



Attock Petroleum Limited



Interim Report & Financial Statements

For the Half Year
Ended December 31, 2008

Company Information

Directors

Dr. Ghaith R. Pharaon
Chairman
(Alternate Director
Mr. Shuaib A. Malik)

Mr. Laith G. Pharaon
(Alternate Director
Mr. Bilal A. Khan)

Mr. Wael G. Pharaon
(Alternate Director
Mr. Rehmat Ullah Bardaie)

Mr. Babar Bashir Nawaz

Mr. M. Adil Khattak

Mr. Munaf Ibrahim

Mr. Shuaib A. Malik
Chief Executive

Company Secretary

Mr. Rehmat Ullah Bardaie

Audit Committee

Mr. Babar Bashir Nawaz
Chairman

Mr. M. Adil Khattak

Mr. Bilal A. Khan
(Alternate Director to
Mr. Laith G. Pharaon)

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Registered Office

6, Faisal Avenue, F-7/1, Islamabad

Bankers

Faysal Bank Limited
Habib Bank Limited

Share Registrar

THK Associates (Pvt.) Limited
Ground Floor, State Life Building -3
Dr. Ziauddin Ahmed Road, Karachi
Tel: 92-21-111-000-322
Fax: 92-21-5655595

Legal Advisor

Ali Sibtain Fazli & Associates
Mall Mansions, 30-The Mall, Lahore

Correspondence Address

6, Faisal Avenue, F-7/1, Islamabad
Tel: 92-51-2611600
Email: contact@apl.com.pk
Website: www.apl.com.pk

DIRECTORS' REVIEW



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 @ 100 % (Rs. 10/- 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

DIRECTORS' REVIEW

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.

Damascus, Syria
February 26, 2009

On Behalf of the Board



SHUAIB A. MALIK
CHIEF EXECUTIVE

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Attock Petroleum Limited as at December 31, 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for quarters ended December 31, 2008 and 2007 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2008.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



A.F. FERGUSON & CO.

Chartered Accountants

Islamabad

February 26, 2009

ATTOCK PETROLEUM LIMITED

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CONDENSED INTERIM BALANCE SHEET (UNAUDITED)

AS AT DECEMBER 31, 2008

	Note	December 31, 2008	June 30, 2008
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital 150,000,000 (June 30, 2008: 75,000,000) ordinary shares of Rs 10 each		<u>1,500,000</u>	<u>750,000</u>
Issued, subscribed and paid up capital 57,600,000 (June 30, 2008: 48,000,000) ordinary shares of Rs 10 each		<u>576,000</u>	480,000
Reserves			
Special reserve		17,216	53,272
Revenue reserve			
Unappropriated profit		<u>5,450,665</u>	<u>5,002,577</u>
		6,043,881	5,535,849
NON CURRENT LIABILITIES			
Long term deposits		<u>140,351</u>	121,137
Deferred income tax liability		<u>19,000</u>	14,000
		159,351	135,137
CURRENT LIABILITIES			
Trade and other payables	3	<u>9,170,380</u>	9,813,929
Provision for income tax		<u>141,619</u>	28,421
		9,311,999	9,842,350
CONTINGENCIES AND COMMITMENTS			
	4	<u>15,515,231</u>	<u>15,513,336</u>

	Note	December 31, 2008	June 30, 2008
		Rupees ('000)	
PROPERTY, PLANT AND EQUIPMENT	5	1,050,706	922,621
LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES	6	675,642	709,081
CURRENT ASSETS			
Stores and spares		3,865	5,164
Stock in trade		81,606	299,092
Trade debts	7	6,936,632	5,825,869
Advances, deposits, prepayments and other receivables	8	1,334,684	1,303,249
Short term investments		-	330,369
Cash and bank balances	9	5,432,096	6,117,891
		13,788,883	13,881,634
		15,515,231	15,513,336

