

Gulf Today

New Year 2017 • ISSUE 20



The phrase 'When the going gets tough, the tough get going' aptly describes the Gulf Marine team. As we approach our 9th birthday, our customers continue to operate in an environment that often returns less than their daily operating costs - a situation that they have been facing since 2008.

Despite this, the Marine team has continued to deliver. In fact, within 2016, we achieved record volume months no less than three times, and we fully expect to have achieved the 100 ml pa milestone at the end of the year.

However, we face significant challenges to achieve the returns that we expect and the year ahead brings little evidence that the market environment will change significantly. The supply/demand balance is starting to move in the right direction, with the lowest number of new building orders on shipyards in 35 years. This is good news for the industry as there are currently too many ships chasing too little cargo and, hopefully therefore, the freight rates that vessels can earn will increase, but this will take a number of years to reach levels that will change the fundamentals. On top of this, new environmental legislation that requires ballast water to be treated prior to being discharged from a ship and, most recently, the global cap on sulphur, which will be implemented in 2020, are adding further complexity and costs for our customers.

This is where Gulf Marine can and is making a difference. Our team, that has been shaped during these challenging times, continues to innovate and focus on creating efficiencies that are then translated into 'offers' that are helping our customers operate more efficiently themselves, thereby moving the conversation away from 'price' to 'total cost'. Our sales teams are focused on selling on value – the Gulf Marine unique proposition provides a framework on which we can build real value for both ourselves and our customers. This is a journey; we are focused, flexible, determined and, most of all, obsessed with customer service and delivering solutions that are creating real customer loyalty.

Uniquely, our 'LOCUS' tool developed within our Operations and Supply team - with patent pending - is providing our sales teams with a real opportunity to take the value conversation to another level, which is hugely exciting.

As we reflect on 2016, 2017 quickly looms ahead. For us this looks to be a year where we are aiming to accelerate even further on our 30% year-on-year growth, working even closer with you, our colleagues around the Gulf world, to drive costs out of our supply chain, enhance our delivery capabilities and ensure that we achieve our on-time in-full target of 100%.

I would like to take this opportunity to wish all Gulf Colleagues a very Happy and Prosperous New Year and I look forward to celebrating the coming Year of the Rooster.

Keith Mullin, MIMarEST

Chief Executive Officer, Gulf Marine

keith.mullin@gulf-marine.com

For and on behalf of Gulf Marine



RAPID GROWTH IN BRAZIL

Gulf in Brazil is about to achieve something fantastic – namely more than 100% growth in lubricant sales volumes in the space of twelve months.

The new Gulf pack was launched early in 2016 in Brazil, and – as might be expected in a country where football is the national sport - the Manchester United platform is now being enthusiastically activated. CVPs are also about to be launched, the platform for further growth in the country is now in place.

The national conference held in mid-November brought together a group of highly energised and motivated sales people around a common theme: the value sale.

jp.prates@gulfdobrazil.com.br



GOLIL INDIA RING THE BELL ON ET NOW'S BSE DAY

Gulf Oil Lubricants India Limited were honoured by being invited to ring the Bell signifying the start of the day's trading on the Bombay Stock Exchange on December 27th.

The ceremony was part of ET Now's BSE Day – a special segment of the popular TV show, where India's largest companies are invited by ET Now to go onto the floor of the exchange to ring the bell. It is followed by interviews with key personnel – as can be seen from the shot of Ravi Chawla on screen.

nagendra.pai@gulfoil.co.in



GOMEL CONNECTS WITH CUSTOMERS IN QATAR, UAE & KUWAIT

Gulf Oil Middle East Ltd (GOMEL) staged four power-packed customer meets across Qatar, UAE and Kuwait - three trade and one B2B. At them, the company unveiled the CVPs of Formula G, Super Fleet LE and Formula ULE and used the occasions to launch Gulf's exclusive oil for SUVs.

GOMEL also launched its Manchester United consumer promotion at these events. The support to help build promotions and CVP awareness offered by all stakeholders was greatly appreciated by customers and the meets were very successful, with almost 500 people attending - comprising 250 unique customers - and the three trade customer

events resulted in almost 110KL in spot orders being taken. The B2B event also helped strengthen key relationships, which will drive business for that segment.

kamran@gulfoiluae.com



FAW CHOOSE GULF AS CHINESE AFTERMARKET PARTNERS

Gulf Oil China (GOC) is celebrating the signing of a major new strategic cooperation agreement with the FAW Car Co Ltd. to officially become its original aftermarket lubricants supplier. The cooperation is not only a major breakthrough for GULF Oil in China, but also is another historic development between Gulf Oil and automobile manufacturers.

Previously, GOC has secured OEM business with BAIC Motor Corporation Ltd, Foton CN and other local auto groups. With all of these as well as the new agreement with FAW, GOC is looking to further establish and improve its OEM business operations and support capabilities, accumulating experience for the deeper level of localisation strategy.

