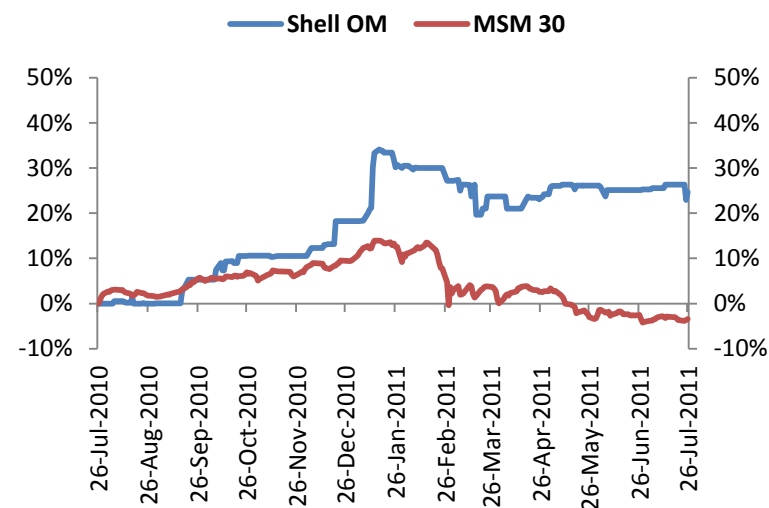


Shell Oman Marketing

Result Flash – H1 June 2011

Figures in RO Mn	Q2 2011	Q2 2010	Change	H1 2011	H1 2010	Change
Sales	93.0	81.0	15%	185.0	156.0	19%
Operating Expenses	90.0	78.0	15%	177.0	149.0	19%
Net Profit	3.9	3.7	5%	7.9	7.2	10%
Trailing EPS (RO)	0.147					
CMP (RO)	2.368					
Trailing P/E	16.1					
Dividend Yield	5.5%					
Source: MSM, NBO Research						



Financial Highlights

- Shell Oman Marketing recorded significant topline growth of 19% year on year in H1 11, driven by retail site additions and a resurgence in tendering activity in Oman which helped boost commercial segment growth. However revenue growth slowed in the second quarter of 2011.
- Net profit for the period grew by 10% year on year in H1 11, yet profit margins came under slight pressure due to soaring energy prices which impacted margins in the highly competitive lubricant segment in both domestic and export markets.
- In our opinion, the continued improvement in tendering activity in Oman provides room for further topline growth in the commercial segment, and the increase in minimum wage is expected to boost volumes in the retail segment in H2 11.
- We maintain a positive outlook for the company based on volume growth and an attractive dividend yield of 5.5%. At the current market price of RO 2.368 (26th July, 2011), Shell Oman Marketing is trading at a trailing P/E of 16.1x.

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