

Kochi, Kerala, INDIA, July 23, 2009

Apollo's consolidated net sales at Rs 1635 cr, up 24%

Better cash and current asset management improves bottomline

The Board of Directors of Apollo Tyres Ltd today took on record the company's unaudited results for the 1st quarter of the financial 2009-10. Earlier in the day, at the 36th Annual General Meeting, shareholders approved an annual dividend payout of 45% per share for the year ended March 31, 2009.

Consolidated 1st quarter revenues -- taking into account Apollo Tyres' Indian and International Operations -- grew by 24% to reach a net sales of **Rs 16.3 billion (Rs 1635 crores)** from the previous year's Rs 13.2 billion (Rs 1322 crores). (*see Notes in the results sheet*)

Quarter results of Apollo's India Operations reflected the Chairman's words earlier today on the year gone by, in his AGM address when he spoke about a clear focus on profitable growth, cost and quality. "Your company's continuing attention to increasing efficiencies across the board and re-aligning costs to protect margins have paid high dividends ... this has assisted us in improving margins and enabled your company to remain competitive," Onkar S Kanwar, Chairman, Apollo Tyres had said at the AGM.

Quarterly Performance Highlights (India Operations Only)

Q1 FY2009-10 (April-June) vs Q1 FY2008-09

- Net sales up 9.7% to Rs 11.8 billion (Rs 1180 cr) from Rs 10.7 billion (Rs 1076 cr)
- Operating profit at Rs 1.9 billion (Rs 194.8 cr), up 75.9% from Rs 1.1 billion (Rs 111 cr)
- Net profit at Rs 946.7 million (Rs 94.7 cr), up 94.7% from Rs 486.2 million (Rs 48.6 cr)

Speaking on the results, **Onkar S Kanwar, Chairman, Apollo Tyres**, said, "The revival in India's economic health has resulted in a 5% higher production in India compared to the same quarter last year. We hope this trend will continue. But what is heartening is a bettering of internal efficiencies and improved current asset management leading to a healthy bottomline. Throughout the year, we have been working on our cash and cost management, which is finally showing in the results."

In specific terms, Apollo Tyres' India Operations has reduced the number of days of raw material inventory by 37% and finished goods stocks by 15%. There has also been a 40% decrease in the number of days for current debtors. Efficient inventory and cash management along with higher production and off-take, in both institutional and replacement sales, in the 1st quarter of the year has enabled the company to make a positive beginning to FY10. As the Chairman mentioned, the 1st quarter of FY10 is reflecting the work that has been done over the course of the previous financial year of FY09.

In a parallel development, rating agency CRISIL on July 16, 2009, reaffirmed Apollo Tyres at an **AA-/Stable** for the long term and the highest short term rating of **P1+**.

The Board today also reviewed the progress of the Chennai greenfield project. Production is expected to begin here towards the end of this calendar year with a capacity of 8,000 passenger car radial and 3,000 truck-bus radial tyres per day.

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For further details contact:

ROHIT SHARAN
+91 98182 00359
rohit.sharan@apollotyres.com

HARSHITA VERMA
+91 97177 71576
harshita.verma@apollotyres.com

About Apollo Tyres Ltd

Apollo Tyres Ltd is a high-performance company and the leading Indian tyre manufacturer. It is built around the core principles of creating stakeholder value through reliability in its products and dependability in its relationships. The company has four manufacturing units in India, four in Southern Africa and one in the Netherlands. Apollo's subsidiary companies are Apollo Tyres South Africa Pty Ltd (previously known as Dunlop Tyres) and Apollo Vredestein BV in the Netherlands. India, South Africa and Europe are the company's three domestic markets from where products are exported to over 70 countries. In each of the domestic markets the company operates through a vast network of branded, exclusive and multi-product outlets.

Corporate Headquarters

Apollo House, 7 Institutional Area, Sector 32, Gurgaon 122001, Haryana, India. T: +91 124 2721000 F: +91 124 2383021