

# Message to the Shareholders

As at 31 December 2002

In 2002, the company completed the basic engineering designs and selected the construction company to undertake the construction of the project. An agreement has been made with NOCZIM and PETROMOC for using the tanks when completed. Discussions with South African banks continued regarding the project funding. It is expected that, the funding process will be finalized and construction will commence during the first quarter of 2003.

## • Petroleum Products Storage Project in Djibouti:

By the end of 2002, the company agreed to participate in the development of a storage terminal in Djibouti, with the following shareholding:

- 1- Djibouti Government holding 15%
- 2- Porea International holding 20%
- 3- ENOC holding 50%
- 4- IPG holding 15%

The project aims to build a 200,000 cubic meter petroleum product storage facility. The engineering study is currently underway and construction is expected to start in 2003.

## Staff and Administration

During 2002, the company implemented its plan for filling staff vacancies in various departments. This included, for instance, the recruitment of General Manager-Marketing ,and Manager- Logistics, in addition to two accountants in the Finance Department. Furthermore, in line with the company's keen objective to attract national manpower, a Kuwaiti Manager was recruited for Business Development in addition to two Kuwaiti employees who are undergoing marketing training. Also based on the company's on-going plan

to upgrade performance and boost employee loyalty, work continued to support each and every employee through providing suitable training and provision of satisfactory administrative services.

To cope with technological developments, IPG implemented an overall restructuring of its IT infrastructure. Two main servers were procured for filing and applications, and systems were upgraded to the newest versions available. Additionally, measures were taken to ensure development of an Internet and email service and broaden usage throughout the company. An integrated Staff Salary Program was procured and put into use. Also the company's Web Site was activated during the year.

Finally, the Board would like to extend sincere gratitude and appreciation to the shareholders for their valued trust, and to our staff whose continued and sincere dedication contributed much to bringing in such good results in spite of the hardships confronted in the petroleum and financial markets worldwide.

## Board of Directors

# Financial Highlights

Million KD, except per share amount and ratio data	2000	2001	2002
Sales	228.9	186.4	275
Gross Margin %	4.1%	4.2%	1.7%
Operating Profit	6.7	5.4	2.8
Net Profit	7.3	5.6	1.9
Earning Per Share - Fils	72.3	54.9	18.9
Price Earning - Time	6.6	9.8	21.7
Book Value - Fils	294	297	273
Cash Dividend %	50%	40%	20%
Dividend Yield %	10.4%	7.4%	4.9%
Return on Average Capital Employed %	20.3%	14%	4.9%
Total Assets	73.2	75.9	94.6
Shareholder Equity	29.6	30.3	28
Return on average Equity %	27.4%	18.7%	6.6%

