



Attock



turning fuel around

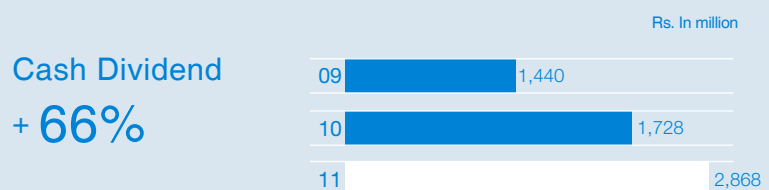
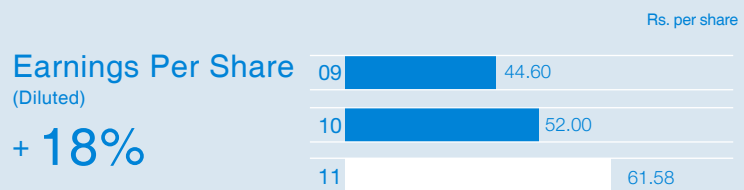
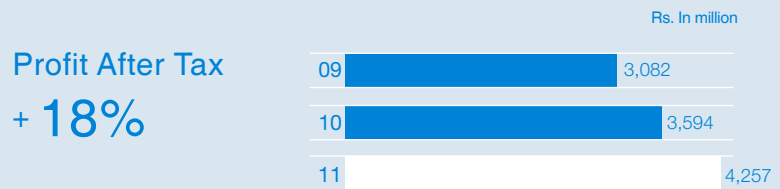
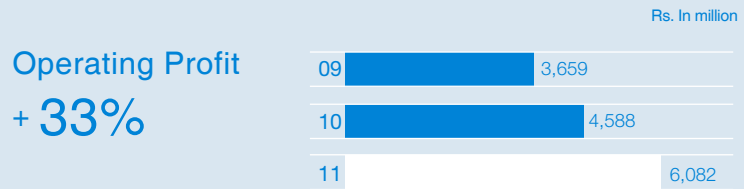
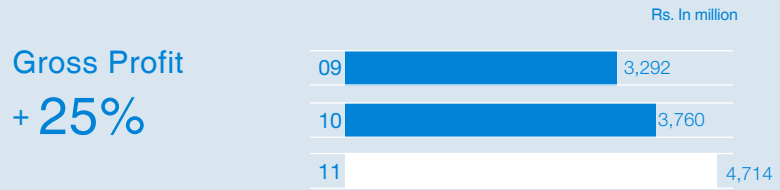
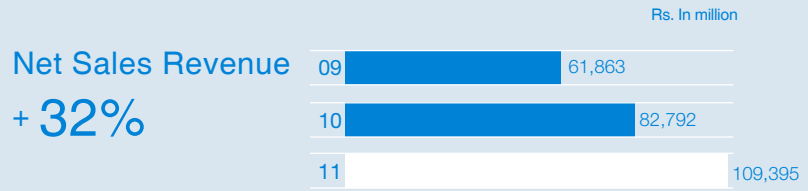
Annual Report 2011

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Financial Highlights






Our Vision

To become a world class, professionally managed, fully integrated, customer focused, Oil Marketing Company, offering Value added quality and environment friendly products and services to its customers in Pakistan and beyond.





We are committed to benefiting the community and ensuring the creation of a safe, responsible and innovative environment geared to client satisfaction, end user gratification, employees' motivation and shareholders value

Our Mission



To continuously provide quality and environment friendly petroleum products and related services to industrial, commercial and retail consumers, and exceeding their expectations through reliability, economy and quality of products and services. We are committed to benefiting the community and ensuring the creation of a safe, responsible and innovative environment geared to client satisfaction, end user gratification, employees' motivation and shareholders value.





Core Values

Ethical Principles and Moral Values

We promote a commitment to the highest moral values and ethical principles, demanding both personal and professional dedication towards the realization of these values and principles.

Commitment and Cooperation

Two core fundamentals for the success of any business are complete employee commitment and cooperation. At APL we foster an environment of solid teamwork and professionalism to ensure that our employees engage in both personal and professional development.

Environment Consciousness

We believe that it is our responsibility to safeguard our natural resources for future generations and actively engage in environment friendly practices, policies and management techniques.

Corporate Social Citizenship

We strongly believe in the promotion of societal well-being and awareness within ones community, actively engaging in activities and initiatives to meet this objective.

Maximum Stakeholder Return

Through our streamlined business processes and commitment to total quality management we seek to ensure maximum company performance and rewards for shareholders and stakeholders alike.

We intend to set an example in all dimensions of our entrepreneurial activities

APL to attain new heights of success through investment in human capital, implementation of lean production methods and a commitment to Total Quality and Environment Management


Corporate Strategy

To enable APL to attain new heights of success through investment in human capital, implementation of lean production methods and a commitment to Total Quality and Environment Management, we plan, with the help of Almighty Allah, to further expand our existing retail network and penetrate untapped markets with pro-active measures and effective planning, implementation and execution. Our objective is to successfully deliver premium quality products and services, which will translate into maximum customer satisfaction. Beyond the technical excellence of our products, we intend to set an example in all dimensions of our entrepreneurial activities. We see ourselves

committed to the self-defined models of economic, social and ecological responsibility, which means not only economic success but also conscientious interaction with our employees, people and the environment.

Our objective is to successfully deliver premium quality products and services.





To develop measurement techniques to gauge performance for improving effectiveness of our services, operations and quality management system

The primary objective of the Quality Management System is to ensure conformance to product specifications of all goods shipped to customers

Quality Policy Statement

To further enhance its commitment towards Quality, APL management has set the following quality objectives:

- 1 The primary objective of the Quality Management System is to ensure conformance to product specifications of all goods shipped to customers.
- 2 Clearly identify and understand our internal and external customers stated and hidden needs, to develop a way of working to meet and exceed the expectations of customers.
- 3 Provide confidence to management, our employees, clients, and stakeholders that the requirements for quality

are being fulfilled and maintained and that quality improvement is continuously taking place.

- 4 To develop measurement techniques to gauge performance for improving effectiveness of our services, operations and quality management system.
- 5 Fulfill all quality system requirements stated in our Quality Manual, including the requirements of ISO 9001:2000.
- 6 To be a trustworthy and leading oil marketing organization for providing consistent high quality



products and services in the market.

With this vision we want to create a culture of continuous quality improvement at APL.



Business Process Re-engineering



To set up a series of logically related tasks, performed to achieve a defined business outcome is major goal of business process re-engineering. The Company is focused to establish a structured, measured set of activities designed to produce required results for customers & market. Improving business processes is important for businesses to stay ahead of

competition in today's marketplace. Over the last 10 to 15 years, companies have been forced to improve their business processes because customers are demanding better products and services. Over recent past the Company has efficiently managed its resources for process improvement & proficient management of time.

After successful commissioning of Machike terminal, the Company is now planning to install its oil terminals at Mehmoodkot, Gatti and Shikarpur to captivate oil market of South Punjab, Faisalabad industrial area and Central Sindh. These terminals will be connected to White Oil Pipeline (WOP) & Mehmood Kot-Faisalabad-Machike Pipeline (MFM) and are expected to increase APL market share in oil and gas sector of Pakistan. Apart from these

projects, the Company is already enhancing its existing terminals at Machike and Rawalpindi.

In addition to this, the Company is now targeting to enter into aviation fuel supply. The Company is planning to join hand with international firms/ consultant to gain expertise and creep into this industry.

It has been the ultimate goal of Company to deliver the precise quantity and premier quality product to its customers. The company has worked thoroughly over recent past towards quality assurance by provision of quality control equipments to laboratories at oil dispatch locations. More mobile quality assurance units for spot checking of product quantity and quality delivered to customers are made available.



Statement of Ethics & Business Practices

Introduction

Attock Petroleum Limited has committed itself to conduct its business in an honest, ethical and legal manner. The Company wants to be seen as a role model in the community by its conduct and business practices. All this depends on the Company's personnel, as they are the ones who are at the forefront of Company's affairs with the outside world. Every member of the Company has to be familiar with his/ her obligations in this regard and has to conduct himself/ herself accordingly.

This statement in general is in accordance with Company goals and principles that must be interpreted and applied within the framework of laws and customs in which the Company operates. This statement will be referred to as the "Statement of Ethics and Business

Practices" and obligatory for each employee/ director to adhere to.

1. Integrity

Employees are expected to exercise honesty, objectivity and due diligence in the performance of their duties and responsibilities. They are also directed to perform their work with due professionalism.

2. Confidentiality

All employees, both during and after their employment, must respect the exclusivity and trade secrets of the Company, its customers and suppliers and may not disclose any such information unless the individual or firm owning the information properly authorizes the release or disclosure.

All the Company's assets (processes, data, designs, etc) are considered as certified information of the Company. Any disclosure will be considered as grounds, not only for termination of employment, but also for criminal prosecution, legal action or other legal remedies available during or after employment with the Company to recover the damages and losses sustained.

3. Work Environment

All employees are to be treated with respect. The Company is highly committed to providing its employees with a safe, healthy and open work environment, free from harassment, intimidation, or personal behavior not conducive to a productive work



APL has committed itself to conduct its business in an honest, ethical and legal manner. The Company wants to be seen as a role model in the community by its conduct and business practices

Employees are expected to exercise honesty, objectivity and due diligence in the performance of their duties and responsibilities

climate. In response the Company expects consummate employee allegiance to the Company and due diligence in his job.

The Company also encourages constructive reasonable criticism by the employees of the management and its policies. Such an atmosphere can only be encouraged in an environment free from any prospects of retaliation due to the expression of honest opinion.

