



FINANCIALS

Summary of performance

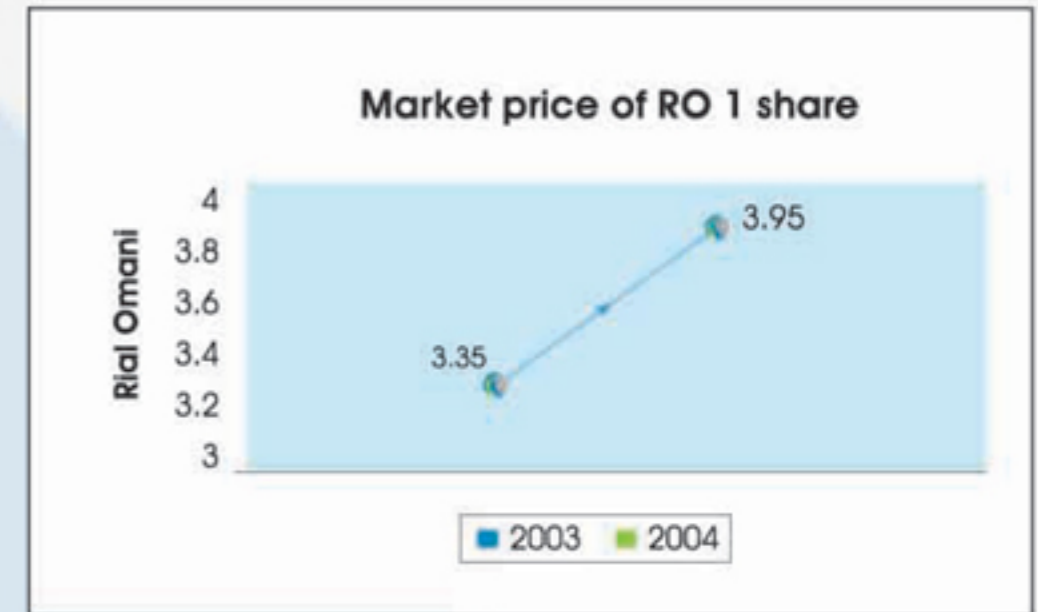
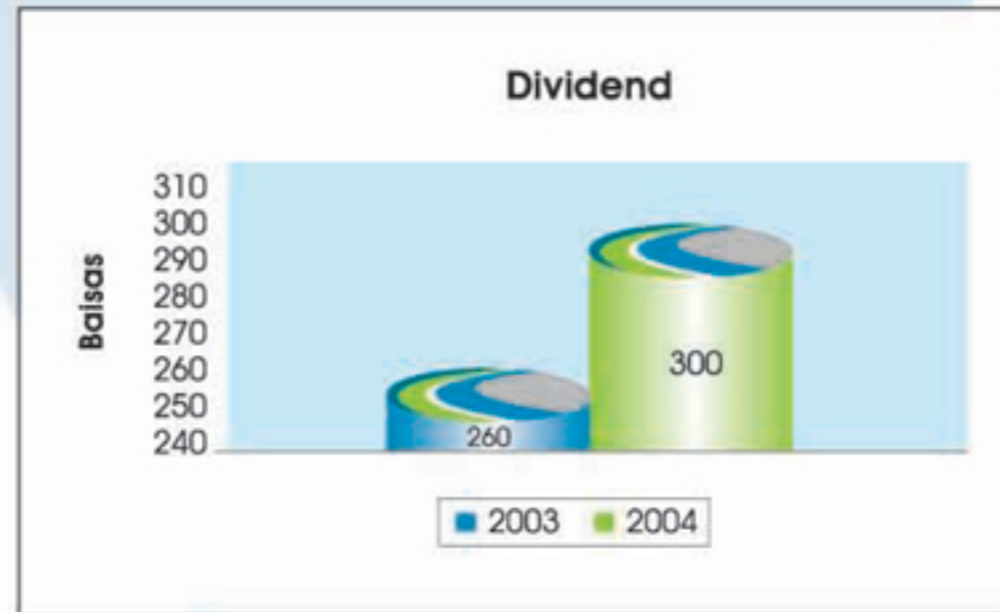
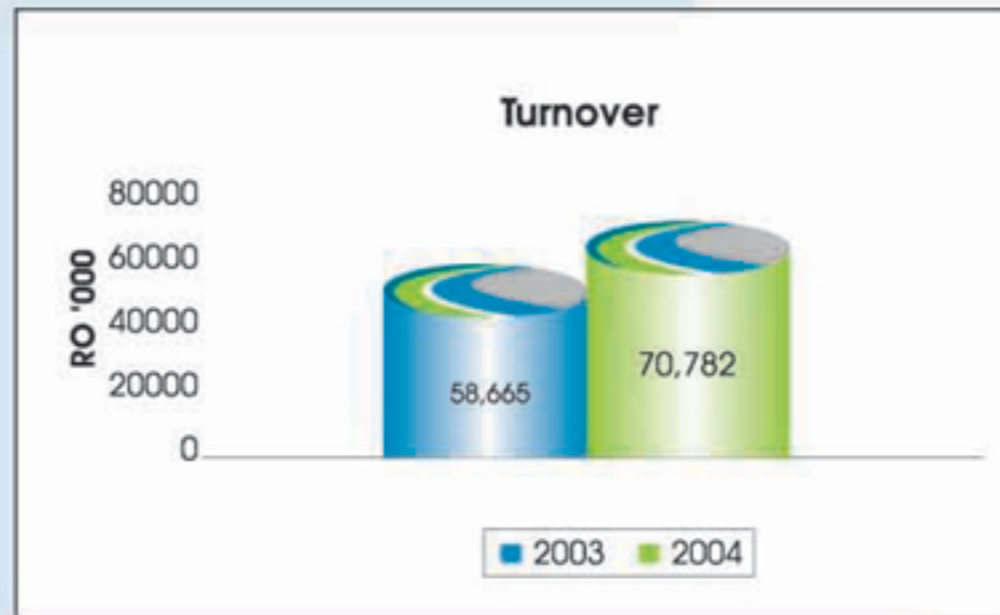
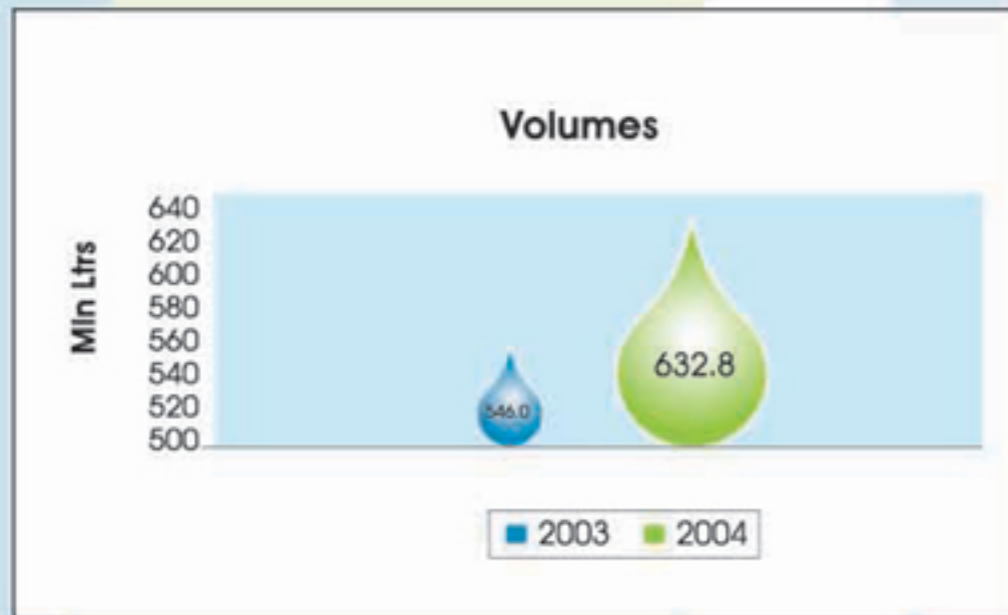
for the year ended 31 December

