Assets per share** was RO 0.283 which increased by 126.40% during the period, as compared to end 2007 of RO 0.125.

**Consolidation of VMCQ's financials:** Voltamp Manufacturing Company WLL, Qatar (VMCQ), a 51% subsidiary of Voltamp Energy has reported a loss till 30<sup>th</sup> September 2008. The loss is on account of pre-operative expenses, which are required to be written off as per current accounting standards. This loss is normal for new manufacturing ventures before commercial production. The Company has consolidated the accounts of VMCQ during Q3 and absorbed a loss of approximately RO 185,000 being its share of loss.

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The distribution transformer manufacturing factory of VMCQ at Qatar is almost complete and commercial production would start from November 2008.

**Future Outlook**

Voltamp Energy SAOG has a healthy order book and the current volume growth is expected to continue in the next quarter. We do not envisage any major impact of current global market scenario on Voltamp's performance in short term.

The power transformer manufacturing (132 Kv) project is progressing well. The land has been allotted at Sohar Industrial Estate. A Project Committee has been appointed by the Board to steer the progress of the project.

Based on the current trends, we expect Voltamp to achieve its profit targets for end of the year 2008 as per prospectus.

**Thanks & Gratitude**

I would like to express our extreme thanks and appreciation to His Majesty Sultan Qaboos Bin Said and his esteemed Government for incentives and support for all round sustainable development in the Sultanate. I would also like to thank the Capital Market Authority and the Muscat Securities Market for their guidance and support.

I would also like to thank the Group Bankers for their continued support and to the management team for their hard work and dedication. I would also like to express my thanks and gratitude for the shareholders of the Company for their trust in the Company and its board of directors.

For & on behalf of the Board of Directors of  
Voltamp Energy SAOG

Qais bin Mohamed Al Yousef  
Chairman.

Note: The complete accounts will be sent by mail to any shareholder who request the company either in Arabic or English as requested within 7 days of receipt of the request.

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY (PARENT COMPANY)**

	Share capital	Share Premium	Legal Reserve	Dividend payable / (paid)	General Reserve	Retained Earnings	Total
	RO	RO	RO	RO	RO	RO	RO
<b>1 January 2008</b>	<b>3,500,000</b>	-	<b>848,395</b>	-	-	<b>13,876</b>	<b>4,362,271</b>
Net profit for the period	-	-	-	-	-	2,025,871	2,025,871
Issue of new shares	1,500,000	-	-	-	-	-	1,500,000
Share Premium	-	6,600,000	-	-	-	-	6,600,000
IPO expenses	-	(313,656)	-	-	-	-	(313,656)
Transfer to legal reserve	-	-	20,328	-	-	(20,328)	-
<b>30 September 2008</b>	<b>5,000,000</b>	<b>6,286,344</b>	<b>868,723</b>	<b>--</b>	<b>--</b>	<b>2,019,419</b>	<b>14,174,486</b>
<b>1 January 2007</b>	<b>1,100,000</b>	-	<b>369,330</b>	<b>200,000</b>	<b>50,000</b>	<b>420,726</b>	<b>2,140,056</b>
Net profit for the year	-	-	-	-	-	2,422,215	2,422,215
Transfer to share capital	400,000	-	-	-	-	(400,000)	-
Share capital under registration	2,000,000	-	-	-	(50,000)	(1,950,000)	-
Dividend paid during the year	-	-	-	(200,000)	-	-	(200,000)
Transfer to legal reserve	-	-	479,065	-	-	(479,065)	-
<b>31 December 2007</b>	<b>3,500,000</b>	-	<b>848,395</b>	<b>-</b>	<b>-</b>	<b>13,876</b>	<b>4,362,271</b>

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<b>CONSOLIDATED STATEMENT</b>	<b>UNAUDITED INCOME</b>	<b>Nine months Period ended 30<sup>th</sup> September 2008 RO</b>	<b>Nine months Period ended 30<sup>th</sup> September 2007 RO</b>
<b>Income</b>			
Revenue		<b>10,378,623</b>	7,575,771
Cost of sales		<b>(7,072,090)</b>	(4,935,019)
<b>Gross profit</b>		<b>3,306,533</b>	2,640,752
Other income		<b>176,312</b>	32,142
		<b>3,482,845</b>	2,672,894
Selling, administrative and general expenses		<b>(1,062,140)</b>	(631,188)
<b>Profit from operations</b>		<b>2,420,705</b>	2,041,706
Finance cost		<b>(105,103)</b>	(160,182)
<b>Profit for the period before taxation</b>		<b>2,315,602</b>	1,881,524
Taxation		<b>(289,731)</b>	(220,383)
<b>Net profit for the period</b>		<b>2,025,871</b>	1,661,141
<b>Earnings per share</b>		<b>0.041</b>	0.047

