
Gurgaon, Haryana, India, April 29, 2009

Apollo's net sales continues to grow in double digits despite the demand slowdown

Board recommends a dividend payout of 45%

The Board of Directors of Apollo Tyres Ltd today approved the company's audited financial results for the fourth quarter and the financial year 2008-09. The Board recommended a **dividend payout of 45%** to all shareholders. This will go through an approval process at the company's Annual General Meeting later in the year.

Consolidated annual revenues -- taking into account Indian and South African Operations -- for Apollo Tyres grew by over 6% to reach a net sales of Rs 49.8 billion (Rs 4984 crores) from the previous year's Rs 46.9 billion (Rs 4691.2 crores). **Despite the trying times, the company recorded a net profit after tax of Rs 1.3 billion (Rs 139.1 crores), making it the only top tier Indian tyre manufacturer to have remained profitable throughout each quarter of the year 2008-09.**

Impacting both the top and bottomlines of the company has been the various factors that have contributed to an extremely challenging year for the tyre industry. While the first six months of the year witnessed skyrocketing raw material prices, the last six months went through a severe demand slowdown across the board, in both domestic and export markets, along with currency volatility.

Annual Performance Highlights (India Operations Only)

FY2008-09 (April-March) vs FY2007-08

- Net sales moved up by 10% to Rs 40.7 billion (Rs 4070 crores) from Rs 36.9 billion (Rs 3694 cr)
- Operating profit at Rs 3.3 billion (Rs 336 crores) from Rs 4.7 billion (Rs 473 crores)
- Net profit at Rs 1 billion (Rs 108 crores) from Rs 2.1 billion (Rs 219 crores) the previous year

Speaking on the results, **Onkar S Kanwar, Chairman & Managing Director, Apollo Tyres Ltd**, said: "While the general slowdown has impacted all industries, for us, a nearly 25% higher cost of raw materials was a double blow this past year. However, given the circumstances, I am pleased with our performance in such a challenging environment. We look to better this performance this year."

Quarterly Performance Highlights (India Operations Only)

Q4 2008-09 (January-March) vs Q4 2007-08

- Net sales up by 11% at Rs 11.1 billion (Rs 1110 crores) from Rs 10 billion (Rs 1001 crores)
- Operating profit at Rs 1.2 billion (Rs 120 crores) from Rs 1.24 billion (Rs 124 crores)
- Net profit at Rs 462 million from Rs 592.6 million in the last quarter of FY08

"We have seen signs of revival in the last quarter, where our replacement demand has gone up by nearly 14% over the same period last year. However, a 30% drop in OEM demand in this quarter, continues to remain a concern. " said **Onkar S Kanwar, Chairman & Managing Director, Apollo Tyres Ltd**, on the quarter just gone by.

He added, "Our operations in South Africa continue to post growth in rand terms, but currency fluctuations and South Africa's near 100% dependence on imported raw materials, became operational obstacles to faster growth."

ANNUAL CORPORATE HIGHLIGHTS

- The launch of Dunlop Zones across South Africa. These are branded retail outlets, with high customer interaction points for both sales and information
- Apollo's passenger car tyres continued to outstrip industry growth rates, posting a 20% volume growth. Even OEM demand has grown across the year, with the new Hyundai i20 as an added partner this year
- Production of Off-The-Road tyres at the Rs 120 crore brownfield facility in Gujarat. Production began for supplies to BEML for large OTR tyres from 35-inches to 49-inches in size
- Apollo launched a refreshed and colourful corporate identity capturing the company's youthfulness and vibrancy
- Two new Health Care Centres for HIV-AIDS awareness and prevention were inaugurated outside Kolkata in a private-private partnership with Holcim India (Gujarat Ambuja Cements) and another outside Ahmedabad in a public-private partnership with the Gujarat AIDS Control Society
- The Apollo Mission 2018 continued recruiting young tennis prodigies. A nationwide selection process resulted in bringing 15 talented children, including two six-year olds. They are currently undergoing training in Bangalore, along with the previous batch of 15 children

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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 three manufacturing units in India, four in Southern Africa and one in the Netherlands, with a greenfield facility currently underway in Chennai, India. 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

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