4. Communication

All communications, whether internal or external, should be accurate, forthright and where ever required, confidential. The Company is committed to conduct business in an open and honest manner and provide open communication channels that encourage

candid dialogue relative to employee concerns. The Company strongly believes in a clean desk policy, and expects its employees to adhere to it not only for neatness but also security purposes.

5. Conflicts of Interest

Each employee is expected to conduct him/ her self in an honest and ethical manner to avoid actual or apparent conflict of interest. A conflict of interest occurs when an individual's private interest interferes in any way with the interests of the Company as a whole. Also no employee will perform any kind of work (involving monetary benefit directly or otherwise) for a third party without proper approval of CEO. Conflicts of interest also arise when an employee, or a member of his or her family, receives improper

personal benefits as a result of his or her position in the Company.

Every person should disclose any existing or potential conflict of interest with which he is directly or indirectly involved by presenting a written report to his departmental head.

6. Corporate Opportunities

Employees are expected not to:

- a) Take personal use of opportunities that are discovered through the use of Company property, information or position.
- b) Use Company property, information, or position for personal gains.

Employees are expected to put aside their personal

Each employee is expected to conduct him/ her self in an honest and ethical manner to avoid actual or apparent conflict of interest

We are committed to selling our products and services honestly and will not pursue any activity that requires us to act unlawfully or in violation of this Code

interests in favor of the Company interests.

7. Equal Employment Opportunity

APL believes in providing equal opportunity to everyone around. The Company laws in this regard have to be complied with and no discrimination upon race, religion, age, national origin, gender, or disability is acceptable.

8. Business Controls and Responsibilities

Each employee is expected to deal fairly with Company's customers, suppliers, competitors, and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information, or any other unfair practice.

We are committed to selling our products and services honestly and will not pursue any activity that requires us to act unlawfully or in violation of this Code.

Bribes, kickbacks, and other improper payments shall not be made on behalf of the Company in connection with any of its businesses. However, tip, gratuity or hospitality may be offered if such act is customary and is not illegal under applicable law. All such expenses should be reported and recorded in the Company's book of accounts.

9. Compliance with Laws

The Company is committed to comply, and take all reasonable actions for compliance, with all applicable laws, rules and



regulations of state or local jurisdiction in which the Company conducts business.

Every employee, no matter what position he or she holds, is responsible for ensuring compliance with applicable laws.



10. Employee Retention

High quality employee's attraction and retention is very important. The Company will offer competitive wages and benefits to the deserving candidates. The Company strongly believes in personnel development and employee-training programs are arranged regularly.

11. Protection and Proper use of Company Assets/ Data

Each employee is expected to be the guardian of the Company's assets and should ensure its efficient use. Theft, carelessness and waste have a direct and negative impact on the Company's profitability. All the Company assets should be used for legitimate business purposes only.

12. Gift Receiving

Employees will not accept gifts or favors from existing or potential customers, vendors or anyone doing or seeking to do business with the Company.

However, this does not preclude giving or receiving gifts or entertainment which are customary and proper in the circumstances, provided that no obligation could be, or be perceived to be, expected in connection with the gifts or entertainment.

13. Compliance

It is the responsibility of each employee to comply with this policy. Failure to do so will result in appropriate disciplinary action, including possible warning issuance, suspension,

termination of employment, legal action and reimbursement of the Company for any losses or damages resulting from such violation. Compliance also includes, the responsibility to promptly report any apparent violation of the provisions of this policy.

Any person meeting with difficulties in the application of this policy should refer to the management.



Environment, Health & Safety Policy

Attock Petroleum Limited's overriding objective is to ensure that none of our activities harm our employees, the public or the environment.

In order to achieve this objective...

We embrace a comprehensive policy on the Environment, Safety and Health that includes:-

1. We consider that none of our activities are more important than health and safety of any individual or protection of environment.
2. As a minimum we will comply with all relevant legislation and any other requirements to which we subscribe.
3. We will encourage a proactive safety culture and ensure that each employee is trained, experienced and competent to perform his or her duties.
4. We will strive to remove all causes of accidents and events and to minimize the consequences of such if they occur.
5. We will ensure that all our operations are performed, and seen to be performed safely.
6. We will strive to continually improve performances in all areas of EHS performance and priorities on the basis of risk.
7. We will apply our EHS policy, standards, objectives and targets to our Retail Outlets, Distributors, Dealers and Contractors.



**QUALITY
LUBRICANTS**



**QUALITY
LUBRICANTS**



**QUALITY
LUBRICANTS**



IN THE NAME OF ALLAH, THE MOST BENEVOLENT, THE MOST GRACIOUS

It is a great pleasure to welcome you to the 16th Annual General Meeting of the Company and to present APL's annual report for the year ended June 30, 2011



Chairman's Review

IN THE NAME OF ALLAH, THE MOST BENEVOLENT, THE MOST GRACIOUS

It is a great pleasure to welcome you to the 16th Annual General Meeting of the Company and to present APL's annual report for the year ended June 30, 2011.

Pakistan's economy continued to suffer the consequences of a number of factors like un-resolved problem of circular debt, power and gas shortages, unstable security situation, high inflationary pressures and worst ever floods. Owing to these factors, investment fell, investor confidence ebbed, poverty and unemployment increased and the overall growth of the economy declined. The decline in the overall economic growth and increase in the price of the petroleum products also had its impact on the annual oil industry trade for petroleum products which declined by 2% from 20.742 million M. Tons to 20.334 million M. Tons. The major decrease was

witnessed in High Speed Diesel and Furnace Oil which was off set to some extent by increase in demand of Premier Motor Gasoline due to excessive gas load shedding.

Despite all the challenges mentioned above, your Company was able to increase its overall market share significantly to 7.9% from 7.0% of last year due to its targeted and focused marketing strategy, converting the challenges into opportunities and capitalizing on those opportunities. Consequently, APL once again achieved the highest ever financial results since its inception with net profit of Rs. 4,257 million (2010:Rs. 3,594 million) an increase of 18% over the last year. This continued success is underpinned by our commitment and focus on operational excellence, financial discipline, risk management and principles of good corporate governance.

APL's results reflect the strength of its staff and Board of Directors and I would like to thank them for their dedication, hard work and integrity.

We remain confident that with our enduring efforts and proven strategies we will be able to meet the challenges head-on and come upto the expectations of all the stakeholders.

I also wish to place on record my appreciation and gratitude for the support received from Ministry of Petroleum & Natural Resources, Oil and Gas Regulatory Authority and other Government organizations and business partners.

Dr. Ghaith R. Pharaon
Chairman

Damascus, Syria
September 10, 2011



Governance



Company Information

Audit Committee

Mr. Babar Bashir Nawaz
Chairman
Non Executive Director

Mr. M. Adil Khattak
Non Executive Director

Mr. Iqbal A. Khwaja
Alternate Director to Mr. Laith G. Pharaon
Non Executive Director

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Registered Office

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

Bankers

Allied Bank Limited
Faysal Bank Limited
Habib Bank Limited
My Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank
Standard Chartered Bank
The Bank of Khyber
The Bank of Punjab
The Bank of Tokyo Mitsubishi
United 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: +92-21-35655595

Legal Advisor

Ali Sibtain Fazli Associates
Mall Mansion, 30-The Mall, Lahore.

Correspondence Address

6, Faisal Avenue,
F-7/1, Islamabad
Tel: +92-51-2611601
+92-51-2215630-2
Fax: +92-51-2611605
Email: contact@apl.com.pk
Website: www.apl.com.pk



Dr. Ghaith R. Pharaon
Chairman
Non Executive Director



Mr. Shuaib A. Malik
Chief Executive Officer
& Alternate Director to
Dr. Ghaith R. Pharaon
Executive Director



Mr. Laith G. Pharaon
Non Executive Director



Mr. Wael G. Pharaon
Non Executive Director



Mr. Babar Bashir Nawaz
Non Executive Director



Mr. M. Adil Khattak
Non Executive Director



Mr. Munaf Ibrahim
Non Executive Director



Mr. Iqbal A. Khwaja
Alternate Director to
Mr. Laith G. Pharaon



Mr. Rehmat Ullah Bardaie
Company Secretary & Alternate
Director to Mr. Wael G. Pharaon

Board Of Directors and its Committees

The Board comprises of the Chairman, Chief Executive and five non-executive directors. The role of non-executive directors is to enhance independence and objectivity of the Board's deliberations and decisions.

The Board is responsible to the Company's shareholders for a multitude of tasks: its corporate governance, the strategic objectives, stewardship of the Company's resources, the organizational structure, core activities, succession planning of senior executives and ultimately, the social, environmental and ethical considerations. The Board reviews key activities of the business and receives papers and presentations to enable it to do so effectively.

Board meetings are held at least once every quarter to monitor and review performance of the Company. The following Board Committees have been formed to assist the Board in fulfilling its responsibilities.

The Board Audit Committee

The Audit Committee of the Board comprises of three non-executive directors. Terms of reference of the committee which is in line with the Code of Corporate Governance has been approved by the Board of Directors. The main features of the terms of reference of committee are as follows:

- a) review of the interim and annual reports and financial statements before their presentation to the Board.
- b) recommend the Board on the appointment of external auditor and consideration of questions regarding resignation or removal of external auditors and audit fees.
- c) determination of appropriate measures to safeguard the Company's assets.
- d) facilitate the external audit and discussion with external auditor of major observations arising from audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
- e) review of management letter

Governance



- issued by external auditors and management's response thereto.
- f) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
 - g) consideration of major findings of internal investigations and management's response thereto.
 - h) ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
 - i) determination of compliance with relevant statutory requirements.
 - j) monitoring compliance with

- the best practices of corporate governance and identification of significant violations thereof.
- k) consideration of any other issue or matter as may be assigned by the Board of Directors.