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


Chief Executive


Director

ATTOCK PETROLEUM LIMITED

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CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	Note	Quarter ended		Half year ended	
		December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
		Rupees ('000)		Rupees ('000)	
SALES		15,265,232	12,983,281	37,669,792	25,606,636
Sales tax		(1,953,047)	(1,507,133)	(4,613,876)	(2,878,401)
NET SALES		13,312,185	11,476,148	33,055,916	22,728,235
Cost of products sold		(12,574,709)	(10,899,286)	(31,437,548)	(21,549,566)
GROSS PROFIT		737,476	576,862	1,618,368	1,178,669
Other operating income	10	145,834	214,105	445,698	369,663
Operating expenses		(113,293)	(79,670)	(278,258)	(144,327)
OPERATING PROFIT		770,017	711,297	1,785,808	1,404,005
Income on bank deposits and investments		213,643	78,260	377,898	182,569
Share of (loss)/profit of associated companies		(17,251)	14,493	(31,245)	20,045
Workers' profit participation fund		(50,427)	(40,144)	(109,429)	(79,995)
PROFIT BEFORE TAXATION		915,982	763,906	2,023,032	1,526,624
Provision for taxation - Current		(232,083)	(232,000)	(550,000)	(442,000)
- Deferred		(1,000)	3,000	(5,000)	(1,000)
		(233,083)	(229,000)	(555,000)	(443,000)
PROFIT FOR THE PERIOD		682,899	534,906	1,468,032	1,083,624
Earnings per share (Rupees)	12	11.86	9.29	25.49	18.81

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.



Chief Executive



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	Half year ended	
	December 31, 2008	December 31, 2007
	Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,023,032	1,526,624
Adjustment for		
Depreciation	38,896	33,773
Gain on sale of property, plant and equipment	(1,923)	(6)
Income on bank deposits and investments	(377,898)	(182,569)
Share in loss/(profit) of associated companies	31,245	(20,045)
	1,713,352	1,357,777
Changes in working capital		
Decrease/(Increase) in stores and spares	1,299	(8,136)
Decrease/(Increase) in stock in trade	217,486	(40,316)
(Increase)/Decrease in trade debts	(1,110,763)	61,555
Decrease/(Increase) in advances, deposits, prepayments and other receivables	24,754	(776,893)
(Decrease) in trade and other payables	(647,217)	(761,908)
	(1,514,441)	(1,525,698)
Taxes paid	(436,802)	(300,190)
Net cash flow from operating activities	(237,891)	(468,111)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(167,131)	(211,631)
Proceeds from sale of property, plant and equipment	2,073	10
Long term investment in associated company	(22,679)	-
Short term investments	330,369	(100,000)
Income received on bank deposits and short term investments	321,709	193,292
Dividend received from associated companies	24,873	13,328
Net cash flow from investing activities	489,214	(105,001)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(956,332)	(558,507)
Long term deposits received	19,214	10,526
Net cash flow from financing activities	(937,118)	(547,981)
(DECREASE) IN CASH AND CASH EQUIVALENTS	(685,795)	(1,121,093)
CASH AND CASH EQUIVALENTS AT JULY 1	6,117,891	4,066,809
CASH AND CASH EQUIVALENTS AT DECEMBER 31	5,432,096	2,945,716

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.



Chief Executive



Director

ATTOCK PETROLEUM LIMITED

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

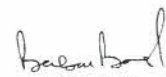
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	Rupees ('000)			Total
	Share capital	Special reserve	Unappropriated profit	
Balance as at June 30, 2007	400,000	18,004	3,036,293	3,454,297
Final dividend @ 140% relating to the year ended June 30, 2007	-	-	(560,000)	(560,000)
Issue of bonus shares	80,000	-	(80,000)	-
Profit for the half year ended December 31, 2007	-	-	1,083,624	1,083,624
Balance at December 31, 2007	480,000	18,004	3,479,917	3,977,921
Profit for the half year ended June 30, 2008	-	-	1,557,928	1,557,928
Transfer to special reserve by associated companies	-	35,268	(35,268)	-
Balance at June 30, 2008	480,000	53,272	5,002,577	5,535,849
Final dividend @ 200% relating to the year ended June 30, 2008	-	-	(960,000)	(960,000)
Issue of bonus shares	96,000	-	(96,000)	-
Profit for the half year ended December 31, 2008	-	-	1,468,032	1,468,032
Transfer from special reserve by associated companies	-	(36,056)	36,056	-
Balance as at December 31, 2008	576,000	17,216	5,450,665	6,043,881

