



ATTOCK PETROLEUM LIMITED

DIRECTORS' REVIEW

The Board of Directors of Attock Petroleum Limited has pleasure in presenting a brief review on the affairs of the Company together with the financial statements for the quarter ended September 30, 2010.

The Company earned profit after tax of Rs 875 million for the quarter ended September 30, 2010 (quarter ended September 30, 2009: Rs 734 million). The results translate into earnings per share of Rs 15.19 against Rs 12.74 earned during same period last year. The profitability increased due to improved product mix, better inventory control and funds management.

In line with APL's commitment to broaden its base within the oil and gas industry of Pakistan and establishing and strengthening its network of retail outlets, 8 new retail outlets were commissioned during the quarter bringing the total number of operational retail outlets to 285 as on September 30, 2010. Renovation of our existing retail outlets to address more attractive appearance and better services is in progress. The Company is making significant investments realizing the market competition and considering the needs of the customers by providing state-of-the-art facilities.

While unforeseeable and competitive external factors within the political and economic domain will continuously linger, to drive the consistency in the growth of the company we are well positioned to meet with challenging circumstances.

Continuing its thrust on the up-gradation, enhancement and development of infrastructure and to ensure uninterrupted supplies of petroleum products to its retail outlets and other customers, the Company has undertaken to enhance its operational capacities at both, Rawalpindi bulk oil terminal and Machike bulk oil terminal. With the finalization of this enhancement, APL's storage capacity shall be significantly increased.

Further, the Company has also entered into a Joint Venture with Askari CNG, which is currently operating 52 CNG outlets, to convert 20 of its existing CNG outlets into multi-fuel facility outlets. These outlets will be converted into the APL brand and commissioned as soon as the process of acquiring pre-requisite licenses is completed.

ATTOCK PETROLEUM LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Share capital	Special reserve	Unappropriated profit	Total
	Rupees ('000)			
BALANCE AS AT JUNE 30, 2009	576,000	34,097	6,472,171	7,082,268
Total comprehensive income for the quarter ended September 30, 2009	-	-	733,557	733,557
Transfer from special reserve by associated companies	-	(3,765)	3,765	-
Transaction with owners:				
Final dividend @ 150% relating to the year ended June 30, 2009	-	-	(864,000)	(864,000)
Total transactions with owners	-	-	(864,000)	(864,000)
BALANCE AS AT SEPTEMBER 30, 2009	576,000	30,332	6,345,493	6,951,825
Total comprehensive income for the nine months ended June 30, 2010			2,860,752	2,860,752
Transfer from special reserve by associated companies		(13,289)	13,289	
Transaction with owners:				
Interim dividend @ 100% relating to the year ended June 30, 2010	-	-	(576,000)	(576,000)
Total transactions with owners	-	-	(576,000)	(576,000)
BALANCE AS AT JUNE 30, 2010	576,000	17,043	8,643,534	9,236,577
Total comprehensive income for the quarter ended September 30, 2010	-	-	875,113	875,113
Transfer from special reserve by associated companies	-	(2,347)	2,347	-
BALANCE AS AT SEPTEMBER 30, 2010	576,000	14,696	9,520,994	10,111,690

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

Sd/-
Chief Executive

Sd/-
Director

ATTOCK PETROLEUM LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Quarter ended	
	September 30, 2010	September 30, 2009
	Rupees ('000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	19,353,037	18,780,535
Price differential claims received from Government	-	490,000
Payments for purchase of products and expenses	(20,116,132)	(19,100,182)
Workers' profit participation fund receipts	7,060	9,801
Long term deposits received	6,701	8,574
Income tax paid	(313,651)	(51,262)
Cash flow from operating activities	<u>(1,062,985)</u>	<u>137,466</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(62,854)	(66,066)
Proceeds from sale of property, plant and equipment	1,788	3,801
Short term investments	640,139	(198,125)
Income received on bank deposits and short term investments	270,680	270,818
Cash flow from investing activities	849,753	10,428
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(276)	(857,232)
Cash flow from financing activities	<u>(276)</u>	<u>(857,232)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	(213,508)	(709,338)
CASH AND CASH EQUIVALENTS AT JULY 1	<u>9,275,603</u>	<u>7,434,910</u>
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30 (Note 16)	<u><u>9,062,095</u></u>	<u><u>6,725,572</u></u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

