

.Directors Report

On behalf of the Board of Directors, I am pleased to present the Un-audited results of the Company for the 2nd Quarter 2015 (January – June 2015):-

Performance Highlights:

	Jan-Jun 2015 RO '000	Jan-Jun 2014 RO '000	Variance (%)
Sales	182,939	168,701	8%
Profit after tax	5,528	5,457	1%
Earnings per share	0.086	0.085	1%
Net Assets per share	0.824	0.709	16%

Business segment:

The company has recorded sales revenue of RO 183 million for the 6 months period of 2015, which is 8% higher compared to the same period last year.

The Retail Business sales volume grew due to the contribution of the introduced new filling stations to the retail network at the end of 2014 and maturing of the existing stations.

The Commercial Business continued to perform positively with sales volume increasing significantly. This was achieved by securing new supply contracts as well as maintaining existing ones.

The Lubricant Business includes BP & Castrol products and Omanoil lubricant. The sales volume grew compared to 2014, driven by constant demand. The Omanoil lubricants brand continued to have better recognition in the local and the foreign market with commendable volume.

The Aviation Business sales have increased significantly compared to the same period of last year as a result of the demand from operating airlines at Muscat International Airport.

Profit:

High sales remain to contribute positively achieve a profit after tax of RO 5.5 million for the six months ended 30 June 2015.

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 third & fourth quarter of this year, which are currently under construction at various stages of completion.

Health, Safety, Security and Environment (HSSE):

In the second quarter of 2015, no any recordable incidents were reported neither lost time incidents nor major road traffic accidents.

Business Developments/ Outlook:

- The favourable outlook of the Sultanate's economy, the growth in the demand for fuel is expected to be sustainable.
- 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 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. And 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
15th July 2015