The audit committee held four meetings in 2010-11. The chief financial officer, internal auditor as well as external auditor were invited and they attended the meetings as per the requirement of the Code of Corporate Governance.

The Board Budget Committee

Comprising of three directors and their responsibility is to assist the

Board in formulating the corporate budget & reviewing analysis of actual figures with those budgeted.

The Share Transfer Committee

Consisting of three directors and they are responsible for dealing with all matters relating to the shares of the Company.





Board of Directors' meeting in progress to review and approve the financial statements

Management Committees

Executive Committee

Consist of all departmental heads and chaired by the CEO, they meet regularly to coordinate the activities, accomplishments and other pertinent issues.

Information Technology Committee

Responsible for automation of process and system in line with latest technology and developments.

Budget Committee

Reviews and recommends the annual budget proposals and discusses deviations with the departmental heads.

Retail Outlet Development Committee

Responsible for recommending proposals for setting up retail outlets and reviewing progress.

Pricing Committee

Reviews and recommends the pricing of deregulated products on regular intervals.

Safety And Technical Committee

Reviews and monitors, the safety, health and environment matters for safe operations and better environment and matters relating to technological problems and operational risks affecting the business.

The Company was amongst the “Top Twenty Five Companies” by Karachi Stock Exchange for the year 2009



Awards and Achievements

2009
Best Corporate Report Award-09
2nd Position in Fuel and Energy Sector

Jointly organised by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan.

2008
Best Corporate Report Award-08
3rd Position in Fuel and Energy Sector

Jointly organised by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan.



Top Companies Award- 2009

Amongst Top Twenty Five Companies

The Company was amongst the “Top Twenty Five Companies” by Karachi Stock Exchange for the year 2009.

Exchange (Guarantee) Limited



25 TOP COMPANIES FOR THE YEAR
2009

- 01 Siemens (Pakistan) Engineering Company Ltd.
- 02 Rafhan Maize Products Company Limited
- 03 Nestle Pakistan Limited
- 04 Unilever Pakistan Limited
- 05 Fauji Fertilizer Company Limited
- 06 Colgate-Palmolive (Pakistan) Limited
- 07 Pakistan Petroleum Limited
- Attock Petroleum Limited
- Milat Tractors Limited
- Shahani Pakistan Limited
- Shahazi Tractors Limited
- Oil Pakistan Limited
- Unilever Pakistan Foods Limited
- Micro Corporation Limited
- News Papers Limited
- Tobacco Company

Exchange Awards

AWARD FOR THE YEAR
2008 & 2009

Chief Guest

Ali Z
of Islamic Rep



Calendar of Major Events

Oct 1995:

Formal application moved for Government approval

Dec 1995:

Incorporation of APL

Feb 1997:

Government approval granted for OMC

Feb 1998:

Marketing of Petroleum products commenced

Jun 1999:

Bulk oil terminal commenced at Rawalpindi

Oct 1999:

Commissioned first retail outlet

Jan 2000:

Launched lubricants

Jul 2002:

Marketing of Surplus Naphtha through exports

Apr 2003:

Initiated exports to Afghanistan

Jun 2003:

ISO 9001: 2000 Quality Management System Certification

Jul 2004:

Registered as an OMC with Afghan Investment Support Agency

Sep 2004:

ISO 14001:1996 Environment Management Systems certification

Mar 2005:

Acquired listing on Karachi Stock Exchange

May 2005:

Celebrated commissioning of 100th retail outlet

Jul 2005:

Acquired National Refinery Limited through bidding by Attock Group

Aug 2005:

Started supplying Fuel oil to Power Producers

Mar 2006:

Started operating new terminal at Karachi

Mar 2006:

Started first Company Financed retail outlet's operations

Nov 2007:

Commissioned 1st international retail outlet at Jalalabad, Afghanistan

Jun 2009:

Commissioned new bulk oil terminal at Machike

Sep 2009:

Commenced operations through White Oil Pipeline (WOP)

June 2011:

Commissioned 300 retail outlets



Directors' Report

The Board of Directors of Attock Petroleum Limited (APL) takes pleasure in presenting the annual report on the performance, position and progress of the Company together with the audited financial statements of the Company for the year ended June 30, 2011.

As we enter into a new decade, APL is poised to further spread its wings and become the leading oil marketing company. The Company is excellently enfolded the milestones on the path of success and progression and make a significant contribution in meeting the growing energy needs of the country. The Company is committed to expanding horizons, synergizing efforts to attain excellence and

enhance value for stakeholders. With an inspiring vision the Company continually adapt to change, devising novel strategies to succeed in an inclusive environment.

OPERATIONS AND NATURE OF BUSINESS

APL, engaged in the business in downstream petroleum sector, is working abreast with other oil marketing companies of the country to distribute petroleum products in the market to keep the wheels of the economy moving. Major products marketed by APL are Furnace Oil (FO), High Speed Diesel (HSD), Premier Motor Gasoline (PMG), Asphalt, Kerosene Oil and Light Diesel Oil. The Oil industry operates under

the regulations framed by the Government of Pakistan (GoP) through Ministry of Petroleum and Natural Resources (MP&NR) and Oil and Gas Regulatory Authority (OGRA). OGRA used to regulate the prices of some petroleum products till May 31, 2011 and thereafter, the prices were partly deregulated.

In order to cater future business needs, the Company has a vision to continuously enhance its operational capacity at various terminals across Pakistan. APL is currently in process of enhancing its storage capacities at Rawalpindi Bulk Oil Terminal (RBT) and Machike Bulk Oil Terminal (MBT). With this enhancement, APL will increase its storage capacity by approx.

As we enter into a new decade, APL is poised to further spread its wings and become the leading oil marketing company

The Company is excellently enfolding the milestones on the path of success and progression and make a significant contribution in meeting the growing energy needs of the country

12,000 M. tons at RBT and 11,000 M. tons at MBT which will result in increase in 140% and 145% of the storage capacity at these two strategic locations. Further, the terminals are directly linked with Refineries through piping network ensuring the supply of quality products keeping in sight the environmental wellbeing. The Company considers commitment to quality as an integral part of values and vision. Every product leaving the terminals has to conform to stringent national and international specifications. Operational safety continues to receive the highest priority to keep it in compliance with internationally recognized safety management system. Up-gradation of fire fighting, safety and personal protective equipment is regularly done to meet the international safety

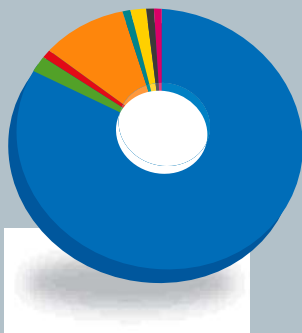
standards. APL is also in process of installation of centralized foam injection system and water sprinkler system. In addition to this, several upgradation projects are in progress that includes gantry extension at Machike, establishment of calibration gantries at Machike and Karachi, Automatic level gauging system installation at all terminals etc.

In line with APL's commitment to broaden its operations within the Oil and Gas industry of Pakistan, the company is rigorously expanding and establishing its network of retail outlets. During the year 41 outlets were commissioned bringing the total number of operational retail outlets to 318 as on June 30, 2011. The Company's investment in these outlets stands at Rs. 878 million. In addition to this, a number of prime-locations have

been identified for further development of our retail outlets; focusing not only on the sales volumes but also on the Company's brand image. A total of 30 retail outlets are currently under construction and additional 113 are at different stages of securing the necessary licenses. APL due to its aggressive and exceptional marketing strategies entailing customer satisfaction and expansion of network has successfully managed to increase its local sales volume for FO, PMG and HSD which increased by 49%, 44% and 11% respectively. Consequently, APL's market share also increased from 4.5% to 6.8% for FO, from 4.9% to 6.0% for PMG and from 6.2% to 7.4% for HSD.

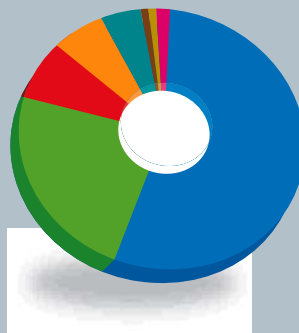
The retail outlets are fully equipped with modern hardware and best service techniques to

Governance



Market Share of Black Oil

PSO 77%	SPL 4%	CPL 1%
APL 9%	TPPL 1%	Parco (Pearl) 3%
Admore 0%	Hascol 1%	Askar 0%
OOTCL 1%	BPPL (MKTG) 2%	BTCPL 1%



Market Share of White Oil

PSO 53%	SPL 22%	CPL 7%
APL 7%	TPPL 6%	Parco (Pearl) 0%
Admore 0%	Hascol 1%	Askar 0%
OOTCL 1%	BPPL (MKTG) 3%	BTCPL 0%

Source: Oil Companies Advisory Committee

provide efficient services to the customers. Other facilities such as highly accurate electronic dispensing units, service stations, tyre shops, tuck shops, mosques and rest areas are also being provided on the sites for customers' convenience and satisfaction.

MANAGEMENTS OBJECTIVES AND STRATEGIES

The ultimate objectives of the Company's management are to come upto the expectations of all the stakeholders and adopt a balanced approach in this regard, which is also reflected precisely in the Corporate strategy and the core values. The priorities for action are set and reviewed at regular intervals to grab the available opportunities and minimise the risks and threats arising due to change in the internal and external environment.

