

## **Directors Report**

On behalf of the Board of Directors, I am pleased to present the Un-audited results of the Company for the 1<sup>st</sup> Quarter 2016 (January – March 2016):-

### **Performance Highlights:**

	<b>Jan-Mar 2016 RO '000</b>	<b>Jan-Mar 2015 RO '000</b>	<b>Variance (%)</b>
<b>Sales</b>	<b>92,497</b>	87,013	6%
<b>Profit after tax</b>	<b>2,120</b>	2,641	(20%)
<b>Earnings per share</b>	<b>0.033</b>	0.041	(20%)
<b>Net Assets per share</b>	<b>0.901</b>	0.780	16%

### **Business Performance:**

Oman Oil Marketing Company SAOG has recorded sales revenue of RO 92 million for the 3 months period of 2016, which is 6% higher compared to the same period last year.

Despite the removal of the price subsidy, the Retail Business sales volume grew positively with the introduction of new filling stations to the retail network towards the end of 2015 and maturing of the existing stations.

The Commercial Business continued to perform positively despite intense competition and challenges pose by the crude oil price fluctuations. This was achieved by securing new supply contracts as well as retaining existing customers.

In spite of stiff competition in the market, the Lubricant Business continued to secure market presence driven by aggressive marketing campaigns and constant demand. The Omanoil lubricant brand continued to have better recognition in the local and the foreign market with commendable volume.

The Aviation Business has safeguarded better volumes compared to the same period of last year as a result of increase in the demand from operating airlines at Muscat International Airport.

### **Profit:**

The Profit after tax for the quarter is RO 2.1 million (2015: RO 2.6 million). The profits were adversely affected due to macro-economic challenges.

### **Capital Expenditure:**

The Company is continuing to develop and expand its filling station network in the Sultanate. As per the Company's plan, number of new stations will be commissioned during the second & third quarter of this year, which are currently under construction at various stages of completion.

### **Health, Safety, Security and Environment (HSSE):**

There weren't any serious health, safety or environmental issues encountered during the first quarter of 2016. OOMCO continues to promote a culture of safety within the organisation and outside with several initiatives, such as training and safety campaigns.

### **Business Developments/ Outlook:**

- Despite the challenging outlook of the Sultanate's economy due to Low Oil prices, the growth in the demand for fuel is expected to be sustainable.
- The retail network development programme will continue focusing on prominent sites to ensure long term sustainability and profitability.

On behalf of the Board of Directors and employees of the company, I would once again like to express our gratitude to His Majesty Sultan Qaboos bin Said for his inspired leadership and progressive vision that continues to lead the country along a road of growth and prosperity. We pray Almighty Allah to bless him with health and wellness and longevity.

### **On behalf of the Board of Directors**

**Salim Abdullah Al Rawas**  
**Chairman**

**Muscat**  
**27<sup>th</sup> April 2016**