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.



Chief Executive



Director

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2008

1. LEGAL STATUS AND OPERATIONS

Attock Petroleum Limited (the Company) was incorporated in Pakistan as a public limited company on December 3, 1995, commenced its operations in 1998 and was listed on Karachi Stock Exchange on March 7, 2005. The Company is engaged in marketing of petroleum products. Pharaon Investment Group Limited Holding s.a.l holds 34.38% (June 30, 2008: 34.38%) shares of the Company.

2. BASIS OF PREPARATION

- 2.1 These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting'.
- 2.2 All accounting policies as adopted for the preparation of these financial statements are the same as those applied in preparation of the preceding annual published financial statements of the Company.

3. TRADE AND OTHER PAYABLES

	December 31, 2008	June 30, 2008
	Rs ('000)	
Creditors	100,106	190,476
Due to related parties (note 3.1)	7,337,166	8,087,993
Accrued liabilities	421,193	562,221
Advance from customers	1,166,839	951,526
Retention money	28,009	18,955
Workers' profit participation fund	109,429	-
Unclaimed dividend	7,191	3,523
Staff Pension Fund payable/(receivable)	-	(765)
Staff Provident Fund	447	-
	9,170,380	9,813,929
3.1 Due to related parties		
National Refinery Limited	6,133,169	5,567,988
Attock Refinery Limited	1,191,862	2,512,462
Pakistan Oilfields Limited	11,992	6,988
The Attock Oil Company Limited	-	365
Attock Cement Pakistan Limited	143	190
	7,337,166	8,087,993

4. CONTINGENCIES AND COMMITMENTS

(i) Claims of Government levies not accepted by the Company and currently under appeal	10,044	23,064
(ii) Corporate guarantees and indemnity bonds issued by the Company to the Collector Sales Tax and Federal Excise, Islamabad	4,058,245	3,078,111
(iii) Guarantees issued by bank on behalf of the Company	39,552	34,392
(iv) Capital expenditure commitments	78,415	102,678

	December 31, 2008	June 30, 2008
	Rupees ('000)	
5. PROPERTY, PLANT AND EQUIPMENT		
Cost		
Opening balance	822,138	706,217
Additions during the period / year	79,335	119,309
Disposals during the period / year	(2,521)	(3,388)
Closing balance	898,952	822,138
Accumulated depreciation		
Opening balance	289,626	215,111
Charge for the period / year	38,896	77,187
Relating to disposals	(2,371)	(2,672)
Closing balance	326,151	289,626
Operating assets - written down value	572,801	532,512
Capital work in progress	477,905	390,109
	1,050,706	922,621
6. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES		
Balance at beginning of the period / year	709,081	387,246
Investment in associated company during the period/year	22,679	276,245
Share of (loss)/profit for the period/year	(18,387)	105,734
Impairment loss-National Refinery Limited	(12,858)	(46,816)
	(31,245)	58,918
Dividend received during the period/year	(24,873)	(13,328)
Balance at end of the period / year	675,642	709,081

	December 31, 2008		June 30, 2008	
	Holding %	Amount Rs ('000)	Holding %	Amount Rs ('000)
6.1 The Company's interest in associated companies is as follows:				
Quoted				
National Refinery Limited (note 6.2)	1	345,456	1	382,240
Attock Refinery Limited (note 6.3)	1.56	324,661	1.41	321,454
Unquoted				
Attock Information Technology Services (Private) Limited	10	5,525	10	5,387
		675,642		709,081

6.2 The value of investment in National Refinery Limited as at December 31, 2008 is based on a valuation analysis carried out by an external investment advisor engaged by the Company. The recoverable amount has been estimated based on a value in use calculation.