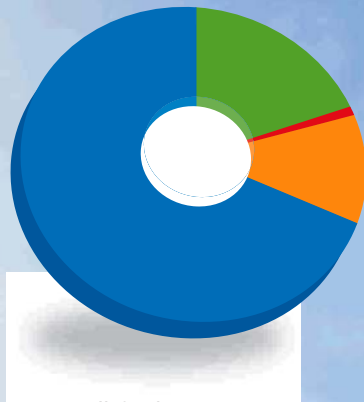
Consequently, decisions are taken to implement the change management keeping in view long term perspective.

RESOURCES, RISKS AND RELATIONSHIPS

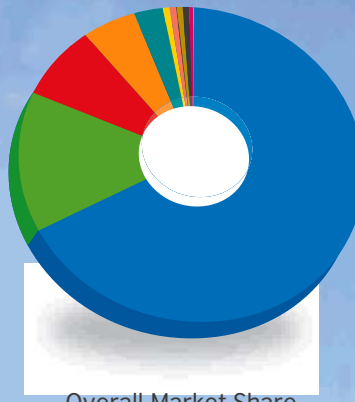
The Company effectively used its cash resources and generated cash from investing activities amounting to Rs. 966 million against which net cash used in operating and financing activities was Rs. 2,669 million and Rs. 1,944 million respectively. The net cash used during the year amounted to Rs 3,645 million net of the effect of exchange rate changes. The Company has considerable growth potential and is well capitalized to meet its future commitments and development plans. The volatility in international oil prices and geo political environment has led to higher

level of activity directed towards assessing, mitigating and monitoring of risks. Principal risks, threats, uncertainties and their mitigating factors are outlined below.

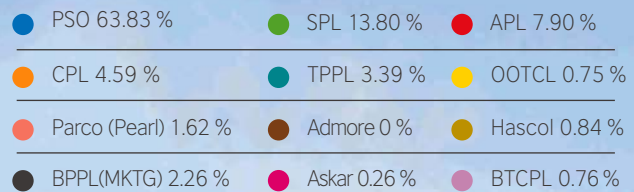
Volatility in International Oil Prices and Regulatory Risk: Oil prices are directly affected by its global supply and demand. Factors that influence demand and supply include economic conditions, operational issues, natural disasters, weather, political instability and conflicts or actions by major oil-exporting countries. In addition to this, GoP also controls these prices through implementation and adjustment of levies, duties and subsidies. Prices are the key drivers of an OMC's profitability. Higher prices translate into increased revenues and vice versa. Price fluctuations have direct impact on Company's development and investment



Retail Outlets



Overall Market Share



Source: Oil Companies Advisory Committee

plans. Further, imposition / enhancement of duties, taxes, other levies and revision in pricing formula of products remain a possibility.

The Company continues to focus on efficient mix of products maintaining sustainability and generating growth. GoP has demonstrated a strong commitment and taken a number of steps to deregulate the Oil and Gas sector in line with the overall vision of a liberalized economy.

Security Risks: The entire world in general and Pakistan in particular is facing security threats. Deteriorating law and order situation may result in disruption in the supply chain of the oil industry at any point in time resulting in halting the economic growth and development.

The GoP with the support of International agencies has taken

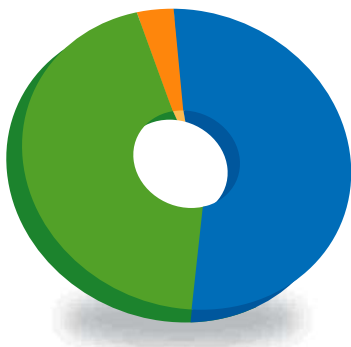
concrete steps of eliminating terrorism. The oil industry has adopted extra precautionary security measures to avoid any such risk. The Company in particular has taken the specific insurance cover against this risk as one of the precautions.

Geo-Political Risk: Development in politics, laws and regulations can affect our operations. Potential developments include import and export restrictions, international conflicts, wars, civil unrest, local security concerns that threaten the safe operations of the Company. It is difficult to predict the timing and severity of these occurrences and their potential effect. If such risks materialise they could affect operations, reputation, employees and financial position of the Company. The operations of the Company are dependent on timely availability of the petroleum products provided by the refineries. Refineries, in turn,

are dependent upon the availability of crude oil from the gulf region, except for Attock Refinery Limited, which uses indigenous crude oil. There is a risk that due to political instability in the region there may be a disruption in the supply thereby affecting negatively the operations of the Company.

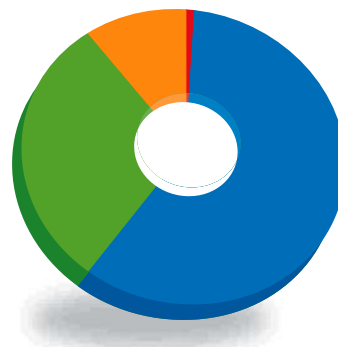


Governance



Segment-Wise Analysis of Gross Profit

- White Oil Product 53%
- Black Oil Products 44%
- Others 3%



Segment-Wise Analysis of Revenues

- Gross Profit 61%
- Other Operating Income 26%
- Bank Profits 12%
- Profit of Associates 1%

The Company enjoys the support of refineries under proper agreements thereby ensuring smooth supply of petroleum products for the Company.

Intense Competition: The Company operates in a very challenging business environment

and faces competition to access market, services and human resources. Lately, the oil sector has been the focus of deregulatory reforms that have been undertaken by the GoP which in turn paved the way for fierce competition compelling OMCs to adopt better marketing

practices in order to retain market share. In the long term, market based mechanism is likely to intensify the competition among the OMCs which may make achieving of growth targets more challenging for the Company.

The Company is a member of the

The Company has an effective and comprehensive Health, Safety and Environment policy and related practices ensuring 100% commitment from all employees

The retail outlets are fully equipped with modern hardware and best service techniques to provide efficient services to the customers

only fully integrated group in Pakistan with upstream and downstream operations. With aggressive retail outlets rollout plan and increased marketing efforts, the Company's management is well placed to compete effectively in this increasingly competitive industry.

Human Resource: The Company's key human resources are essential for the smooth functioning of its operations. Loss of personnel or our inability to attract quality human resources could affect our operational performance and growth strategy.

The Company offers a variety of compensation packages in line with the market and enabling environment ensuring retention of quality man power.

Health, safety, environment and security: The Company is subject

to various local, national and international laws and regulations relating to health, safety and the environment. Changes to these laws and regulations could result in increased costs of compliance as well as penalties for non-compliance.

The Company has an effective and comprehensive Health, Safety and Environment policy and related practices ensuring 100% commitment from all employees and contractual workers towards the preservation of environment and propagation of health and safety procedures to mitigate this risk and support safe and secure execution of all critical operating activities.

