



Gulf Oil Corporation Limited

Corporate Office

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October 30, 2010

**The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Fax: 022-22723121/2027/2041/2061/3719**

**National Stock Exchange of India
Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051
Fax: 022 - 2659 8237/38, 2659 8347/48**

Dear Sir,


Press Release- BSE Scrip Code - 506480 / NSE - GULFOILCOR

Please find enclosed Press Release of the Company dated 30th October 2010

This is for your information and records.

Thanking you,

Yours faithfully,
For Gulf Oil Corporation Limited


S. Subramanian
Chief Financial Officer & Company Secretary

Encl: a/a



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Press Release

for Immediate Publication

Gulf Oil Q2 Profit at ₹ 12.32 crores

Highlights for Q2

- Total Income higher by 8.5% to ₹ 273 crores (₹ 251 crores)
- Profit of ₹ 12.32 crores

Mumbai, October 30th, 2010: Gulf Oil Corporation Ltd., a Hinduja Group Company, has reported a 8.5% increase in income in Q2. Profit after tax was ₹ 12.32 crores (₹ 12.28 crores) after considering a one time impact due to suspension of operations at the Hyderabad Works over one month. The loss in production and sales will be covered during the ensuing busy season of Q3 / 4.

Division wise performance and highlights are as under:

LUBRICANTS DIVISION:

During the second quarter of the financial year 2010-11, the Lubricants Division achieved a gross turnover of ₹ 161 crores as compared to ₹ 124 crores in the corresponding quarter of the previous year registering a top line growth of 30%.

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Overall profitability improved on account of volume growth, better price realization levels, cost management and lower interest costs.

The growth trend of Automobile Industry continued in all the segments of Commercial vehicles, Cars and 2-wheelers with 25-35% growth rate in Quarter 2. Leveraging the buoyancy in the market and through brand building initiatives, the Lube division achieved higher growth rates compared to the Lube market competitors. The division also launched five new SKUs to reach to new customers in Commercial, Cargo and Multi-utility vehicle segments.

The Division focused on aggressive growth in Hi-end segments which enabled the achievement of higher realisation and margins.

An innovative Consumer scheme – Gulf King of the Road – was launched to energise Trade and attract consumers and drive tertiary sales. The scheme was promoted through TV advertisements in Hindi, Telugu and Tamil channels for an all India reach and supported by High visibility program in the market through a Dealer Display scheme in key cities and towns. Rewards were also provided by key influencers – the garage Mechanics.

The Division continued its technological up-gradation of Product portfolio in commercial vehicles by closely working with OEMs (vehicle manufacturers) for development of Engine Oils / Gear Oils and Speciality products for new generation vehicles and Euro-4 compliant vehicles.

EXPLOSIVES DIVISION

During the quarter, Explosives Division achieved a sales Turnover of ₹ 76 crores, (Previous Year : ₹ 75 crores).

The second quarter of the year was particularly difficult as the country experienced a heavy and extended monsoon this year. While, a good monsoon is good for the growth of our economy in general, extended rains in most of the mining areas, slowed down the demand of explosives in the mining industry during the quarter. Rains also slowed down the demand of explosives in the construction industry during the quarter. Suspension of operations at Hyderabad Works in September also had an impact of ₹ 5 crores on turnover during the quarter. Hyderabad Works resumed operations from 8th October. Consumption of explosives will return to normal levels with the withdrawal of the monsoons and start of the 'busy season'.

MINING AND INFRASTRUCTURE DIVISION (IDLconsult DIVISION)

IDLconsult Division reported a turnover of ₹ 36 crores in Q2 (Previous Year : ₹ 51 crores), based on activity in long term contracts for service in coal and metal mining sectors.

Major revenue during the quarter came from large open cast coalmine operation at Nigahi Project in NCL (a subsidiary of Coal India Limited). However, reduction in revenue, compared to previous year, was on account of completion of the large 36 months' coal-Project at Dudhichua in November 2009 and reduction in iron ore mining activities in Orissa this year due to environment issues linked to mining projects in the State.

The Division's operation in the Karnataka region have been continuing. The four years' Mining contract with Uranium Corporation has stabilized and the manganese ore mining for the Adhunik Group is progressing well.

Mining related Infrastructure work at Rayagada, under implementation, is progressing slowly because of various local issues.

The Division is planning for restart of full operations in the metal sector as several clients are likely to get their environmental clearances shortly. The current order booking position as on 30th Sep 2010 was ₹ 240 crores.

PROPERTY DEVELOPMENT

At Bangalore, the land acquisition details for the widening of the national highway and creation of an elevated metro rail passing by the property has been finalised with the authorities. Construction work has been planned from Q4.

At Hyderabad, town planning work is in progress for the land under development.

FUTURE DIRECTION

The Company has already announced the demerger of the Industrial Explosives business into a 100% subsidiary for better focus and to take advantage of future growth prospects.

While discussing the demerger of the Industrial Explosives business, the Board decided in-principle to review on ongoing basis specific business growth prospects of other business groups of the Company and at the appropriate time to demerge and / or consider divestment of segments with lower growth potential with the objective of overall business growth and enhancing shareholder value. In view of the large property bank held by the Company, Property Development would be given special focus in the restructuring process.

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

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