Sd/-
Chief Executive

Sd/-
Director

ATTOCK PETROLEUM LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Note	Quarter ended	
		September 30, 2010	September 30, 2009
		Rupees ('000)	
PROFIT FOR THE PERIOD		875,113	733,557
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>875,113</u>	<u>733,557</u>

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Sd/-
Chief Executive

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Director

ATTOCK PETROLEUM LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Note	Quarter ended	
		September 30, 2010	September 30, 2009
		Rupees ('000)	
Sales		21,157,066	18,973,182
Sales tax		<u>(2,774,197)</u>	<u>(2,435,148)</u>
NET SALES		18,382,869	16,538,034
Cost of products sold		<u>(17,541,611)</u>	<u>(15,778,918)</u>
GROSS PROFIT		841,258	759,116
Other operating income	12	435,882	185,559
Operating expenses		<u>(137,499)</u>	<u>(120,659)</u>
OPERATING PROFIT		1,139,641	824,016
Finance cost	13	(169,719)	(10,519)
Income on bank deposits and short term investments		279,199	253,228
Share of profit of associated companies		26,716	6,168
Other charges	14	<u>(85,724)</u>	<u>(53,336)</u>
PROFIT BEFORE TAXATION		1,190,113	1,019,557
Provision for taxation	15	<u>(315,000)</u>	<u>(286,000)</u>
PROFIT FOR THE PERIOD		<u><u>875,113</u></u>	<u><u>733,557</u></u>
Earnings per share - Basic and diluted (Rupees)		15.19	12.74

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

Sd/-
Chief Executive

Sd/-
Director

ATTOCK PETROLEUM LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2010 (UNAUDITED)

	September 30, 2010	June 30, 2010		September 30, 2010	June 30, 2010	
Note	Rupees ('000)		Note	Rupees ('000)		
SHARE CAPITAL AND RESERVES			NON CURRENT ASSETS			
Authorised capital 150,000,000 (June 30, 2010: 150,000,000) ordinary shares of Rs 10 each	<u>1,500,000</u>	<u>1,500,000</u>	Property, plant and equipment	6	1,244,763	1,217,217
Issued, subscribed and paid up capital 57,600,000 (June 30, 2010: 57,600,000) ordinary shares of Rs 10 each	576,000	576,000	Long term investments in associated companies	7	792,455	765,739
Reserves			Long term prepayments		26,546	30,463
Special reserve	14,696	17,043	CURRENT ASSETS			
Revenue reserve Unappropriated profit	<u>9,520,994</u>	<u>8,643,534</u>	Stores and spares		7,942	6,630
	10,111,690	9,236,577	Stock in trade	8	1,959,018	993,282
NON CURRENT LIABILITIES			Trade debts	9	6,828,002	7,602,060
Long term deposits	185,609	178,908	Advances, deposits, prepayments and other receivables	10	508,748	719,904
Deferred income tax liability	105,000	110,000	Short term investments		822,886	831,754
	290,609	288,908	Cash and bank balances	11	8,454,588	9,275,603
CURRENT LIABILITIES					18,581,184	19,429,233
Trade and other payables	9,873,190	11,554,057				
Provision for income tax	369,459	363,110				
	10,242,649	11,917,167				
CONTINGENCIES AND COMMITMENTS						
	<u>20,644,948</u>	<u>21,442,652</u>			<u>20,644,948</u>	<u>21,442,652</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

Sd/-
Chief Executive

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Director

ATTOCK PETROLEUM LIMITED
SELECTED NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

1. LEGAL STATUS AND OPERATIONS

Attock Petroleum Limited (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 principal activity of the Company is procurement, storage and marketing of petroleum and related products. Pharaon Investment Group Limited Holding s.a.l holds 34.38% (June 30, 2010: 34.38%) shares of the Company.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting'.

3. SIGNIFICANT ACCOUNTING POLICIES

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.