6.3 Based on a valuation analysis carried out by the Company, the recoverable amount of investment in Attock Refinery Limited exceeds its carrying amount. The recoverable amount has been estimated based on value in use calculation.

December 31,
2008 June 30,
2008
Rupees ('000)

7. TRADE DEBTS

Considered good		
Secured	6,559,289	4,845,529
Unsecured	312,592	946,180
Due from related parties (note 7.1)	64,751	34,160
	6,936,632	5,825,869
Considered doubtful - unsecured	31,000	31,000
Provision for doubtful debts	(31,000)	(31,000)
	-	-
	6,936,632	5,825,869

7.1 Due from related parties

Pakistan Oilfields Limited	51,142	30,030
Attock Cement Pakistan Limited	8,811	3,778
Attock Refinery Limited	766	352
Attock Gen Limited	4,032	-
	64,751	34,160

8. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Loans and advances	26,043	71,386
Trade deposits and short term prepayments	14,035	10,955
Current account balances with statutory authorities	175,719	308,415
Accrued income	73,022	16,833
Price differential claim receivable from the Government	969,848	872,542
Receivable from oil marketing companies under freight pool	70,336	16,581
Claims receivable	4,357	515
Due from related parties		
Attock Information Technology Services (Private) Limited	478	4,044
The Attock Oil Company Limited	163	-
Workers' profit participation fund	-	1,634
Other	683	344
	1,334,684	1,303,249

9. CASH AND BANK BALANCES

Cash in hand	1,900	904
Bank balances on		
Short term deposits	4,438,177	3,359,689
Interest/mark-up bearing saving accounts	984,824	2,753,771
Current account	7,195	3,527
	5,430,196	6,116,987
	5,432,096	6,117,891

9.1 Short term deposits of Rs 41,526 thousand (June 30, 2008: Rs 47,986 thousand) were under lien with banks against letters of guarantees and letters of credits.

	Quarter ended		Half year ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	Rs ('000)		Rs ('000)	
10. OTHER OPERATING INCOME				
Commission and handling income	141,370	209,808	438,562	362,576
Other income	4,464	4,297	7,136	7,087
	145,834	214,105	445,698	369,663

11. TRANSACTIONS WITH RELATED PARTIES

Associated companies

Purchase of petroleum products	10,782,444	10,546,497	29,962,159	20,339,317
Sale of petroleum products	267,351	113,344	574,019	227,587
Commission and handling income	141,369	209,808	438,561	345,146
Administrative services expense	3,551	7,131	11,340	9,959

Other related parties

Remuneration of Chief Executive and key management personnel including benefits and perquisites	12,230	10,360	16,667	13,919
Contribution to staff retirement benefits plans				
Staff Pension fund trust	646	1,312	2,263	2,503
Staff Provident fund trust	722	645	1,530	1,207
Contribution to workers' profit participation fund	50,427	40,144	109,429	79,995

12. EARNINGS PER SHARE

Basic earnings per share previously reported at Rs 22.58 in the financial statements for the half year ended December 31, 2007 has been restated to Rs 18.81 for 9,600,000 bonus shares issued during the half year ended December 31, 2008.

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2007 and 2008 which would have any effect on the earnings per share if the option to convert is exercised.

13. GENERAL

13.1 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on February 26, 2009 have declared an interim cash dividend @ Rs.10/- per share, amounting to Rs. 576 million for the year ending June 30, 2009.

