

.Directors Report

On behalf of the Board of Directors, I am pleased to present the unaudited results of the company for the 1st half 2013 (January – June 2013):-

Performance Highlights:

	Jan-Jun 2013 RO '000	Jan-Jun 2012 RO '000	Variance (%)
Sales	147,791	139,209	6
Profit after tax	4,978	4,165	20
Earnings per share	0.077	0.065	20
Net Assets per share	0.614	0.532	15

Business segment:

The sales for the six months period have increased by 6% compared to the same period last year.

The Retail sector sales grew by more than 15% compared to previous period. This is largely due to new filling stations introduced to the retail network during the period.

The Commercial Business Unit also grew by approximately 10% compared to same period at 2012 mainly due to securing new contracts.

The Lubricant businesses sales have increased by more than 20% as the Oman Oil branded lubes sales continue to increase. The Company is continuing its efforts in promoting Oman Oil lubricants outside Oman.

The Aviation business sales have dropped by 35% as a result of not continuing the supply contract with Oman Air, compared to the same period in 2012.

Profit:

The Profit after Tax for the period is RO 5 million (2012: RO 4.2 million), the net profit increased by 20% mainly due to high sales contribution from Retail and Investment Income.

Capital Expenditure:

Currently, there are new stations under construction (at various stages of completion). As per the Company's plan, a number of stations will be commissioned in the third & fourth quarter of this year.

Health, Safety and Environment (HSE):

Since the last directors report, there have been no accidents / incidents involving company / contractor vehicles which have resulted in any serious injury / fatality. There were no other serious health, safety or environment issues during the period.

Business Developments/ Outlook:

- The favourable outlook of the Sultanate economy and the Government spending policy, will contribute positively to the fuel demand.
- The retail network development programme will continue focusing on quality sites to ensure long term sustainability and profitability.

On behalf of the Board of Directors, I would once again like to express our gratitude to His Majesty Sultan Qaboos bin Said for his inspired leadership and progressive vision, which continues to lead the country along the road of growth and prosperity.

On behalf of the Board of Directors

Salim Abdullah Al Rawas
Chairman

Muscat
29th July 2013