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Apollo Tyres focuses on Dubai as a hub for its Middle East operations

Invests for the long term. Sees possibility of a 3-fold increase in business volume in the next 3 years

India's leading tyre manufacturer, the US\$ 2 billion **Apollo Tyres Ltd**, today announced its plans for the Middle East market at a media gathering in Dubai. The region will be catered to by exports out of India, with Dubai as the hub of operations.

The region has traditionally been one of Apollo's strongest export markets, out of India, accounting for about 30% of export revenues. The company already has a distribution network in the Middle East, spanning 14 countries and 23 Business Partners. The Middle East also has infrastructure and tyre usage very similar to India's, which is why Apollo's products have always enjoyed high acceptance in the region.

Dubai, as the world's largest free trade zone with strong financial systems and legislation, is the perfect business destination. Dubai is also strategically located with easy access to the 1.5 billion strong consumer market in the GCC, West Asia, Africa and East Europe. Dubai itself is the largest tyre distribution hub in the region, and provides a booming domestic market with 1 car to every 1.8 individual.

Said **Satish Sharma, Chief, India Operations, Apollo Tyres Ltd**, "As a company we are currently in our 2nd phase of global expansion. The Middle East region has always been a natural extension of our markets in India. Our tyres have enjoyed a very high demand in the region, for years now. However, due to capacity constraints at our end, we have not been able to fulfill the local demand. I am happy that we have crossed that. With an active sales and service team based here, we will now be able to provide our customers in the Middle East the service and operational excellence they deserve."

To this end, Apollo today opened its first and largest office outside its operations in India, Southern Africa and The Netherlands. This 2,000 square feet office located in the JAFZA Free Economic Zone will be the company's base in Dubai, and the reporting base for employees in Iran, Saudi Arabia and Turkey.

Apart from an office, the company has also taken up an expandable 10,000 square feet of warehousing space in Dubai, to stock its tyres locally for speedy demand fulfillment in the region. This also enables Business Partners to have low inventories, cutting down on stocking costs; the ability to pay in local currency with no bank charges, and of course faster demand fulfillment to the end customer.

"The office, network of employees and local warehousing facility will allow us to address customer demands effectively; while our entire range of tyres tuned to this market, along with our service proposition, will allow us product leadership over time," mentioned **Satish Sharma, Chief, India Operations, Apollo Tyres Ltd**. He added: "This is a high potential market, where the Dubai tyre distribution and re-export trade is valued at US\$ 1.5 billion, and expected to grow by 30% in the next 5 years. In that time frame I am looking at Apollo garnering a high single digit, if not 10%, of this market's share."

Apollo Tyres has already invested around US\$ 2,50,000 in creating appropriate permanent infrastructure for its business needs in Dubai; and is projecting investments and expenses of around US\$ 1.5 million on an annual level, starting this year.

The company's focus products will be its entire range of passenger car, 4x4 and sand application tyres, along with commercial vehicle tyres both cross ply and radial. Like India, the Middle East has a high usage of cross ply commercial vehicle tyres, a segment in which Apollo Tyres is acknowledged as the undisputed leader in product performance and reliability.

Apollo's global operation are divided into 3 divisions (Zone I, E and A) across the world. Satish Sharma oversees Zone I, which includes Asia, Middle East, Asian CIS, Turkey, Australia and New Zealand. Zone I is Apollo Tyres' largest revenue earner accounting for 62% of the company's US\$ 2 billion turnover. Tyres for this region are produced out of Apollo's 4 plants in India, including a state-of-the-art automated unit in the southern city of Chennai. Exports out of India grossed US\$ 106 million in the financial year just ended (FY2010-11), and are projected to grow at a double digit rate, in the next few years, due to strategic initiatives currently being taken.

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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 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

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