

GULF OIL Gross Turnover Increases by 35% and profit by 5% in Q1

Total Sales Income higher by 34% to Rs. 247 crores (Rs.185 crores); Profit up 5% after Tax.

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GULF OIL Corporation, a Hinduja Group Company, has reported a 34% increase in income in Q1. Profit after tax was Rs. 5.58 crores (Rs. 5.32 crores) an increase of 5%.

Division wise performance and highlights are as under:LUBRICANTS DIVISION

During the first quarter of the financial year 2008-09, the Lubricants Division achieved a gross turnover of Rs. 126.34 Crores as compared to Rs. 81.15 Crores in the corresponding quarter of the previous year. The Division achieved a volume growth of 30% and improved product mix, resulted in an increase in margins by around 50%

The Lubricants Division stepped up distribution efforts and grew sales in the two wheeler segment. Consumer acceptance of the newly introduced products for this segment has been very encouraging. The media campaign released across TV channels - national & regional, communicated the product benefits of Gulf Pride 4T Plus - 10W 30. This enabled the Division to achieve rapid growth at the top end of the motorcycle segment. To build the brand proposition of 'Endurance' the Division conceptualised and sponsored the 'Gulf Overdrive Xtreme Endurance Challenge' where two Hero Honda Karizma motorcycles set a new record of travelling from Indian's Southernmost tip -Kanyakumari to Khardungla(Leh) -World's highest motorable road in 5 Days, 5 hours & forty-five minutes.

Focus on the diesel engine oil segment was continued as we introduced new product offerings for the light commercial vehicles - Gulf Cargo Power. Gulf Super Duty VLE for heavy commercial vehicles requiring CI 4 grade products was also launched. To increase acceptance of the range of 'Ashok Leyland - Gulf Oil' co-branded oils a press campaign, supported with outdoor media, was launched for Gulf Super Fleet LE Max - India's First Long Drain Engine Oil with a drain interval of 36,000 km.

The Division organised a special series of events to create awareness of the partnership of Gulf Oil with Aston Martin Racing in India. On April 18th the actual car - DBR9 009, that raced at Le Mans - 2008 and won the GT1 category, was unveiled to the Indian media, sports enthusiasts at Mumbai, followed by a live pit-stop demonstration on April 19th.

The Lubricants Division also achieved considerable growth in the sale of ancillary products such as a wide range of Gulf Filters and Gulf Car-care products.

EXPLOSIVES DIVISION

The Explosives Division continued to make good progress in line with the increase in mining activities in the Country, and achieved turnover of Rs.53.21 crores in Q1 as compared to Rs.40.80 crores of corresponding quarter of the last year, representing double-digit growth of 30%. This was accomplished by focusing on non-coal, export and metal cladding segments. The trade market

business segment also gave good returns.

Exports of the explosives and accessories have achieved growth of 20% compared to Q1 of the last year.

The Division is continuing its sustained efforts by expanding non-CIL and Metal Cladding and Special Products segments. Metal Cladding group is growing at a fast rate and recorded 174% growth over the Q1 of the last year. MINING AND INFRASTRUCTURE DIVISION (IDLconsult DIVISION)

The service income of the IDLconsult Division in the first quarter was Rs. 46.73 crores as against Rs. 33.71 crores in the corresponding quarter of previous year registering a growth of 39%.

Contributors to this growth were the three ongoing large coal mining contracts in the Singrauli region under Northern Coalfields Limited (a CIL subsidiary) and the Manuguru Project under Singareni Collieries.

The Division is successfully continuing its Mining services at the iron ore mines in the Barbil region with the Aditya Birla Group and other Companies.

The Division has started its first Manganese ore mining work with Adhunik Group in the Barbil.

In terms of volume of rock being handled, the Division has grown as the largest Mining service Provider in the country in a very short period due to its strengths in Mine planning, control and quality execution of projects awarded.

Besides total mining services, the Division has taken up a few assignments with plans to increase business in the fast growing infrastructure sector based on the successful execution of contracts in the Delhi Metro Rail Project, Structural works at Jamnagar under Reliance and at Outer Ring Road in Hyderabad. The Division has now contracted for large structural contracts from the Aditya Birla group for their new Alumina plant in Orissa. The work started in June 08.

Due to the high technical standard and quality of work, the Division is being offered various contracts in the Mining and construction Sectors. Currently the Division has about Rs. 900 crores value of orders booked. SPECIALITY CHEMICALS DIVISION

The turnover of the Division for the quarter was Rs. 14.22 crores mainly on account of the Cephalosporins segment. Two more Cephalosporins namely Cefprozil and Cefditoren Pivoxil have been developed in the R&D and are ready for commercialization.

The Division has also commercialized Ondansetron, used for controlling Nausea following Chemotherapy. Two more products have been developed in the Laboratory and are ready for commercial production in early Q2. PROPERTY DEVELOPMENT

Work on the IT Park on 40 acres on the Company's property at Yellahanka, Bangalore has progressed well. Plans finalized by the architects have been sent to the corporation, approval of which is expected shortly. The joint development agreement for the property has been finalized. The construction work is expected to start once the relevant approvals are received.

The Hyderabad property development plans have also progressed and the approval from the Government for development is expected shortly.

In the meantime, the property bank of the Company comprising of 40 acres in Bangalore and 100 acres in Hyderabad which is planned to be developed has been revalued as on March 31, 2008 at Rs. 1839 crores.

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