13.2 DATE OF AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

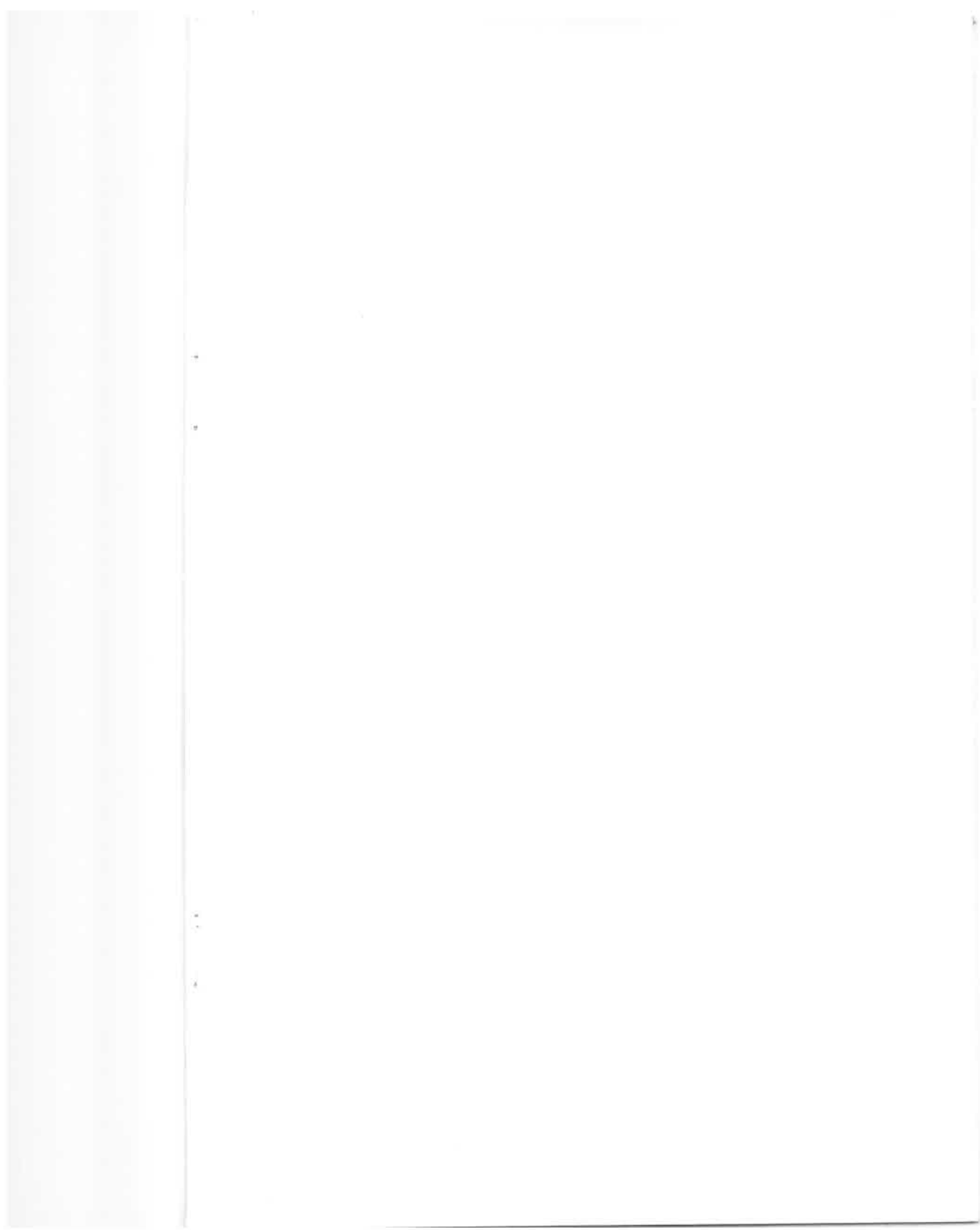
These condensed interim financial statements were authorised for issue by the Board of Directors of the Company on February 26, 2009.



Chief Executive



Director



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