FINANCIAL PERFORMANCE

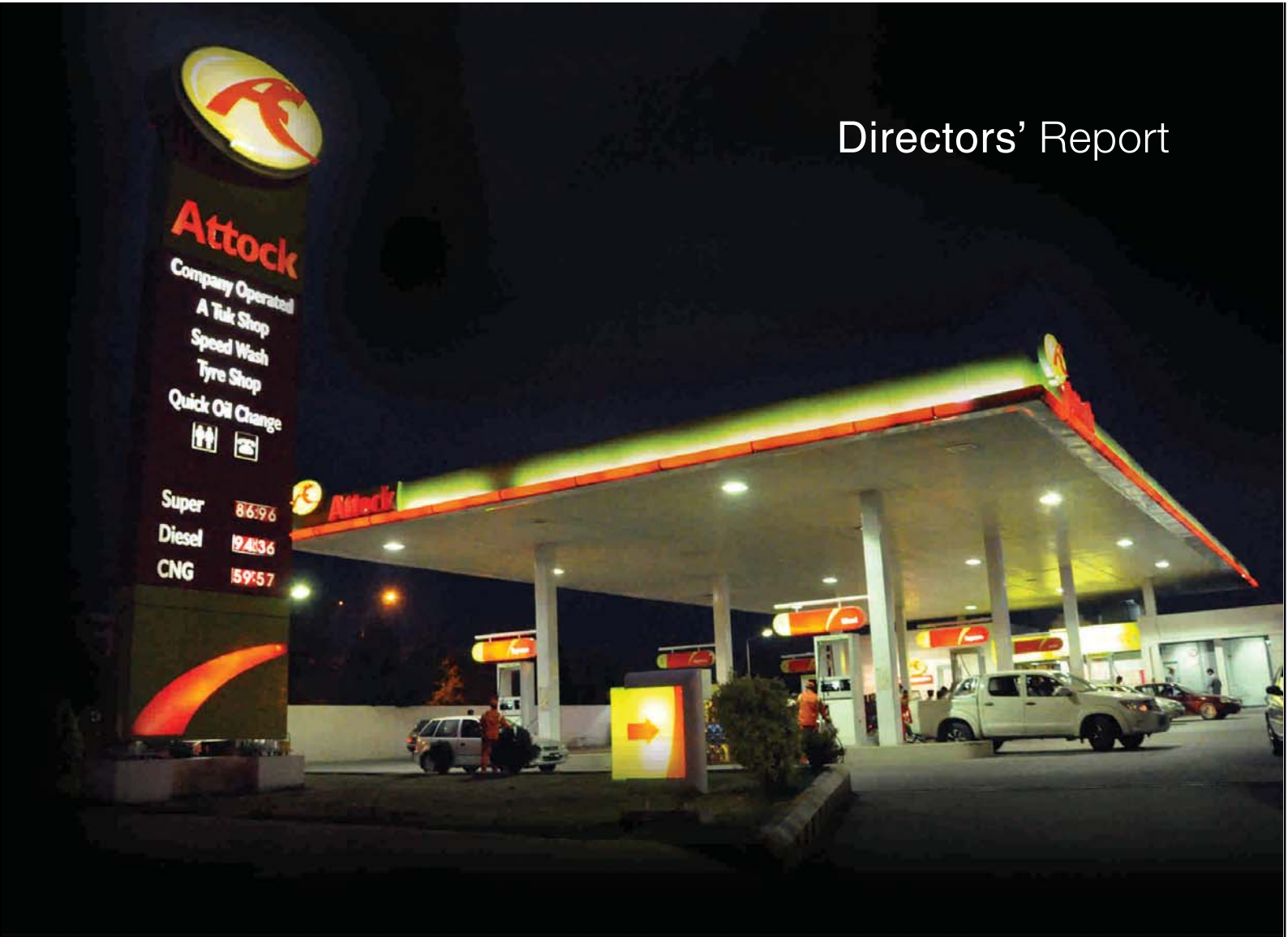
Recapitulation of the year 2010-

11 shows Company's turnover and profitability continued to record a rising trend as its turnover and gross profit for the year increased to Rs.109,395 million and Rs. 4,714 million respectively against the turnover and gross profit of Rs. 82,792 million and Rs. 3,760 million respectively for the year 2009-10. This improved performance was attributable to higher international oil prices, increase in the volume sold, improved product mix and effective inventory management. The profit after tax for the year was Rs. 4,257 million, up by 18% from last year (2009-10: Rs. 3,594 million) translated into earnings per share of Rs. 61.58 as compared to Rs. 52.00 for last year.

Financial results and appropriations for the year ended June 30, 2011 have been summarized below:

Recapitulation of the year 2010-11 shows Company's turnover and profitability continued to record a rising trend as its turnover and gross profit for the year increased to Rs.109,395 million and Rs. 4,714 million respectively

	Rs.in Million
Profit before taxation	6,018
Less: Provision for taxation	(1,761)
Profit after taxation	4,257
Add: un-appropriated profit as at July 1, 2010	8,643
Profit available for appropriation	12,900
Appropriations during the year:	
Transfer to special reserve by associated companies	10
Final cash dividend for the year 2009-10 @ 200% (Rs 20/- per share of Rs 10/- each)	1,152
Transfer to reserve for issue of bonus shares in the proportion of one share for every five shares held i.e., 20%.	115
Interim cash dividend for the year 2010-11 @ 115% (Rs 11.50 per share of Rs 10/- each)	795
	2,072
Balance as at June 30, 2011	10,828
Subsequent Effects:	
Final cash dividend for the year 2010-11 @ 300% (Rs 30/- per share of Rs 10/- each)	2,074
	8,754



Dividend

The directors have recommended a final cash dividend @ 300% (Rs. 30/- per share of Rs. 10/- each). This is in addition to interim cash dividend @ 115% (Rs. 11.50 per share of Rs. 10/- each) already declared and paid to the shareholders thereby making a total of 415% for the year 2010-11.

Future Plans and Projects

To continue the Company's track record of building state of the art infrastructure and to dominate the downstream petroleum sector, the Company is endeavouring to set for the same level of growth in the times to come with the vision to maximize shareholders value in the tough and competitive environment. Construction of Bulk Oil Terminal at Port Qasim, Karachi is yet to be started. Considerable time for the development of the terminal

is lost since the Company has not been provided the peaceful possession of land. The Port Qasim Authority has been legally intimated in this regard.

In addition to enhancing its storage capacity at its existing Bulk Oil Terminals i.e., Rawalpindi and Machike, the Company is actively considering establishing storage terminals at other strategic locations of the Country like Mehmood Kot-Multan, Gatti-Faisalabad and Shikarpur.

The Company intends to finance all its future plans and projects through equity financing keeping in view the existing revenue reserves and bank balances.

CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance and the Board is

accountable to the shareholders for good corporate governance. The Company shall continue to comply with the provisions of best practices set out in the code and committed to conduct its business in line with Listing Regulations.

The Company is fully compliant with the code of corporate governance as per the requirements of the Listing Regulations. Specific statements are being given hereunder:

- 1) The financial statements, prepared by the management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- 2) Proper books of account of the Company have been maintained.
- 3) Appropriate accounting

Governance



- policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4) International Financial Reporting Standards, as applicable in Pakistan have been followed in the preparation of financial statements.
 - 5) The system of internal control is sound in design and has been effectively implemented and monitored.
 - 6) There are no doubts upon the Company's ability to continue as a going concern.
 - 7) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
 - 8) Significant deviations from the last year's operating results have been disclosed in the Directors' Report.
 - 9) The Company does not envisage corporate restructuring or discontinuation of its operations in the foreseeable future.
 - 10) Key operating and financial data of the last 6 years in summarised form is annexed with the Report.
 - 11) All major Government levies in the normal course of business, payable as at June 30, 2011, have been cleared subsequent to the year-end.
 - 12) The retirement benefit schemes were terminated effective September 30, 2009 and comparable amount is provided as part of salary.

A separate statement of compliance signed by the Chief Executive Officer is included in this annual report.

Shareholding

The total number of Company's shareholders as at June 30, 2011 was 2,635. The pattern of shareholding as at June 30, 2011 along with necessary disclosures as required under the Code of Corporate Governance is annexed.

Directors and Board Meetings

During the year, the Board of Directors met five times. The number of meetings attended by each director during the year is shown below:



Attock

Sr. No.	Name	Number of Meetings Attended
1	Dr. Ghaith R. Pharaon	*5
2	Mr. Laith Ghaith Pharaon	*5
3	Mr. Wael Ghaith Pharaon	*5
4	Mr. Shuaib A. Malik	5
5	Mr. M. Adil Khattak	5
6	Mr. Babar Bashir Nawaz	5
7	Mr. Munaf Ibrahim	4

* Overseas directors attended the meetings either in person or through alternate directors

CORPORATE SUSTAINABILITY

Contribution towards the Economy:
The Company contributed Rs. 23,696 million towards national exchequer in the form of taxes and levies and earned precious foreign exchange of US\$ 78 million through

export of products and commission on related services. The Company is providing premier quality petroleum products even in remote areas particularly the northern areas and interior Sindh through its network of retail outlets and distributors contributing for the



Governance



development of the local labour force, thus promoting employment, technical know-how and improving the earning capacities of the residents.

Human Resource Development: Human resources development is the key to swiftly developing “human assets” and helping employees to attain a professional skill level.

The Company continuously strives to create systems and a working environment through training and assessment, which promote professional capabilities enabling employees to deliver optimum results. The Company communicates clear and concise values to its workforce, emphasizing performance, integrity and commitment to community. Moreover Company comes across at human assets/

employees with honesty and equality, and by offering good pay and benefits, continuous training and development. This will ensure and effectively achieve not only a number of performance related gains, but also including increases in our Company’s productivity, profitability and competitive advantage, thus achieving a stronger economic performance.

Corporate Social Responsibility: The Company remains steadfast in its role to promote corporate social activities and has always desired to play a proactive role for social welfare and development of human capital.

Through the APL Employees Welfare Trust (Trust), the Company regularly awards educational scholarships to employees’ children based on financial need and academic

excellence. The Trust also provides health welfare assistance to the needy staff members. Further, in order to pass on the benefit of success we have set up number of outlets in the rural and deprived areas to provide employment and improving quality of life of the local populace.

Health, Safety and Environment Consciousness: Our goal is an accident and injury free workplace, with flawless safe work practices and conditions throughout our operations. APL considers safety, security, health and environmental compliance issues extremely important. These are core values that will not be compromised and ensures that these values are fully considered as we conduct our business. Company management systems provide a framework for setting targets, measuring performance



and reporting results, thus employing these systems to achieve continual improvement in our overall health and safety performance. High standards of health, environmental and safety performance underpin a culture of continual improvement.

The Company makes appropriate training instruction and supervision to personnel to enable them to attain the knowledge and skill levels necessary to perform their work incident free and maintaining appropriate contingency arrangements and continually monitoring, reviewing and improving HSE performance so that our activities can continue without interruption.

Energy Conservation: The Company has taken number of

steps to optimise energy consumption at its various Bulk Oil Terminals across the Country by introducing energy efficient processes. Further, employees are encouraged through on-going awareness programmes to conserve the use of electricity, gas and water.

AUDITORS

The auditors Messrs A. F. Ferguson and Co., Chartered Accountants, retire and offer themselves for reappointment. The Audit Committee of the Board has recommended for the re-appointment of the retiring auditors.

ACKNOWLEDGEMENT

We thank our esteemed shareholders, Government of

Pakistan and regulatory bodies for their continuing relationship and support towards the Company's progress. The Board also appreciates employees, customers and strategic partners for their dedication, commitment and contributions towards achieving new heights of success and commendable results.

On Behalf of the Board

Shuaib A. Malik
Chief Executive

Damascus, Syria.
September 10, 2011.

