

Al Maha Petroleum Products Marketing Co. SAOG
Chairman's Report
For the nine months ended 30 September 2017

On behalf of the Board of Directors, I am pleased to present the unaudited interim financial statements of Al Maha Petroleum Products Marketing Co. SAOG for the nine months ended 30 September 2017.

Summary of Financial Performance (RO '000)

	Jan-Sep 2017	Jan-Sep 2016	Increase / (decrease) %
Sales	316,614	294,675	7%
Cost of Sales	(295,676)	(272,455)	9%
Gross Profit	20,938	22,220	(6%)
Other income	1,273	1,659	(23%)
Total expenses	(18,179)	(16,175)	12%
Net Profit after tax	4,032	7,704	(48%)
Earning per share – RO	0.058	0.112	(48%)
Net assets per share-RO	0.704	0.739	(5%)

Lower domestic demand due to higher fuel prices continue to affect our sales volume which has decreased by about 10% during the period of Jan-Sep 2017 when compared with the same period of 2016.

Total sales value during Jan-Sep 2017 has increased to RO 317 million from RO 295 million, an increase of RO 22 Million (7%), due to higher domestic fuel prices during Jan-Sep 2017, compared to the same period in 2016.

Net profit dropped by RO 3.7 million (48%) during the period, to RO 4.0 million during Jan-Sep 2017, compared to RO 7.7 million during the same period last year, mainly on account of increased impairment receivable provisions during the period.

Cash-flow from Operating activities registered a positive growth of RO 39 million during the period, mainly due to improved collections from our major customers.

Salient features

Retail sales segment, which continues to be our main focus, witnessed steady growth. During the period of Jan-Sep 2017, 4 new filling stations have been opened taking the number of filling stations to 204. New sites for potential development have been identified which would further contribute to the growth of this key segment.

Commercial sales segment continues to be affected by lower demand from our major customers mainly in the construction & infrastructure area. Despite stiff competition in the market, we aim to improve our performance by focusing on new opportunities being created by the newly secured projects.

Al Maha Petroleum Products Marketing Co. SAOG
Chairman's Report
For the nine months ended 30 September 2017 (continued)

Aviation sales volume registered a positive growth during the period mainly on account of the increased supplies to one major customer and commercial airlines operating in the Muscat International airport. Significant increase in the influx of passengers registered in the Muscat International airport as a result of strong growth of Oman Tourism sector is expected to further contribute to the aviation sales growth.

Main variances in the statement of financial position

Trade and other receivables have decreased by RO 25 million (from RO 91 million as at 30 Sep 2016 to RO 66 million as at 30 Sep 2017) as a result of improved collections from our major customers during the period.

Future Outlook

The Oman Oil Refineries and Petroleum Industries Company (ORPIC) has now announced the opening of its new fuel depot at Jiffnain. We will be shifting our operations from the existing Mina Al Fahal depot and expect to be fully operational from the new Jiffnain depot effective 01 January 2018. The new contract with ORPIC in this regard is under negotiation.

Social responsibility

Your Company supported various charitable events during the period in line with our Corporate Social objectives in addition to adopting additional measures to ensure Health & Safety of the community and the environment.

On behalf of the Board of Directors and executive management, I take this opportunity to express our most sincere gratitude and loyalty to His Majesty Sultan Qaboos Bin Said who has been providing ideal political, economic and financial framework for all the sectors of the economy to flourish.

We thank our shareholders and customers and the officials of Capital Market Authority and Muscat Securities Market for their valuable support and co-operation. We also appreciate the dedicated and committed service of our staff members.

Juma Ali Al Juma Al-Juma

Chairman

25 October 2017