



Gulf Oil Corporation Limited

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Press Release

for Immediate Publication

GULF OIL Net Profit increases by 62% in Q1

Highlights for Q1

- Lubricants Division turnover grows by 47% and Profit by 32%**

Mumbai, 2nd August 2011: Gulf Oil Corporation Limited, a Hinduja Group Company, has reported a 62% increase in Profit for Q1 at Rs. 15.06 crores as against Rs. 9.31 crores in the same quarter last year.

Division wise performance and highlights are as under:

LUBRICANTS DIVISION:

The Lubricants Division achieved a significant increase in revenues and volumes in Q1. The Gross turnover increased to Rs. 206 Crores as compared to Rs. 140 Crores in the corresponding quarter of the previous year i.e. a growth of 47% on QoQ basis. Profit Before Interest for the quarter has also increased by 32% over the corresponding quarter of the previous year mainly on account of the increased volumes achieved by the Division

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Overall demand conditions in the lube industry remained positive but with a slightly negative sentiment on the future outlook for OEM factory fill business as the earlier growth rate of around 25% YoY in the auto industry for the last two years slacken. In spite of these challenges, the Division has grown in volumes well ahead of the industry and achieved faster growth than other competitors and increased its market share.

The Division continued to grow its channel volumes with promotions and distribution initiatives executed across core segments of New Generation Diesel Engine Oils, Motorcycle Oils (4T) and Passenger Car Motor Oils.

The Company launched campaigns across television and outdoor in the South during and post IPL season to strengthen its brand positioning as the 'Leader in Long-Drain Lubricants' with creatives featuring Mahendra Singh Dhoni, Suresh Raina & Albie Morkel from Chennai Super Kings.

The King-of-the-Road-2 consumer and mechanic promotion was launched across India, which received a good response to boost secondary and tertiary sales.

EXPLOSIVES DIVISION

The Explosives Division with only the detonators business after demerging of the packaged and bulk explosives business (with effect from 1st October, 2010) achieved sales of Rs. 24 crores in Q1. It may be noted that explosives undertaking covering the packaged and bulk explosives have been demerged into a 100% subsidiary, IDL Explosives Limited, and, hence, Q1 results are not comparable with the corresponding quarter of the previous year.

The existing electronic detonator range developed has been enhanced with a new product namely field programmable electronic detonators. This product has programmable electronic chips integrated into the detonators, therefore, it allows the programming of the delay timings by the users depending on mining parameters. Use of the new product reduces noise levels, shock and vibration from the blast very significantly besides allowing for higher blast sizes and efficiencies.

MINING AND INFRASTRUCTURE DIVISION (IDLconsult)

IDLconsult, the Contract Mining and Infrastructure Division achieved a revenue of Rs. 16 crores in the Q1.

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During the quarter, a new project for excavation of an irrigation canal for a period of 20 months started. This project is part of the large irrigation plan – “ Pranhita Chevella ” which is an ambitious target covering over 2 lakhs acres of land in the Telangana region. Mobilisation has been completed and regular operations have commenced.

PROPERTY DEVELOPMENT

Work on the two 100 ft. roads, one passing through the property and the other along the boundary of the property at Hyderabad has commenced.

Construction work on the Bangalore property is being commenced from September 2011.

For further information please visit www.gulfoilcorp.com or contact:

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