Pattern of Shareholding as on June 30, 2011

Serial No.	No. of Shareholders	Having Shares From	To	Shares Held	Percentage
1	418	1	100	17,328	0.03
2	527	101	500	142,152	0.21
3	1,194	501	1,000	996,484	1.44
4	325	1,001	5,000	768,077	1.11
5	60	5,001	10,000	435,184	0.63
6	21	10,001	15,000	250,247	0.36
7	18	15,001	20,000	325,555	0.47
8	7	20,001	25,000	161,066	0.23
9	6	25,001	30,000	171,523	0.25
10	7	30,001	35,000	238,040	0.34
11	6	35,001	40,000	223,544	0.32
12	1	40,001	45,000	40,500	0.06
13	3	45,001	50,000	141,958	0.21
14	1	50,001	55,000	54,000	0.08
15	3	55,001	60,000	173,855	0.25
16	1	60,001	65,000	65,000	0.09
17	1	65,001	70,000	67,590	0.10
18	3	70,001	75,000	222,259	0.32
19	2	75,001	80,000	152,568	0.22
20	1	95,001	100,000	99,000	0.14
21	1	105,001	110,000	110,000	0.16
22	1	110,001	115,000	113,400	0.16
23	1	115,001	120,000	120,000	0.17
24	1	120,001	125,000	124,983	0.18
25	1	125,001	130,000	126,489	0.18
26	1	135,001	140,000	140,000	0.20
27	1	145,001	150,000	150,000	0.22
28	2	160,001	165,000	322,352	0.47
29	1	195,001	200,000	200,000	0.29
30	1	225,001	230,000	226,244	0.33
31	1	235,001	240,000	239,329	0.35
32	1	240,001	245,000	244,582	0.35
33	1	245,001	250,000	248,400	0.36
34	1	265,001	270,000	268,217	0.39
35	1	270,001	275,000	274,579	0.40
36	1	305,001	310,000	308,500	0.45
37	1	325,001	330,000	326,054	0.47
38	1	615,001	620,000	620,000	0.90
39	1	645,001	650,000	648,662	0.94
40	1	745,001	750,000	746,594	1.08
41	1	840,001	845,000	840,585	1.22
42	1	1,025,001	1,030,000	1,026,017	1.48
43	1	1,520,001	1,525,000	1,520,640	2.20
44	1	2,185,001	2,190,000	2,187,176	3.16
45	1	4,645,001	4,650,000	4,648,352	6.73
46	1	4,850,001	4,855,000	4,850,496	7.02
47	1	4,855,001	4,860,000	4,858,848	7.03
48	1	15,120,001	15,125,000	15,120,115	21.88
49	1	23,760,001	23,765,000	23,763,456	34.38
	2,635			69,120,000	100.00

Categories of Shareholders as on June 30, 2011

Particulars	Shareholders	Shares Held	Percentage
DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSES & MINOR CHILDREN	9	4,997,816	7.23
ASSOCIATED COMPANIES, UNDERTAKINGS & RELATED PARTIES	5	50,113,555	72.50
NIT & ICP	1	268,217	0.39
BANKS, DFI & NBF	7	2,821,502	4.08
INSURANCE COMPANIES	6	2,326,835	3.37
MODARBAS & MUTUAL FUNDS	27	942,885	1.36
GENERAL PUBLIC (LOCAL)	2,444	3,575,804	5.17
GENERAL PUBLIC (FOREIGN)	25	40,973	0.06
FOREIGN COMPANIES	9	2,038,268	2.95
OTHERS	102	1,994,145	2.89
	2,635	69,120,000	100.00

Key Shareholding & Shares Traded**Number of
Shareholders****Number of
Shares****Associated Companies, Undertakings & Related Parties**

Pharaon Investment Group Limited Holding s.a.l.	1	23,763,456
Attock Refinery Limited	1	15,120,115
APL Employees Welfare Trust	1	4,858,848
Pakistan Oilfields Limited	1	4,850,496
The Attock Oil Company Limited	1	1,520,640

**Directors, Chief Executive Officer,
Their Spouses & Minor Children**

Dr. Ghaith R. Pharaon	1	1
Mr. Laith G. Pharaon	1	1
Mr. Wael G. Pharaon	1	1
Mr. Shuaib A. Malik (Director & Chief Executive Officer)	1	4,648,352
Mr. Babar Bashir Nawaz	1	1
Mr. M. Adil Khattak	1	29,377
Mr. Munaf Ibrahim	1	274,579
Mr. Iqbal A. Khwaja	1	10,080
Mr. Rehmat Ullah Bardaie	1	35,424

Executives 3 54,432**NIT & ICP**

NBP Trustees Department NI (U) T Fund 1 268,217

**Banks, Non Banking Financial Institutions,
Insurance Companies, Modarabas & Mutual Funds** 40 6,091,222**Shareholding 10% or More Voting Interest**

Pharaon Investment Group Limited Holding s.a.l.	1	23,763,456
Attock Refinery Limited	1	15,120,115

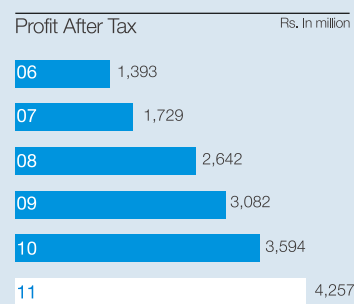
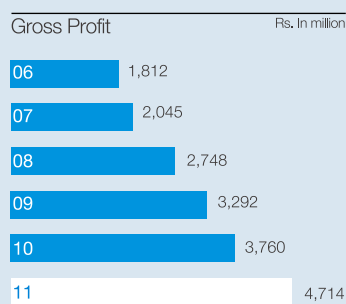
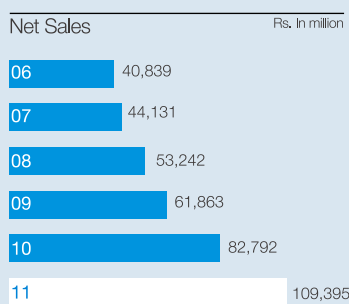
Trade in shares by Directors, CEO, CFO, Company Secretary, Executives and their spouses and minor children.

Name**No. of Shares
Purchased****No. of Shares
Sold**

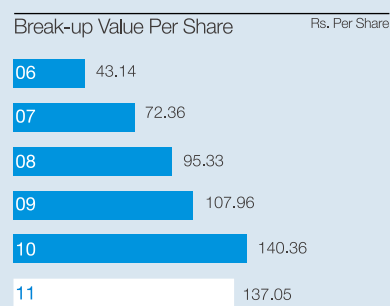
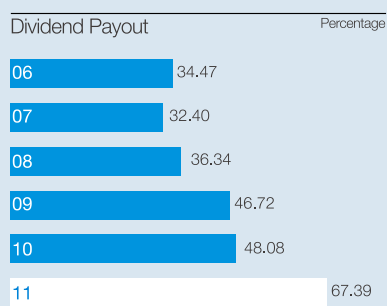
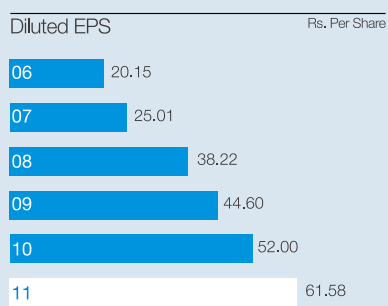
Chief Executive Officer Mr. Shuaib A. Malik	Nil	173,345
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Six Years at a Glance

		2011	2010	2009	2008	2007	2006
Profit & Loss Summary							
Net sales	Rs thousand	109,394,725	82,791,918	61,863,152	53,242,330	44,130,536	40,839,299
Gross profit	Rs thousand	4,714,218	3,759,884	3,292,350	2,748,401	2,044,971	1,811,855
Operating profit	Rs thousand	6,081,834	4,587,928	3,659,248	3,358,954	2,181,509	1,915,756
Profit before tax	Rs thousand	6,017,511	4,846,309	4,280,419	3,529,552	2,435,606	1,945,606
Profit after tax	Rs thousand	4,256,511	3,594,309	3,082,419	2,641,552	1,728,606	1,392,606
Profit before tax, depreciation & amortization (EBITDA)	Rs thousand	6,162,575	4,973,607	4,363,053	3,606,739	2,499,034	2,001,391
Balance Sheet Summary							
Share capital	Rs thousand	691,200	576,000	576,000	480,000	400,000	400,000
Reserves	Rs thousand	11,546,208	9,236,577	7,082,268	5,535,849	3,454,297	2,045,691
Property, plant & equipment	Rs thousand	1,374,767	1,217,217	1,130,875	922,621	601,326	520,948
Current assets	Rs thousand	22,247,396	19,429,233	16,408,160	13,881,634	7,995,195	5,728,928
Current liabilities	Rs thousand	12,613,827	11,917,167	10,938,626	9,842,350	5,402,649	4,427,804
Net current assets	Rs thousand	9,633,569	7,512,066	5,469,534	4,039,284	2,592,546	1,301,124
Capital expenditure during the year	Rs thousand	308,200	215,396	293,032	399,198	144,324	244,037
Long term / deferred liabilities	Rs thousand	320,316	288,908	251,538	135,137	126,821	129,638
Cash Flow Summary							
Cash flows from operating activities	Rs thousand	(2,668,549)	3,358,779	1,999,307	2,995,311	2,110,251	1,741,263
Cash flows from investing activities	Rs thousand	966,107	318,114	849,611	(386,025)	(5,165)	(369,450)
Cash flows from financing activities	Rs thousand	(1,944,108)	(1,437,573)	(1,533,404)	(559,115)	(319,305)	(358,057)
Effect of exchange rate changes	Rs thousand	1,903	623	1,505	911	124	74
Net change in cash & cash equivalents	Rs thousand	(3,644,647)	2,239,943	1,317,019	2,051,082	1,785,905	1,013,830
Cash & cash equivalents at end of the year	Rs thousand	6,030,206	9,674,853	7,434,910	6,117,891	4,066,809	2,280,904
Profitability and Operating Ratios							
Gross profit	%	4.31	4.54	5.32	5.16	4.63	4.44
Net profit to sales	%	3.89	4.34	4.98	4.96	3.92	3.41
EBITDA to sales	%	5.63	6.01	7.05	6.77	5.66	4.90
Operating leverage	%	75.21	39.08	131.39	217.53	312.51	79.31
Return on equity	%	40.96	44.05	48.86	58.77	62.86	91.06
Return on capital employed	%	50.71	50.88	58.38	62.24	68.01	90.23

