
Colombo, Sri Lanka, June 14, 2011

Apollo Tyres partners Ideal Motors in Sri Lanka

To support the country's growing infrastructure needs

India's largest tyre manufacturer, the US\$ 2 billion **Apollo Tyres Ltd** entered the Sri Lanka market today through a tie-up with **Ideal Motors**, the automobile distribution and marketing arm of the Ideal Group of Companies. The Ideal Group is one of Sri Lanka's fastest growing Automobile Majors with a focus on assembly, distribution of automotive spares and accessories with multiple outlets throughout the Island. Ideal has also formed a new company, **Ideal Wheels & Tyres**, for the distribution and retailing of Apollo tyres.

Initially Apollo Tyres will focus on passenger vehicle and cross-ply truck and light truck tyres. This will be gradually expanded over time to include Apollo's entire range currently sold in India, including truck bus radial, agriculture and off-highway tyres, if and when needed.

The US\$ 50 billion Sri Lankan economy is at a critical inflection point in its growth, spurred by large scale development projects, and is expected to grow at a healthy 7 to 8% over the next few years. With its entry at this point in time, Apollo Tyres is looking to partner Sri Lanka in this growth phase of construction of key infrastructure projects, with tyres that can meet the country's evolving transportation needs.

Commenting on Apollo's entry into Sri Lanka, **Satish Sharma, Chief, India Operations, Apollo Tyres Ltd**, said "the accelerated development projects are critical for the post-conflict Sri Lankan economy. We have the Indian experience on the kind of tyres, services and training required to allow vehicle owners to maximise on performance. Sri Lanka is currently primarily a cross ply market in the commercial segment. We will work with our partners as they gradually make the shift to radial tyres. Ideal Motors, with its proven experience in the automobile and automotive parts business, would be the perfect partner for us to do this together."

Chairman, Ideal Motors, Nalin Welgama, said "We are on course of achieving a group turnover of more than Rs 12 billion in the fiscal year 2011-12 and our tie up with India's tyre giant Apollo will help surpass this target comfortably. Within few days, we will also have the first Apollo Zone operational in Panchikawatta, Colombo 10; this will add a new dimension to the tyre industry in Sri Lanka, which has shown steady growth following the cessation of hostilities in May 2009. Apollo has the highest market share in the truck and bus segment in India and we will do our utmost to reflect this in our shores within a short span of time".

The 55,000 tyres a month commercial vehicle market in Sri Lanka is dominated by cross ply tyres -- a segment where Apollo enjoys a clear product technology and service leadership position. The other growing segment is the 75,000 per month passenger vehicle tyres. Apollo Tyres plans to make available in the Island Nation, through its partnership with Ideal Motors, its entire range of passenger vehicle, 4x4, commercial and industrial tyres. The company also plans to introduce its high end commercial radial range called Endurace, very shortly.

"We plan to bring here our radial service proposition in the form of training and education in commercial vehicle radial tyres, working together with end users to enable them to extract the best

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cost-per-kilometre, and run their businesses more effectively. Radial tyres have numerous advantages, however they require proper fitting and maintenance at all times," added Mr Sharma .

Apollo was the first Indian multinational tyre manufacturer, which acquired South Africa-based Dunlop Tyres International (since renamed Apollo Tyres South Africa Pty Ltd) in 2006 and The Netherlands-based Vredestein Banden B V (since renamed Apollo Vredestein B V) in 2009. Apollo Tyres is the leader in the truck cross ply segment in India with a market share of close to 30%, and the largest producer of passenger vehicle tyres in India.

About Ideal Motors Pvt Ltd:

Ideal Motors is the automobile distribution arm of the Ideal Group of Companies, headed by Nalin J Welgama who hails from a leading business family in Colombo. The Group also has separate arms for the sale of CBU vehicles, spares, accessories and local solutions for the growing motor assembly business in Sri Lanka. Aravinda De Silva, the former legendary Sri Lankan Cricket captain is the Deputy Chairman of Ideal Motors.

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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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