	2004 RO '000	2003 RO '000
Operating Results		
Volumes (ml litres)	632.8	546
Gross Profit	7,884	6,777
Gross Profit Margin	11.10%	11.60%
Profit before Income Tax	2,671	2,204
Profit after Income Tax	2,328	2,652*
<i>* includes exceptional credits for prior years RO 617</i>		
Balance Sheet		
Total Assets	22,371	20,948
Total Liabilities	9,560	8,743
Net Assets	12,811	12,205
Net Assets per share (RO)	1.986	1.892
Current Ratio	1.5	1.7

Summary of performance

for the year ended 31 December

	2004 RO '000	2003 RO '000
Other performance indicators		
Earnings per share (Baisas) <i>* after exceptional credits for taxation (see above)</i>	354	405*
Dividend per share (Baisas) <i>** subject to confirmation by shareholders at AGM</i>	300	260**
Dividend yield (at offer price of RO 2.000)	15.0%	13.0%
Dividend yield (at 31 December market price)	7.6%	7.8%
Market price at 31 December (RO)	3.95	3.35





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REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF OMAN OIL MARKETING COMPANY SAOG

We have audited the balance sheet of Oman Oil Marketing Company SAOG ("the Company") as at 31 December 2004 and the related statements of income, changes in equity and cash flows for the year then ended, as set out on pages 22 to 35.

Respective responsibilities of the Board of Directors and the Independent Auditors

These financial statements are the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

continued

KPMG, a branch office established under the laws of Oman,
is a member of KPMG International, a Swiss cooperative.

C.R. No. 6/30936/1



continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Oman Oil Marketing Company SAOG as at 31 December 2004 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the disclosure requirements of the Capital Markets Authority and comply, in all material respects, with the Commercial Companies Law of 1974, as amended.