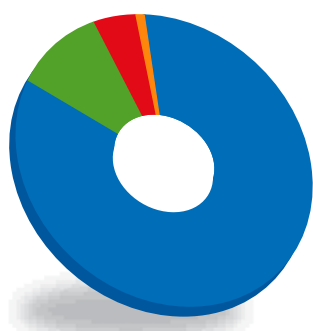


		2011	2010	2009	2008	2007	2006
Liquidity Ratios							
Current		1.76	1.63	1.50	1.41	1.48	1.29
Quick		1.35	1.55	1.49	1.38	1.42	1.28
Cash to current liabilities		0.48	0.81	0.68	0.62	0.75	0.52
Cash flows from operations to sales		(0.02)	0.04	0.03	0.06	0.05	0.04
Activity / Turn Over Ratios							
Inventory turnover		33.55	139.29	265.87	157.60	202.37	423.53
No. of days in inventory		10.88	2.62	1.37	2.32	1.80	0.86
Debtors turnover		12.95	10.73	9.06	12.79	17.63	29.39
No. of days in receivables		28.19	34.03	40.30	28.55	20.70	12
Creditors Turnover		9	7	6	7	9	15
No of days in creditors		41	51	64	55	40	25
Total assets turnover		4.76	4.17	3.66	4.35	5.66	9.04
Fixed assets turnover		84.41	70.52	60.25	69.87	78.64	95.40
Operating cycle		(2)	(15)	(22)	(24)	(18)	(12)
Number of retail outlets		318	277	246	209	177	145
Investment / Market Ratios							
Earning per share (EPS) after tax	Rs	61.58	62.40	53.51	55.03	43.22	34.82
Diluted EPS	Rs	61.58	52.00	44.60	38.22	25.01	20.15
Price earning		6.08	4.63	5.94	7.86	11.60	9.28
Dividend yield	%	12.08	8.61	9.16	3.85	3.51	4.07
Dividend payout	%	67.39	48.08	46.72	36.34	32.40	34.47
Dividend cover		1.48	2.08	2.14	2.75	3.09	2.90
Cash dividends	Rs thousand	2,868,480	1,728,000	1,440,000	960,000	560,000	480,000
Cash dividend per share	Rs	41.50	30.00	25.00	20.00	14.00	12.00
Bonus shares issued	Rs thousand	-	115,200	-	96,000	80,000	-
Bonus per share	%	-	20.00	-	20.00	20.00	-
Break-up value per share	Rs	137.05	140.36	107.96	95.33	72.36	43.14
Market value per share							
Year end	Rs	374	289	318	432	501	323
During the year							
Highest	Rs	401	405	432	634	501	437
Average	Rs	344	348	273	519	398	295
Lowest	Rs	281	275	130	404	295	152
Capital Structure Ratios							
Financial leverage		-	-	-	-	-	-
Weighted average cost of debt		-	-	-	-	-	-
Debt : equity		0:100	0:100	0:100	0:100	0:100	0:100
Interest cover		-	-	-	-	-	-
Market Share	%	7.90	7.00	6.60	6.50	7.00	7.90
(Source: OCAC)							



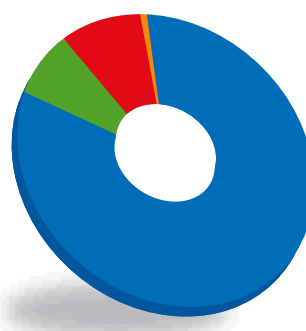
Statement of Value Added

	2011 Rs in thousand	%	2010 Rs in thousand	%
Gross revenue and other income	130,071,946		97,229,843	
Cost of sales and operating expenses	(101,763,526)		(73,555,877)	
Total value added	28,308,420		23,673,966	
DISTRIBUTION				
Employee remuneration:	210,134	0.74	180,169	0.76
Government as:				
Company taxation	1,761,000	6.22	1,252,000	5.29
Sales tax and levies	21,497,450	75.94	18,075,363	76.35
WPPF & WWF	437,706	1.55	444,827	1.88
Shareholders as:				
Dividends	2,868,480	10.13	1,728,000	7.30
Bonus share	-	-	115,200	0.49
Society as donation	555	0.00	-	-
Providers of finance as financial charges:	-	-	-	-
Retained in business				
Depreciation	145,064	0.51	127,298	0.54
Net earnings	1,388,031	4.90	1,751,109	7.40
	28,308,420	100.00	23,673,966	100.00



2011

- Employee remuneration 1%
- Government 84%
- Shareholders 10%
- Society 0%
- Providers of finance 0%
- Retained in business 5%

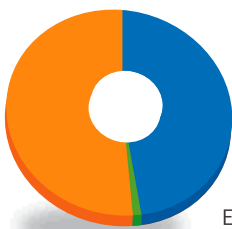


2010

- Employee remuneration 1%
- Government 83%
- Shareholders 8%
- Society 0%
- Providers of finance 0%
- Retained in business 8%

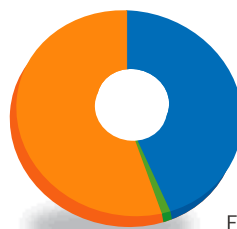


Graphical Analysis of Balance Sheet



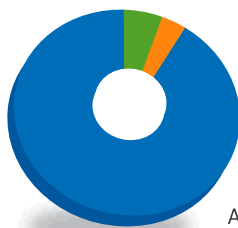
Equity & Liability
2011

- Shareholder Equity 47%
- Non-current Liabilities 1%
- Current Liabilities and Provisions 52%



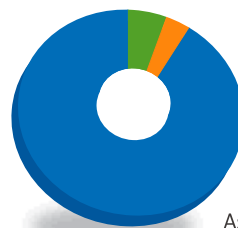
Equity & Liability
2010

- Shareholder Equity 43%
- Non-current Liabilities 1%
- Current Liabilities and Provisions 56%



Assets
2011

- Current Assets 91%
- Fixed Assets 6%
- Long-term investments in associated companies & Long-term prepayments 3%



Assets
2010

- Current Assets 91%
- Fixed Assets 6%
- Long-term investments in associated companies & Long-term prepayments 3%

Vertical Analysis

Balance Sheet Items	2011		2010	
	Rs. ('000)	%	Rs. ('000)	%
Property, Plant and Equipment	1,038,290	4.2	1,019,742	4.8
Capital Work in Progress	336,477	1.4	197,475	0.9
Other Non-Current Assets	858,188	3.5	796,202	3.7
Current Assets	22,247,396	90.9	19,429,233	90.6
Total Assets	24,480,351	100.0	21,442,652	100.0
<hr/>				
Shareholders' Equity	11,546,208	47.2	9,236,577	43.1
Long Term Deposits	209,316	0.9	178,908	0.8
Deferred Liability	111,000	0.5	110,000	0.5
Current Liabilities	12,613,827	51.5	11,917,167	55.6
Total Shareholders' Equity & Liabilities	24,480,351	100.0	21,442,652	100.0
<hr/>				
Profit & Loss Items				
Net Sales	109,394,725	100.0	82,791,918	100.0
Cost of Products Sold	104,680,507	95.7	79,032,034	95.5
Gross Profit	4,714,218	4.3	3,759,884	4.5
Other Operating Income	1,978,931	1.8	1,308,904	1.6
Operating Expenses	611,315	0.6	480,860	0.6
Operating Profit	6,081,834	5.6	4,587,928	5.5
Finance Cost	682,666	0.6	319,865	0.4
Income on Bank Deposits and Investments	962,838	0.9	980,736	1.2
Share of Profit of Associated Companies	93,211	0.1	42,337	0.1
Other Charges	437,706	0.4	444,827	0.5
Profit Before Taxation	6,017,511	5.5	4,846,309	5.9
Provision for Taxation	1,761,000	1.6	1,252,000	1.5
Profit for the Year	4,256,511	3.9	3,594,309	4.3
<hr/>				
Cash Flows				
Cash flows from / (used in) Operating activities	(2,668,549)	73.2	3,358,779	149.9
Cash flows from / (used in) Investing activities	966,107	(26.5)	318,114	14.2
Cash flows from / (used in) Financing activities	(1,944,108)	53.3	(1,437,573)	(64.2)
Effect of exchange rate changes	1,903	0.05	623	0.03
Increase in Cash & Cash Equivalents	(3,644,647)	100.0	2,239,943	100.0