FAW made rigorous evaluations before choosing Gulf as their supplier for original after-sale lubricants, so it is a real feather in GOC's cap. The FAW Group was founded in 1965; it is one of the true pioneers of China's auto industry and is one of the Top Three companies in the sector in China, with an annual revenue in excess of 80 billion US dollars, ranking it amongst the world's top automotive companies.

pennyqiu@gulfoilchina.com



HAI VOLUTO LA
BICICLETTA,
ADESSO PEDALA!
(you wanted the bike... now ride!)

Gulf Italia has not been operational for very long but it is already making important inroads into the Italian market with the signing of its first major distributor-customer, Valpetrol. The Italian company is a really excellent recruit to the Gulf ranks – a well respected name in the Italian industry that celebrated 40 years in the Lubes and Petroleum business in 2016 and ended the year receiving its initial delivery of Gulf products.

Valpetrol ordered no less than 60 of the superb Manchester United-branded Gulf drums as

part of their first order and, such is their enthusiasm for the Gulf brand that, as can be seen, they also took delivery of two of the stunning Gulf-edition Cheetah bicycles from General Bikes in the Netherlands.

amilcare.basso@gulfoilsupply.com.mt



TRIP OF A LIFETIME... DRIVEN BY PASSION!

Gulf has looked to bring new initiatives to the market since announcing its groundbreaking oil and fuel industry partnership with the world's number one Football brand, Manchester United.

“Driven by Passion” - Gulf’s first global football promotion - gave Gulf’s best customers around the world, the opportunity to win the football tip of a lifetime and the lucky winners made the unique trip to the Ukraine, as their prize, in December.

No less a star than former United and England Team Captain, Bryan Robson drew out the winning customers - one from India and the other from Cyprus - who got to make this money-can't-buy voyage to become part of the Official Manchester United travelling party for their Europa League tie in Odessa against Ukrainian team, Zorya Luhansk.



As well as flying with the United players and management to the Ukraine, our Gulf winners got to stay in the team hotel and even had the chance to show off their own football skills at training, before getting to know the Manchester United stars – such as Ashley Young (above) and Zlatan Ibrahimovic (left), and then dining in the company of some of Manchester United's legendary players.

Gulf will be following this promotion with its most ambitious activation campaign yet, over the course of 2017. The global partnership will see further business to business and consumer promotions, a host of “I love United” events, a new TV Commercial and a raft of other activities linked to the partnership.

joelle.decordier@gulfoilltd.com



IN BRIEF:

Gulf's new B2B Merchandise Webstore – which has been created to support local marketing activities and to increase consumer engagement and strengthen brand presence - is now open for business.

It is managed by **Brand&**, who are specialists in this arena, having managed similar operations for many top motorsport brands: <http://www.gulfoilstoreb2b.com/registration.aspx>





Gulf and fellow Manchester-United partners, **Chevrolet** - with 38 key regional dealers - joined forces in China to stage a seminar on the future development of Auto Workshops. The day included a friendly football match between a Gulf side and a Chevrolet team, with United legend Quinton Fortune playing a half for each team. More joint events and further cooperation is planned between the two companies in China.



The documentary short "World Land Speed Records Do Not Come Easily" which follows the trials and tribulations of **Ian King** en route to setting a new Motorcycle World Land Speed Record for the standing 1/4 mile is now live on YouTube. – and is also available to download from the Gulf Extranet.

CONGRATULATIONS TO:

Gulf Oil Argentina, who continue to innovate with their marketing.

Pictured here is one of their Christmas press advertisements, which certainly seems to embody the “Festive Spirit”



Gulf Oil China, whose plant in Yantai has recently received OHSAS 18001:2007 Certification, which helps further improve GOC's plant management, as well as give the stronger support to its OEM business in China.





Paul Stannard, who celebrated 15 years with Gulf Oil International UK Ltd in December. To mark the occasion, Gulf's Oil International UK Ltd's New Business Manager was presented with a specially designed commemorative piece of glassware by Sanjay Hinduja and Frank Rutten.



Gulf Oil Marine, whose LMP3 Ligier finished on the podium at the recent Gulf 12 Hour Race in Abu

Dhabi. The beautiful endurance race car is run by United Autosports and was driven to the Runners Up position by Richard Meins, Shaun Lynn and (Williams F1 development driver) Alex Lynn.

Industry Latest...

North Sea Brent Crude Oil prices were at \$56.46 a barrel early in trading on January 5th • In the wake of the diesel emissions cheating scandal, Volkswagen has said it will no longer sell diesel-engined vehicles in the USA, which formerly made up a quarter of Volkswagen's U.S. sales • **According to Lube Report, Oil will remain the world's leading energy commodity and global energy demand in 2040 will be 25 percent higher than in 2015, with oil, natural gas and coal still accounting for 77 percent of total consumption** • Ford Motor Co. is recalling vehicles because they could leak engine oil and potentially start fires. The models include 2016 Ford Taurus, Explorers and Police Interceptor Utilities, all having 3.5-litre GTDI engines • **Gulf Oil Lubricants India Ltd share price (NSE) 668.60.Rupees (\$9.86) at the end of day's trading on January 5th**



Quality Endurance Passion

