



# ATTOCK PETROLEUM LIMITED

## DIRECTORS' REVIEW

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

The Board of Directors of Attock Petroleum Limited is pleased to present the financial statements for the half year ended December 31, 2008.

During the period under review, your Company earned profit after tax of Rs. 1,468 million as against the profit of Rs. 1,084 million during the corresponding period last year translated into earnings per share of Rs. 25.49 against Rs. 18.81 during same period last year. Despite decrease in volume due to lesser availability of the petroleum products from the sources, the profitability has increased by 35% mainly due to improved product mix and better fund management. The Board has declared an interim cash dividend @ ---- % (Rs. ---- per share of Rs. 10/- each) for the financial year ending June 30, 2009.

The first half of the financial year 2008-09 witnessed unprecedented downfall in international crude oil prices from its peak. Oil Petroleum Exporting Countries' (OPEC) average crude oil price came down to US \$ 39/bbl in December 2008 from US \$ 128/bbl in June 2008. The decrease in international oil prices was partly absorbed to bridge the burgeoning budget deficit of the Government of Pakistan (GoP) and resultantly the subsidy given by the GoP in the form of Price Differential Claim (PDC) was reduced to zero. Nevertheless, an amount of Rs. 970 million was still receivable from GoP as at December 31, 2008 on account of PDC related to the period prior to October 2008.

Due to deteriorating economic indicators and liquidity crisis in the country, substantial receivables on account of supplies to Government owned entities have been accumulated resulting in problems in honouring committed payments on the due dates. In this regard, Rs. 6.8 billion is receivable from these entities as at December 31, 2008 and management is making strenuous efforts for recovering this amount.

Our focus, during this period, was much more on improving efficiency in all segments of business. 23 new retail outlets were commissioned bringing the total number of operational retail outlets to 232 as on December 31, 2008. Restructuring of our existing retail outlets in terms of looks and services is in progress and the Company is making

significant investment in order to better address the needs of customers by providing state-of-the-art facilities.

Continuing its thrust on the up-gradation, enhancement and development of infrastructure, work is in progress for setting up new storage terminals. The bulk oil terminal at Machike is near completion and will be commissioned by the end of 2008-09. The Company is making all the endeavours to start construction of terminal at Port Qasim which has been held in abeyance due to certain possession related legal issues.

The Board acknowledges the dedication and commitment of all staff members in the performance of their duties without which these results would not have been achieved and further expresses appreciation to its customers, suppliers, contractors, shareholders and Government authorities for their continued support and loyalty to the Company.

On Behalf of the Board

**Damascus, Syria**  
**February 26, 2009**

**--S/d--**  
**SHUAIB A. MALIK**  
**CHIEF EXECUTIVE**