

Directors' Report

Dear Shareholders,

On behalf of your Board of Directors, please find hereunder the Un-audited results of Oman Oil Marketing Company SAOG for the period ended 30th of June 2019.

	OMR YTD June 2019	OMR YTD June 2018	Variance (%)
Sales	287,244,394	301,408,617	-4.70%
Profit after tax	3,183,154	3,989,263	-20.21%
Earnings per share	0.049	0.062	-20.97%
Net Assets per share	1.149	1.096	4.84%

Financial Performance

The operations in the second quarter of 2019 remained challenging with a net profit reduction by 20.2% compared to the same period last year. The total turnover is reported at OMR 287 million, 4.7% less than the sales turnover of OMR 301 million as of 30th June 2018.

The drop in turnover comes primarily from some loss of volume in aviation business.

HSEQ-Technical & Sustainable Development

OOMCO maintained the safety record of Zero Lost Time Injury and a record in its Total Recordable Injury Rate. Furthermore, to ensure the readiness to manage emergencies the HSEQ team conducted a rollover accident drill in Salalah with a transporter and PACDA as well as an evacuation exercise from its aviation building with the full cooperation of the airport management.

Business Development

During the second quarter OOMCO has signed an agreement with Famous Brands, Africa's largest branded food services franchisor, to introduce two of its most popular restaurant chains "Steers and Debonairs Pizza" to Oman.

Keeping up with its digital transformation and to meet the growing demand for easy-to-use digital payments, OOMCO is now offering an enhanced process using the e-payment App 'Thawani' in its service stations across the Sultanate.

OOMCO concluded another Customer Care Week in the first half of 2019.

Human Resources

OOMCO Omanization rate was maintained at 82%, one of the highest in the market. As part of OOMCO Training Academy the company has also introduced online training

programs (e-learning) as one of the tools to develop employees and improve their capabilities also enhance their skills.

Corporate Social Responsibility

As part of its commitment to support the social development within the Sultanate, OOMCO renewed its partnership with Al Raffd Fund while supporting entrepreneurs and celebrating another season of Taweik winners. Other initiatives took place while supporting SMEs.

The company also continued its At'a campaign and aired a video in Ramadan highlighting the importance of giving, patience and forgiveness in all its form.

Outlook

With the trend of oil prices and an improved economic outlook Oman Oil Marketing Company continues to be innovative and undertakes changes through new investment opportunities to ensure that it remains resilient. The company will spare no efforts to enter all viable opportunities that will enhance the overall company performance in a sustainable way.

The Board and the Management are fully dedicated and committed for the challenges in 2019 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, our dealers, their staff and our own dedicated employees for their continued support.

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 – Allah save him- and His Honorable Government. Under his wise leadership and guidance, Oman continues to be in the forefront path of prosperity, growth and development.

Thank you.

On behalf of the Board of Directors

Board Chairman