	September 30, 2010	June 30, 2010
	Rs ('000)	
4. TRADE AND OTHER PAYABLES		
Creditors	5,105	2,159
Due to related parties (note 4.1)	7,997,801	9,393,768
Accrued liabilities	493,770	628,211
Advance from customers	1,171,160	1,410,407
Retention money	15,080	14,687
Workers' welfare fund	119,547	96,279
Workers' Profit Participation fund	62,456	-
Unclaimed dividend	8,271	8,546
	<u>9,873,190</u>	<u>11,554,057</u>
4.1 Due to related parties		
Attock Refinery Limited	6,606,716	6,670,647
National Refinery Limited	1,380,694	2,704,554
Pakistan Oilfields Limited	10,298	18,414
Attock Cement Pakistan Limited	93	153
	<u>7,997,801</u>	<u>9,393,768</u>

5. CONTINGENCIES AND COMMITMENTS

(i) Tax contingency related to proration of expenses against local and export sales for prior years, as per show cause notices of tax department	894,813	894,813
(ii) Corporate guarantees and indemnity bonds issued by the Company to the Commissioner Inland Revenue, Islamabad	4,533,936	5,223,003
(iii) Guarantees issued by bank on behalf of the Company	40,345	40,345
(iv) Capital expenditure commitments	87,718	137,485
(v) Commitments for rentals of assets under operating lease agreements as at September 30, 2010 amounting to Rs 284,329 thousand (June 30, 2010: Rs 215,756 thousand) payable as follows:		
Not later than one year	29,141	20,282
Later than one year and not later than five years	110,515	78,540
Later than five years	144,673	116,934

	Three months to September 30, 2010	Year ended June 30, 2010
	Rs ('000)	
6. PROPERTY, PLANT AND EQUIPMENT		
Opening net book value	1,019,742	939,780
Additions	36,334	209,016
Disposals		
Cost	(5,007)	(30,441)
Depreciation	3,744	28,685
	(1,263)	(1,756)
Depreciation charge	34,045	127,298
Closing net book value	1,020,768	1,019,742
Capital work in progress	223,995	197,475
	<u>1,244,763</u>	<u>1,217,217</u>

7. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES

Balance at beginning of the period / year	765,739	733,397
Share of profit of associated companies	26,716	37,302
Impairment reversal of investment in National Refinery Limited	-	5,035
	26,716	42,337
Dividend from associated companies	-	(9,995)
Balance at end of the period / year	<u>792,455</u>	<u>765,739</u>

	September 30, 2010		June 30, 2010	
	Holding %	Amount Rs ('000)	Holding %	Amount Rs ('000)
7.1 The Company's interest in associated companies is as follows:				
Quoted				
National Refinery Limited	1.00	451,246	1.00	438,067
Attock Refinery Limited	1.56	374,938	1.56	361,613
Unquoted				
Attock Information Technology Services (Private) Limited	10.00	7,104	10.00	6,892
Carrying value on equity method		833,288		806,572
Less: Impairment loss - National Refinery Limited (note 7.2)		(40,833)		(40,833)
		<u>792,455</u>		<u>765,739</u>

7.2 Impairment loss is based on a valuation analysis carried out as at June 30, 2010 by an external investment advisor engaged by the Company. The recoverable amount has been estimated on a value in use calculation.

8. STOCK IN TRADE

It includes Company's share of pipeline stock amounting to Rs 608,753 thousand (June 30, 2010: Rs 304,729 thousand) and Rs 334,629 thousand (June 30, 2010: Rs 109,970 thousand) held by Pak-Arab Pipeline Company Limited and Pak-Arab Refinery Limited respectively.

9. TRADE DEBTS

Trade debts include Rs 5,892,717 thousand (June 30, 2010: Rs 5,824,567 thousand) due from related parties.