2009		2008		2007		2006	
Rs. ('000)	%	Rs. ('000)	%	Rs. ('000)	%	Rs. ('000)	%
939,780	5.1	532,512	3.4	491,106	5.5	490,225	7.4
191,095	1.0	390,109	2.5	110,220	1.2	30,723	0.5
733,397	4.0	709,081	4.6	387,246	4.3	353,257	5.3
16,408,160	89.8	13,881,634	89.5	7,995,195	89.0	5,728,928	86.8
18,272,432	100.0	15,513,336	100.0	8,983,767	100.0	6,603,113	100.0
7,082,268	38.8	5,535,849	35.7	3,454,297	38.5	2,045,691	31.0
159,538	0.9	121,137	0.8	113,821	1.3	100,638	1.5
92,000	0.5	14,000	0.1	13,000	0.1	29,000	0.4
10,938,626	59.9	9,842,350	63.4	5,402,649	60.1	4,427,804	67.1
18,272,432	100.0	15,513,336	100.0	8,983,767	100.0	6,603,133	100.0
61,863,152	100.0	53,242,330	100.0	44,130,536	100.0	40,839,299	100.0
58,570,802	94.7	50,493,929	94.8	42,085,565	95.4	39,027,444	95.6
3,292,350	5.3	2,748,104	5.2	2,044,971	4.6	1,811,855	4.4
843,967	1.4	896,359	1.7	406,218	0.9	323,461	0.8
477,069	0.8	285,806	0.5	269,680	0.6	219,560	0.5
3,659,248	5.9	3,358,954	6.3	2,181,509	4.9	1,915,756	4.7
28,992	0.0	86,864	0.2	13,560	0.0	21,625	0.1
848,852	1.4	381,910	0.7	351,747	0.8	118,190	0.3
26,510	0.0	58,918	0.1	42,319	0.1	34,268	0.1
225,199	0.4	183,366	0.3	126,401	0.3	100,983	0.2
4,280,419	6.9	3,529,552	6.6	2,435,606	5.5	1,945,606	4.8
1,198,000	1.9	888,000	1.7	707,000	1.6	553,000	1.4
3,082,419	5.0	2,641,552	5.0	1,728,606	3.9	1,392,606	3.4
1,999,307	151.9	2,995,311	146.1	2,110,251	118.2	1,741,263	171.8
849,611	64.5	(386,025)	(18.8)	(5,165)	(0.3)	(369,450)	(36.4)
(1,533,404)	(116.4)	(559,115)	(27.3)	(319,305)	(17.9)	(358,057)	(35.3)
1,505	0.11	911	0.04	124	0.01	74	0.01
1,317,019	100.0	2,051,082	100.0	1,785,905	100.0	1,013,830	100.0

Horizontal Analysis

	2011		2010	
	Increase/(Decrease)		Increase/(Decrease)	
	from last year		from last year	
Balance Sheet Items	Rs. ('000)	%	Rs. ('000)	%
Property, Plant and Equipment	1,038,290	1.8	1,019,742	8.5
Capital Work in Progress	336,477	70.4	197,475	3.3
Other Non-Current Assets	858,188	7.8	796,202	8.6
Current Assets	22,247,396	14.5	19,429,233	18.4
Total Assets	24,480,351	14.2	21,442,652	17.3
Shareholders' Equity	11,546,208	25.0	9,236,577	30.4
Long Term Deposits	209,316	17.0	178,908	12.1
Deferred Liability	111,000	0.9	110,000	19.6
Current Liabilities	12,613,827	5.8	11,917,167	8.9
Total Shareholders' Equity & Liabilities	24,480,351	14.2	21,442,652	17.3
Profit & Loss Items				
Net Sales	109,394,725	32.1	82,791,918	33.8
Cost of Products Sold	104,680,507	32.5	79,032,034	34.9
Gross Profit	4,714,218	25.4	3,759,884	14.2
Other Operating Income	1,978,931	51.2	1,308,904	55.1
Operating Expenses	611,315	27.1	480,860	0.8
Operating Profit	6,081,834	32.6	4,587,928	25.4
Finance Cost	682,666	113.4	319,865	1,003.3
Income on Bank Deposits and Investments	962,838	(1.8)	980,736	15.5
Share of Profit of Associated Companies	93,211	120.2	42,337	59.7
Other Charges	437,706	(1.6)	444,827	97.5
Profit Before Taxation	6,017,511	24.2	4,846,309	13.2
Provision for Taxation	1,761,000	40.7	1,252,000	4.5
Profit for the Year	4,256,511	18.4	3,594,309	16.6
Cash Flows				
Cash flows from / (used in) Operating activities	(2,668,549)	(179.4)	3,358,779	67.9
Cash flows from / (used in) Investing activities	966,107	203.7	318,114	(62.6)
Cash flows from / (used in) Financing activities	(1,944,108)	35.2	(1,437,573)	(6.2)
Effect of exchange rate changes	1,903	205.4	623	(58.6)
Increase in Cash & Cash Equivalents	(3,644,647)	(262.7)	2,239,943	70.1

2009		2008		2007		2006	
Increase/(Decrease)		Increase/(Decrease)		Increase/(Decrease)		Increase/(Decrease)	
from last year		from last year		from last year		from last year	
Rs. ('000)	%	Rs. ('000)	%	Rs. ('000)	%	Rs. ('000)	%
939,780	76.5	532,512	8.4	491,106	0.2	490,225	61.8
191,095	(51.0)	390,109	253.9	110,220	258.8	30,723	(4.7)
733,397	3.4	709,081	83.1	387,246	9.6	353,257	289.0
16,408,160	18.2	13,881,634	73.6	7,995,195	39.6	5,728,928	183.3
18,272,432	17.8	15,513,336	72.7	8,983,767	36.1	6,603,113	169.7
7,082,268	27.9	5,535,849	60.3	3,454,297	68.9	2,045,691	101.9
159,538	31.7	121,137	6.4	113,821	13.1	100,638	19.7
92,000	557.1	14,000	7.7	13,000	(55.2)	29,000	107.1
10,938,626	11.1	9,842,350	82.2	5,402,649	22.0	4,427,804	231.3
18,272,432	17.8	15,513,336	72.7	8,983,767	36.1	6,603,133	169.8
61,863,152	16.2	53,242,330	20.6	44,130,536	8.1	40,839,299	312.1
58,570,802	16.0	50,493,929	20.0	42,085,565	7.8	39,027,444	311.7
3,292,350	19.8	2,748,104	34.4	2,044,971	12.9	1,811,855	320.3
843,967	(5.8)	896,359	120.7	406,218	25.6	323,461	22.4
477,068	66.9	285,806	6.0	269,680	22.8	219,560	67.4
3,659,248	8.9	3,358,954	54.0	2,181,509	13.9	1,915,756	239.6
28,992	(66.6)	86,864	540.2	13,560	(37.3)	21,625	410.3
848,852	122.3	381,910	8.6	351,747	197.6	118,190	301.2
26,510	(55.0)	58,918	39.2	42,319	23.5	34,268	83,680.5
225,199	22.8	183,366	45.1	126,401	25.2	100,983	242.7
4,280,419	21.3	3,529,552	44.9	2,435,606	25.2	1,945,606	247.5
1,198,000	34.9	888,000	25.6	707,000	27.8	553,000	456.2
3,082,419	16.7	2,641,552	52.8	1,728,606	24.1	1,392,606	202.5
1,999,307	(33.2)	2,995,311	42.0	2,110,251	21.2	1,741,263	94.6
849,611	(320.1)	(386,025)	7,373.9	(5,165)	(98.6)	(369,450)	257.7
(1,533,404)	174.3	(559,115)	75.1	(319,305)	(10.8)	(358,057)	198.4
1,505	65.2	911	634.6	124	67.5	74	23.3
1,317,019	(35.8)	2,051,082	14.8	1,785,905	76.2	1,013,830	50.9

Review Report to the Members on Statement of Compliance with best practices of Code of Corporate Governance



A. F. FERGUSON & CO.

Review Report to the Members on Statement of Compliance with best practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Attock Petroleum Limited, to comply with the Listing Regulation No 35 of the Karachi Stock Exchange (Guarantee) Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub - Regulation (xiii a) of Listing Regulations 35 notified by the Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated January 19, 2009 requires the Company to place before the board of directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevails in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of the approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2011.

Chartered Accountants

Islamabad
September 10, 2011

Engagement partner:
M. Imtiaz Aslam

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
PIA Building, 3rd Floor, 49 Blue Area, Fazl-ul-Haq Road, P.O. Box 3021, Islamabad-44000, Pakistan
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Lahore: 23-C, Aziz Avenue, Canal Bank, Gulberg V, P.O. Box 39, Lahore-54660, Pakistan; Tel: +92 (42) 35715864-71; Fax: +92 (42) 35715872
Kabul: House No. 1916, Street No. 1, Behind Cinema Bariqot, Nahar-e-Darsan, Karte-4, Kabul, Afghanistan; Tel: +93 (779) 315320, +93 (799) 315320

Statement of Compliance with the Code of Corporate Governance for the Year Ended June 30, 2011

This statement is being presented to comply with the Code of Corporate Governance contained in regulation No. 35 of the Listing Regulations of the Karachi Stock Exchange for the purpose of establishing a framework of good corporate governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes six non-executive directors of whom one is independent director representing institutional equity interest and minority shareholders.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs. None of the directors or their spouses are engaged in the business of stock brokerage.
4. No casual vacancy occurred in the Board.
5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.
6. The Board has developed vision and mission statements, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and in his absence, by CEO or a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board of directors have been provided with in-house briefings to apprise them of their duties and responsibilities. Further, one Director has completed the Board Development Series program conducted by the Pakistan Institute of Corporate Governance.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
11. The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.

Statement of Compliance with the Code of Corporate Governance for the Year Ended June 30, 2011

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors including the Chairman of the Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of the interim and financial results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has set up an effective internal audit function.
18. All related party transactions have been placed before the Audit Committee and Board of Directors and have been approved by the Board of Directors in accordance with the Listing Regulations of the Karachi Stock Exchange.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. We confirm that all other material principles contained in the Code have been complied with.



Shuaib A. Malik
Chief Executive

Damascus, Syria
September 10, 2011

Supreme 7

 **QUALITY LUBRICANTS**



A green metal shelving unit with three tiers. The top tier holds several red and blue plastic bottles. The middle tier holds three yellow plastic jugs. The bottom tier holds several red plastic jugs. All bottles and jugs feature the AE logo.



A white and black fuel pump station. The pump has a digital display and a keypad. A large AE logo is visible on the front panel of the pump.

