

Directors' Report

Dear Shareholders,

On behalf of your Board of Directors', it gives me great pleasure to present the Un-audited results of of Oman Oil Marketing Company SAOG for the 1st Quarter 2017 (January – March 2017).

	Jan-Mar 2017	Jan-Mar 2016	Variance
	RO '000	RO '000	(%)
Sales	118,888	92,497	29%
Profit after tax	1,865	2,120	(12%)
Earnings per share	0.029	0.033	(12%)
Net Assets per share	0.986	0.901	9%

Business & Financial Performance

While the period under review has had its short term market uncertainties, particularly around the fluctuating global oil prices, our strategic focus has put us in strong position to benefit from longer term growth.

The Company's total revenue was higher by 29% for the three months' period ending 31st March 2017 at RO 118.9 million as compared to RO 92.5 million for the same period in 2016. This is mainly due to the deregulation of the oil prices during early 2016. The pre-tax profit dropped by 12% to RO 2.19 million from RO 2.49 million. After providing for corporate tax, the Company's net profit amounted to RO 1.86 million, a 12% decrease from that of the previous year. Earnings per share stood at 29 baisa.

Business Development

The Oman Oil Marketing Company was awarded with a retail filling station operating license to operate filling stations in the Kingdom of Saudi Arabia ("KSA"). The company is positive and looking forward on the development of this momentous opportunity.

The company is strategically focused on the development of its retail network by introducing premium sites with modern concepts. This is an initiative to meet our customer needs, develop insight to inform our value propositions "care beyond fueling" and choose the right gateway to maximize the benefits of our expertise.

Health, Security, Safety and Environment

Health, Safety, Security and Environment (HSSE) & Quality Assurance remains a key focus of the Company and practices have been pushed hard across all our operations.

OOMCO continues to promote a culture of safety within the organisation and outside with several initiatives, such as training and safety campaigns.

People

The Board of Directors of Oman Oil Marketing Company SAOG is pleased to announce the appointment of Mr. David Kalife as the Chief Executive Officer of the Company effective 1st June 2017.

The company continue to attract more talent and to invest in its human capital through continuous training, team building, and development of in-house capabilities. This has transformed the company to be one of the preferred local companies in Oman.

The company has progressed in implementing a complete new strategy in human resource's management and development, which has proven to enhance the employee's satisfaction level and long term relationship. Further, currently your company's Omanisation is one of the highest in the industry at 86%.

Outlook

The macro economic challenges continue to perceive with the increase in the corporate tax rates from 12% to 15% with effective from 2017.

In facing these challenges, it is imperative that the Company continues to be innovative and undertake changes through new investment opportunities to ensure that it remains relevant and ahead of competitors. The Company will continue to focus on operational and service excellence, cost efficiency initiatives and realigning business strategies to cope with the market uncertainties ahead.

The Company will continue to focus on human capability development, high IT systems reliability, and good HSSE practices. Strong emphasis will be placed upon cost efficiency and delivery without compromising customer service and product quality to meet the needs of customers. Customer service will continuously be improved with the spirit of our motto of **“Care Beyond Fuelling”**.

The Board and the Management are fully dedicated and committed for the challenges in 2017 and are confident, that the Company will continue to deliver value to all our stakeholders.

Acknowledgments

I would like to take this opportunity to thank all our customers, the government authorities we have had dealings with and our dealers, their staff and our own dedicated employees for their continued support. I would reiterate our unwavering commitment to the provision of the highest level of service at all times.

On behalf of the Board of Directors, the management and all our employees, we would like to express our sincere gratitude and appreciation to His Majesty Sultan Qaboos bin

Said and His Government. Under his wise leadership and guidance, Oman continues to be in the forefront path of prosperity, growth and development.

Thank you.

Mulham Al Jarf
Chairman