

.Directors Report

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

Performance Highlights:

	Jan-Mar 2013	Jan-Mar 2012	Variance
	RO '000	RO '000	(%)
Sales	70,362	71,031	(1)
Profit after tax	2,072	1,882	10
Earnings per share	0.032	0.029	10
Net Assets per share	0.569	0.496	15

Business segment:

The profit for the three months period has increased by 9% despite of slight drop in the sales. This is mainly due to higher performance by the segment of business who contribute better margin. The Retail sector sales grew by more than 15% compare to previous period. This is largely due to new filling stations introduced to the retail network by end of the 2012.

The Commercial Business Unit also grew by approximately 7% compare to same period at 2012 mainly due to securing new contracts.

The Lubricant business sales have increased by 5% as the demand from the commercial sector continue to increase. The Company is continuing its efforts in promoting Oman Oil lubricants outside Oman.

The Aviation business sales have reduced significantly as a result of not continuing the supply contract with Oman Air compare to same period at 2012.

Profit:

The Profit after Tax for the period is RO 2.1 million (2012: RO 1.9 million) is 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, few of those stations will be commissioned in the second & third quarter of this year.

Health, Safety and Environment (HSE):

Since the last annual 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 in the period.

Business Developments/ Outlook:

- The favourable outlook of the Sultanate 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, 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.

On behalf of the Board of Directors

Salim Abdullah Al Rawas
Chairman

Muscat
28th April 2013