

DIRECTORS' REVIEW



The Board of Directors has pleasure in presenting the financial statements and review of the operations for the 3rd quarter ended March 31, 2007.

FINANCIAL RESULTS

The Company has continued to prosper despite the adverse impact on the profitability of the other oil marketing companies. The high level of operational excellence resulted in the profit after tax of Rs. 1,220 Million for the nine months ended March 31, 2007 as compared to Rs. 918 Million during the same period last year. The profitability translate into earnings per share of Rs. 30.50 (Nine Months to March 31, 2006: Rs. 22.95).

REVIEW OF OPERATIONS

Focusing on the sales growth and improved product mix, the Company marketed 1,012,000 Metric Tons of petroleum products during the period under review as compared to 978,000 Metric Tons for the same period last year. Exports of petroleum products contributed over Rs. 4,000 Million of sales revenue.

Continuing its thrust on the up-gradation, enhancement and development of infrastructure, the 2nd expansion phase of Diesel Storage at Rawalpindi Bulk Oil Terminal is expected to be completed shortly. At Machike, the procurement of equipment and materials has been initiated and at the same time securing of necessary licenses from different Government departments is in process.

The expansion and the up-gradation of network of retail outlets is continued with improved customer services and state of the art facilities. As at March 31, 2007 the Company commissioned 164 sites. Further, 65 and 114 retail outlets are currently under construction and in process of securing necessary licenses respectively.

FUTURE OUTLOOK

The consortium of the Attock Group of Companies, which includes your Company, has taken stay from High Court against the disqualification decision of the Privatization Commission in connection with the privatization of PSO and the Group is confident that there will be a positive development in this regard. The Board reserves its comments, as the matter is currently sub-judice.

The management of the Company is fully committed to strengthen its position and enhance shareholders' value by increasing its market share through high profile technology driven investments.

We thank our customers, staff, strategic partners and investors for their continued support, interest and confidence towards achievement of strategic corporate goals.

On Behalf of the Board

**Islamabad
April 28, 2007**

**Sd/-
SHUAIB A. MALIK
CHIEF EXECUTIVE**