	September 30, 2010	June 30, 2010
	Rs ('000)	
10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances	134,040	312,463
Trade deposits and short term prepayments	52,813	27,492
Current account balances with statutory authorities	95,842	103,176
Accrued income	77,324	92,569
Price differential claim receivable from the Government	47,638	47,638
Receivable from oil marketing companies under freight pool	87,882	116,238
Claims receivable	846	844
Due from related parties- unsecured		
Staff Pension Fund	10,700	10,700
Staff Provident Fund	544	522
Attock Information Technology Services (Private) Limited	503	615
The Attock Oil Company Limited	261	232
Workers' profit participation fund	-	7,060
Others	355	355
	<u>508,748</u>	<u>719,904</u>

11. CASH AND BANK BALANCES

Cash in hand	945	901
Bank balances		
On short term deposits	6,970,000	8,159,000
On interest/mark-up bearing saving accounts (includes US \$ 103 thousand; 2010: US \$103 thousand)	1,116,338	632,798
On current accounts (includes US \$ 2,287 thousand; 2010: US \$2,288 thousand)	367,305	482,904
	<u>8,453,643</u>	<u>9,274,702</u>
	<u>8,454,588</u>	<u>9,275,603</u>

11.1 Short term deposits of Rs 40,345 thousand (June 30, 2010: Rs 53,405 thousand) were under lien with banks against letters of guarantees and letters of credits.

	Quarter ended	
	September 30, 2010	September 30, 2009
	Rs ('000)	
12. OTHER OPERATING INCOME		
Commission and handling income	227,166	179,583
Mark-up on late payments	169,691	-
Exchange gain	31,929	-
Other income	7,096	5,976
	<u>435,882</u>	<u>185,559</u>

	Quarter ended	
	September 30, 2010	September 30, 2009
	Rs ('000)	
13. FINANCE COST		
Late payment charges	163,165	-
Bank charges	6,554	10,519
	<u>169,719</u>	<u>10,519</u>
14. OTHER CHARGES		
Workers' profit participation fund	62,456	53,336
Worker's welfare fund	23,268	-
	<u>85,724</u>	<u>53,336</u>
15. PROVISION FOR TAXATION		
Current	320,000	281,000
Deferred	(5,000)	5,000
	<u>315,000</u>	<u>286,000</u>
16. CASH AND CASH EQUIVALENTS		
Cash and bank balances	8,454,588	6,725,572
Short term investments	607,507	-
	<u>9,062,095</u>	<u>6,725,572</u>
17. TRANSACTIONS WITH RELATED PARTIES		
Associated companies		
Purchase of petroleum products	15,796,539	13,953,684
Sale of petroleum products	2,986,273	2,877,917
Commission, handling and other income	227,166	179,583
Mark-up on late payments	169,691	-
Late payment charges	163,165	-
Administrative services expense	22,941	5,867
Other related parties		
Remuneration of Chief Executive and key management personnel including benefits and perquisites	6,005	8,445
Contribution to staff retirement benefits plans		
Staff Pension fund trust	-	1,647
Staff Provident fund trust	-	838
Contribution to workers' profit participation fund	62,456	53,336

18. SEGMENT REPORTING

18.1. As described in note 1 to these financial statements the Company markets petroleum products. Revenue from external customers for products of the Company are as follows:

Product	Quarter ended	
	September 30, 2010	September 30, 2009
	Rs ('000)	
High Speed Diesel	6,394,850	7,097,695
Furnace Fuel Oil	7,280,699	3,975,343
Bitumen	2,215,240	3,320,411
Others	5,266,277	4,579,733
	<u>21,157,066</u>	<u>18,973,182</u>

18.2. Revenues of Rs 2,863,014 thousand (2009: Rs 2,709,131 thousand) are derived from a single external customer.

19. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on September 29, 2010 have proposed a final cash dividend for the year ended June 30, 2010 @ Rs 20 per share, amounting to Rs 1,152,000 thousand and bonus issue @ 20% i.e; one share for every five shares held for the approval of the members in the Annual General Meeting to be held on October 29, 2010.

20. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on October 28, 2010.

Sd/-
Chief Executive

Sd/-
Director

At the end the Board expresses its gratitude and appreciation to all staff members for their hard work and contribution and thanks to the shareholders, customers, suppliers, other business partners/ associates and Government authorities for persistent reliance and co-operation leading us to achieve noteworthy performance and outstanding results of the Company.

On Behalf of the Board

**Islamabad,
October 28, 2010**

**SHUAIB A. MALIK
CHIEF EXECUTIVE**