Note: Earning per share RO 0.041 for the nine months period ended 30<sup>th</sup> September 2008 is on increased capital of RO 5 M (last year capital RO 3.5 M)

## **Notes forming part of the financial statements**

### **1 Legal status and principal activities**

Voltamp Energy SAOG (Previously known as Voltamp Manufacturing Company LLC) is registered in the Sultanate of Oman as a Joint stock Company. The legal status of the Company was changed from LLC to SAOG on 06.08.08 subsequent to its IPO in May 08. Voltamp Transformers Oman LLC and Voltamp Power LLC (“the Subsidiaries”), registered in the Sultanate of Oman, are wholly-owned subsidiaries of the Company. Voltamp Manufacturing Company (VMCQ), registered in Qatar, is 51% owned subsidiary of the Company.

The principal activities of the Company and its Subsidiaries (“the Group”) are manufacture, sale and distribution of transformers, LV Switchgears and panels.

### **2 Significant Accounting Policies**

#### **Basis of Preparation**

*a) The accounting policies applied in these condensed interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and the disclosure requirements of commercial Companies Law of 1974 as amended..*

#### **b) Estimates and Judgments**

The condensed interim financial statements for the period ended 30 September 2008 are prepared in accordance with IAS 34 which require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2007.

### **3 Non recurring items**

During the period ended 30 September 2008 there were no non recurring items.

### **4 Dividend**

During the nine months period ended on September 2008, stock dividend of RO 2,000,000 was declared related to the year 2007.

### **5 Segmental Reporting**

The Company manufactures transformers, switchgears and panels as per different specifications based on market requirements. A substantial portion of the Company’s products are sold for use within GCC countries and international markets. Accordingly specific segmental information in respect of the Company’s product is not provided.

### **6 Statement of compliance**

The condensed interim financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements for the year ended 31 December 2007.

### **7. Related Party Transactions**

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	<b>Period ended 30<sup>th</sup> September 2008</b>	<b>31<sup>st</sup> December 2007</b>
	<b>RO</b>	<b>RO</b>
<b>Purchase/Services :</b>		
Premier Logistics	20,715	34,114
Falcon Insurance	16,051	Nil
Mustafa Sultan Science & Ind	4,107	387
<b>Sales:</b>		
AL Maha Ceramics	Nil	209,200
AL Anwar Blanks	1,150	2,349
<b>Income:</b>		
Voltamp Manufacturing Co Qatar (Technology transfer fee)	38,337	77,380

Loans, Advances, Receivables due, Provisions and write-offs which have been made on these accounts at anytime, are further analyzed as follows:

	<b>Period ended 30<sup>th</sup> September 2008</b>	<b>31<sup>st</sup> December 2007</b>
	<b>RO</b>	<b>RO</b>
Due from a related party	Nil	900
Provisions	Nil	Nil
Write-offs	Nil	Nil
<b>Receivable from related parties</b>	<b>Nil</b>	<b>900</b>

**8 Contingent liabilities**

	<b>Period ended 30<sup>th</sup> September 2008</b>	<b>As on 31<sup>st</sup> December 2007</b>
	<b>RO</b>	<b>RO</b>
Letters of Credit	663,646	834,546
Letters of guarantee	1,303,712	1,183,280
	<b>1,967,328</b>	<b>2,017,826</b>

**9 Capital commitment**

Capital Commitments authorized and contracted as on 30 September 2008 is RO 52,004 compared to RO Nil as on 31<sup>st</sup> December 2007.

**10 Borrowings**

Long term borrowing increased from RO 20,833 as on 31 December 2007 to RO 370,801 as on 30 September 2008. During this period the additions were RO 370,801 and repayment was RO 145,833.

**11 Subsequent events**

No material events subsequent to the interim period, took place after 30 September 2008

**12 Comparatives**

Certain comparative figures have been reclassified to conform with the presentation adopted in these financial statements.

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