17 January 2005



KPMG

Balance Sheet

as at 31 December

	Notes	2004 RO	2003 RO
NON-CURRENT ASSETS			
Property, plant and equipment	3&11	9,005,490	6,738,177
Interest in Joint Venture	4	20,000	-
Deferred tax	14	79,759	203,537
TOTAL NON-CURRENT ASSETS		9,105,249	6,941,714
CURRENT ASSETS			
Inventories	5	1,517,894	2,267,261
Accounts receivable and prepayments	6	11,062,922	8,285,065
Bank balances and cash	7	684,572	3,453,588
TOTAL CURRENT ASSETS		13,265,388	14,005,914
TOTAL ASSETS		22,370,637	20,947,628
EQUITY			
Share capital	8	6,450,000	6,450,000
Statutory reserve	9	2,150,000	2,150,000
Retained earnings		4,210,632	3,604,714
TOTAL EQUITY		12,810,632	12,204,714
NON-CURRENT LIABILITIES			
Employees' end of service benefits	10	322,374	326,060
Provision for site restoration and abandonment cost	11	189,854	-
TOTAL NON-CURRENT LIABILITIES		512,228	326,060

Balance Sheet

as at 31 December

	Notes	2004 RO	2003 RO
CURRENT LIABILITIES			
Accounts payable and accruals	12	6,971,752	5,866,710
Short-term loan	13	1,500,000	2,000,000
Income tax	14	336,297	267,278
Environmental provision	15	239,728	282,866
TOTAL CURRENT LIABILITIES		9,047,777	8,416,854
TOTAL EQUITY AND LIABILITIES		22,370,637	20,947,628
NET ASSETS PER SHARE		1.986	1.892

The notes on pages 26 to 35 form an integral part of these financial statements.

These financial statements were approved and authorized for issue by the Board of Directors on 17th January 2005 and signed on their behalf by:



Salim Abdullah Al Rawas
Chairman



Michael G Wilson
Managing Director

The report of the Auditors is set forth on page 21.

Income Statement

for the year ended 31 December

	Notes	2004 RO	2003 RO
Sales	20	70,781,948	58,665,364
Cost of sales		(62,897,860)	(51,888,089)
GROSS PROFIT		7,884,088	6,777,275
Marketing, distribution and administration expenses	3,16 &20	(5,027,388)	(4,579,003)
Advertising expenses		(294,739)	(257,177)
Other operating income		120,027	243,886
PROFIT FROM OPERATIONS		2,681,988	2,184,981
Net finance (charges) income	19 & 20	(10,452)	19,547
PROFIT BEFORE INCOME TAX		2,671,536	2,204,528
Income tax	14	(343,618)	447,290
NET PROFIT FOR THE YEAR		2,327,918	2,651,818
BASIC EARNINGS PER SHARE	22	0.354	0.405

The notes on pages 26 to 35 form an integral part of these financial statements.

The report of the Auditors is set forth on page 21.

Cash flow statement

For the year ended 31 December

	Notes	2004 RO	2003 RO
OPERATING ACTIVITIES			
Profit before income taxes and after Directors' remuneration		2,626,536	2,164,528
Adjustments for:			
Depreciation	3	947,262	765,375
Accrual for employees' end of service benefits		53,031	32,136
Loss on disposal of property, plant and equipment		106,671	13,230
Impairment of property, plant and equipment		-	153,821
Interest income		(4,276)	(29,242)
Interest expense		14,728	9,695
Operating profit before working capital changes:		3,743,952	3,109,543
Inventories	5	749,367	(221,136)
Receivables	6	(2,777,857)	1,019,727
Payables	12	1,061,904	480,536
Cash from operations		2,777,366	4,388,670
Interest paid		(14,728)	(9,695)
Employees' end of service benefits paid	10	(56,717)	(58,703)
Income tax paid	14	(150,821)	(183,480)
Net cash flow from operating activities		2,555,100	4,136,792

Cash flow statement

For the year ended 31 December

	Notes	2004 RO	2003 RO
INVESTING ACTIVITIES			
Investment in joint venture	4	(20,000)	-
Purchase of property, plant and equipment	3	(3,139,770)	(1,712,336)
Proceeds from disposal of property, plant and equipment		8,378	93,843
Interest income		4,276	29,242
Net cash used in investing activities		(3,147,116)	(1,589,251)
FINANCING ACTIVITIES			
Dividends paid		(1,677,000)	(1,612,500)
(Decrease) increase in short term loan		(500,000)	1,650,000
Net cash flow from financing activities		(2,177,000)	37,500
(DECREASE) INCREASE IN CASH		(2,769,016)	2,585,041
Cash at the beginning of the year		3,453,588	868,547
CASH AT THE END OF THE YEAR	7	684,572	3,453,588

The notes on pages 26 to 35 form an integral part of these financial statements.

The report of the Auditors is set forth on page 21.

