

Directors Report

On behalf of the Board of Directors, I am pleased to present the unaudited results of the company for the 3rd Quarter 2014 (January – Sept 2014):-

Performance Highlights:

	Jan-Sept 2014 RO '000	Jan-Sept 2013 RO '000	Variance (%)
Sales	264,647	222,410	19%
Profit after tax	8,301	7,501	11%
Earnings per share	0.129	0.116	11%
Net Assets per share	0.753	0.653	15%

Business segment:

Oman Oil Marketing sales for the nine months period rose to RO 265 million, 19% higher compared to last year as sales volume increased.

The Retail Business unit sales volume grew driven by Oman economy growth, opening of new stations during the period and maturing of existing stations.

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

The Aviation business sales has increased significantly compared to the same period of last year as a result of the demand from operating airlines at Muscat International Airport and new contracts.

The Lubricant business unit includes BP & Castrol products and Omanoil lubricant. The sales volume grew compared to the same period last year driven by continuous demand. The Omanoil lubricants brand continued to have better recognition in the local market with commendable volume.

Profit:

The Profit after Tax for the period is RO 8.3 million (2013: RO 7.5 million). This was achieved as a result of increase in the sales.

Capital Expenditure:

The company has opened four new filling stations in this quarter, totalling to 6 new stations from beginning of the year. As per the Company's plan, number of new stations will be commissioned during the last quarter of this year, which are currently under construction at various stages of completion.

Health, Safety and Environment (HSE):

Since the last 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 during the period.

Business Developments/ Outlook:

- The growth in the government spending has contributed positively to outlook of the Sultanate economy and will contribute positively to the fuel demand.
- 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
27th October 2014