



Gulf Oil Corporation Limited

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Press Release

for Immediate Publication

Gulf Oil Q1 Turnover Rs. 263 crores.

Highlights

- **Profit from Operations up 6% at Rs. 20.32 crores**
- **Q1 PAT Rs. 9.57 crores.**

Mumbai, August 7, 2013: Gulf Oil Corporation Ltd., a Hinduja Group Company, has reported a marginal increase in income in Q1. Profit from operations increased by 6% to Rs. 20.32 crores. Profit after tax for Q1 was Rs. 9.57 crores (Rs.10.07 crores) due to adverse foreign exchange fluctuation to the extent of Rs. 8.65 crores.

Division wise performance and highlights are as under:

LUBRICANTS DIVISION:

The Lubricants Division has recorded positive growth in revenues and volumes in Q1 of Financial Year 2013-14 inspite of very tough market conditions prevailing currently. The net turnover of the Division for the quarter increased to Rs. 207 Crores as compared to Rs. 199 Crores in the corresponding quarter of the previous year i.e. a growth of 4% on QoQ basis. Operational Profit before Interest and Tax for the quarter has also increased by 3.5% to Rs. 27.94 crores compared to Rs. 27.01 crores in the corresponding quarter of the previous year. The results reflect positively on Division's focused approach towards market share gain especially keeping in view of the fact that Automobile industry is facing one of its toughest times of recent years.

Prices of major raw materials have been on the increase during the quarter due to increase in crude prices globally and more due to the Rupee depreciation during the quarter. Fluctuations in the Exchange rates and the weakening of Rupee against US Dollar to unprecedented levels led to significant uncertainty in input costs and the margins are likely to remain under pressure going forward. The Lubes Division continues to put in measures to protect margins proactively, which is reflected in maintaining EBIT margins so far and profit increase in line with revenue growth.

Market demand conditions were flat to negative during this quarter. However the division was able to grow volumes with gains in market shares in the focus segments namely New Generation Diesel Engine Oils and Motorcycle Engine Oils. On the OEM related businesses growth was achieved.

The Division launched **Gulf Formula GX** - a high performance, fully synthetic passenger car motor oil, which is specially recommended for use in luxury cars and UVs. The product's superior formulation and performance benefits are proven by its endorsement by the Aston Martin Racing team, Gulf's worldwide motorsport partner. The product is approved for use by the global auto majors such as BMW, Mercedes Benz and Volkswagen and is specially targeted at the growing luxury cars and utility vehicle segment in India. The oil also meets the requirements of other major automakers such as General Motors, Porsche and Renault.

Brand Building efforts with campaigns with the Chennai Super Kings during the IPL-6 and also other multi-media campaigns featuring its brand ambassador – Indian cricket captain and India's leading Youth Icon – Mahendra Singh Dhoni, were executed in driving up brand awareness.

“Leader Talk” – a new series with CNN-IBN has been launched featuring iconic sports and business leaders with Rajdeep Sardesai as the anchor. The series provides a platform to communicate the ‘mantras of successful leadership’ and to associate Gulf Oil's pioneering efforts in the long drain and high performance lubricants. A specially conceived TVC around the positioning ‘Endurance that makes Leaders’ was also launched with the program to enhance brand equity amongst the B2B target audiences

EXPLOSIVES DIVISION AT HYDERABAD

During the Q1, the Explosives Division, which manufactures detonators and accessories, achieved sales of Rs 17 crores (as against Rs. 21 crores last year) due to weak market conditions. However, the trade markets are showing signs of pick up and are expected to gain momentum after the monsoon.

The e-Det series introduced last year is receiving good response from the market and major mining companies are showing good interest.

The wage settlement for the Factory for next 3 years has been finalized and better productivity norms have been agreed in the settlement.

MINING AND INFRASTRUCTURE DIVISION

Mining and Infrastructure Division reported an income of Rs. 3 crores in Q1 (previous year Rs. 9 crores) due to major projects of the Company being under temporary suspension for want of various government / regulatory clearances in the non-coal sectors.

PROPERTY DEVELOPMENT

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, is progressing as per plan. Work on the 3 level basement structures on the first building in SEZ sector has been completed and on the ground and upper floor is progressing fast.

Planning work relating to the Hyderabad project is progressing. However, uncertainty in the restructuring of Andhra Pradesh is delaying immediate decisions.

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

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