

## Directors Report

On behalf of the Board of Directors, I am pleased to present the unaudited results of the company for the 6 month period ended 30<sup>th</sup> June 2011.

### Performance Highlights:

	Jan-Jun 2011 RO '000	Jan-Jun 2010 RO '000	Variance (%)
<b>Sales</b>	134,117	100,214	34
<b>Profit after tax</b>	4,148	3,320	25
<b>Earnings per share</b>	0.064	0.051	25
<b>Net Assets per share</b>	0.468	0.391	20

### Business segment:

The Company continues to perform well with increasing sales volume. Year on year, the Retail Business unit volume has grown by more than 20%. The maturity of the new stations last year and early this year, continues to improve the average sales per station for the period under review.

The Commercial fuel business continued to improve with year on year sales increased by more than 16% as a result from securing of new supply contracts as well as re-secure the existing contracts.

The volume growth in Aviation business unit to the 2<sup>nd</sup> Quarter of 2011 is commendable at 35%. This is mainly due to continuous high demand by Oman Air.

The performance of the Lubricant business rebounded in the current quarter with sales volume registering a strong growth in local and export markets.

### Profit:

The profit after tax of the company of OMR 4.1 million (2010: OMR 3.3 million) is mainly due to higher sales volume for the period.

### Capital Expenditure:

The Company has commissioned 2 new sites to the Retail network for the current quarter.

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

There have no major accidents, safety and environmental issues in the period.

**Business Developments/ Outlook:**

- The favourable outlook of the Sultanate economy, the demand for fuel is expected to be sustainable.
- The retail network development program will continue to focus 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 and thanks 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.

On behalf of the Board of Directors

**Salim Abdullah Al Rawas**  
Chairman

Muscat  
27<sup>th</sup> July 2011