



Gulf Oil Corporation Limited

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Press Release

for Immediate Publication

Gulf Oil turnover increases by 14% in Q1

Highlights for Q1

- Profit from Operations up 3% at Rs. 14.6 crores
- PAT at Rs. 10.1 crores.

Mumbai, 1st August 2012: Gulf Oil Corporation Limited, a Hinduja Group Company, has reported an increase in turnover by 14% for Q1. The Profit from Operations was Rs. 14.57 crores (up by 3%). The net Profit was Rs. 15.02 lower due to exceptional items being Rs. 5.4 crores lower than the corresponding quarter of the previous year.

Division wise performance and highlights are as under:

LUBRICANTS DIVISION:

The Lubricants Division achieved a gross turnover for the quarter of Rs. 250 Crores as compared to Rs. 206 Crores in the corresponding quarter of the previous year i.e. a growth of 22% on QoQ basis. Operational Profit before Interest and Tax for the quarter has also increased by 10% to Rs. 22 crores compared to Rs. 20 crores in the corresponding quarter of the previous year mainly on account of positive growth in volumes/revenue achieved by the division, in spite of subdued market conditions due to lower automotive, industrial and OEM demand in the quarter. Profitability levels were maintained inspite of significant depreciation of the rupee against the dollar which led to cost increase of base oils and additives in the quarter. The Division was able to effect

increases in prices of automotive products in the open market (bazaar) segment towards the end of the quarter.

The Lubes Division continued to successfully achieve growth rates in volumes which were ahead of the industry and other leading competitors. There have been lower sales to our OEM customers due to lower than expected production in the plants.

The Division faced stiff price competition from other leading players in the motorcycle and diesel engine oil segments with competitors announced lower prices and promotions targeted at our products, which have grown well in the last few years. The Division initiated a number of market initiatives to counter these moves and also launched a new range of products – Gulf Superfleet Turbo for commercial vehicles from Tata, Eicher and other commercial vehicle manufacturers for the open market (bazaar). The Division's initiatives received positive response.

A new T.V campaign featuring the Company's brand ambassador – India's Cricket Captain Mahendra Singh Dhoni in the Company's largest till date consumer / mechanic promotion – King of the Road 3 was launched across channels in May 2012. In addition, promotions around IPL 4 for the consumers, mechanics and trade were organised across India. A special press conference with our Chairman Mr. Sanjay G Hinduja along with M. S. Dhoni was held on May 1st in Chennai to announce a slew of new initiatives like new retail signages, customised packs and cricket scholarships for the M. S. Dhoni foundation.

EXPLOSIVES DIVISION

The Explosives Division handling the detonators business after demerging of the packaged and bulk explosives business, achieved sales of Rs. 20 crores in Q1 as compared to Rs.24 crores in the corresponding quarter of the previous year. The decrease was on account of reduced exports shipments in Q1

Production of D.Cord has increased to the extent of 6.4 % as compared to F12 whilst production of Detonators has been maintained at the same level.

In view of all our products being CE certified for European markets several assessments by European organizations are being done for sourcing from our factory. New products are being developed for the purpose.

MINING AND INFRASTRUCTURE DIVISION (IDLconsult)

IDLconsult, the Contract Mining and Infrastructure Division achieved a revenue of Rs. 9 crores as compared to Rs.16 crores in the Q1 of the last year. Contract Mining business continues to suffer due to slowdown and closure of the major iron and

manganese ore mines of our clients in Orissa due to various environmental statutory reasons. It is expected that Government may allow these mines to operate within the next 3 / 4 months. The Division however continuing to quote for the mining contracts under Coal India and these tenders are expected to be decided shortly. The Division is also evaluating few large irrigation projects in various states.

PROPERTY DEVELOPMENT

Pre-construction stage work on the Rs.1800 crores project at Yelahanka, Bengaluru, consisting of a 30 acre IT / ITES SEZ park and a 10 acre Hotel / Hospitality / Retail areas being developed in association with Hinduja Realty Ventures Limited, has commenced. Work at site is progressing.

Regarding the Hyderabad property, the Company has entered into a Development Agreement with Hinduja Estates Private Limited. Sharing ratio has been agreed at 35:65 (35% to GOCL) based on recommendations of reputed property consultants. The approximate 76 acres development will have 10.5 million square feet of saleable space. The planning for this large development has commenced.

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

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