

Chennai, Tamil Nadu, INDIA, February 11, 2011

Apollo Tyres grows topline Margins hit by sharply rising input costs

The Board of Directors of Apollo Tyres Ltd approved the company's unaudited financial results for the 3rd quarter and 9 months of the financial year 2010-11. The Board met in Chennai city for the first time, after the formal inauguration of the company's next generation tyre manufacturing plant.

Speaking on the results **Onkar S Kanwar, Chairman, Apollo Tyres Ltd** said: "It has been 9 months of investments, planning and fine tuning our products and strategies. The effect of a 70% rise in natural rubber prices in the past year, shows clearly in our results for this period. Despite this, all Operations have continued to grow. As a company we continue to seek ways to move beyond the prevailing adverse business conditions and concentrating on newer markets and to provide our customers with better products that match their evolving needs."

Quarter 3 Consolidated Performance Highlights FY2010-11 (October-December) vs FY2009-10

- Net sales stood at Rs 23.7 billion (2368 crores) up from Rs 23 billion (2296 crores)
- Net profit dropped to Rs 1.2 billion (120 crores) from Rs 1.9 billion (187 crores)

The consolidated financials take into account revenues of Apollo Tyres India, Apollo Tyres South Africa and Apollo Vredestein B V, Netherlands.

9 months Consolidated Performance Highlights FY2010-11 (April-December) vs FY2009-10

- Net sales closed at Rs 61.4 billion (6138 crores) up from Rs 59.8 billion (5977 crores)
- Net profit fell to Rs 2.5 billion (248 crores) from Rs 3.9 billion (390 crores)

In the 12 months between December 2009 and 2010, the raw material scenario in tyre manufacturing has undergone a sea change, primarily from the perspective of key raw material prices, which have skyrocketed beyond expectations. While natural rubber prices have moved from Rs 119/ kg to Rs 194/ kg in December 2010, they currently rule at over Rs 240/ kg. Combined with that crude oil, a key source of most other inputs has moved from US\$ 76/barrel to US\$ 85/barrel in 12 months, impacting all other ingredients. However, manufacturers have not been able to raise tyre prices to compensate for higher inputs costs.

(ends)

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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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UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2010

Rs. Million

S.NO.	PARTICULARS	QUARTER ENDED		NINE MONTHS ENDED		YEAR ENDED
		(UNAUDITED)		(UNAUDITED)		(AUDITED)
		31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
1 (a)	Net Sales / Income From Operations	23,685.83	22,962.23	61,381.93	59,774.13	81,207.43
(b)	Other Operating Income	1.28	1.03	1.28	2.43	2.43
		23,687.11	22,963.26	61,383.21	59,776.56	81,209.86
2	Expenditure					
a.	Decrease/(Increase) in Stock in Trade and Work in Progress	(2,023.68)	851.23	(4,442.16)	1,590.15	2,180.63
b.	Consumption of Raw Materials	14,570.06	10,504.50	36,732.28	27,907.48	39,339.78
c.	Purchase of Traded Goods	1,365.48	925.69	3,321.43	3,203.26	4,287.46
d.	Employees Cost	3,126.19	2,965.44	9,050.51	7,911.31	10,884.73
e.	Depreciation	673.31	673.50	1,980.90	1,900.98	2,542.33
f.	Other Expenditure	3,917.32	3,879.06	10,151.29	10,395.51	12,766.02
g.	Total	21,628.68	19,799.42	56,794.25	52,908.69	72,000.95
3	Profit from Operations before Other Income, Interest & Exceptional Items (1 - 2)	2,058.43	3,163.84	4,588.96	6,867.87	9,208.91
4	Other Income	50.16	30.07	88.97	77.15	211.31
5	Profit Before Interest & Exceptional Items (3 + 4)	2,108.59	3,193.91	4,677.93	6,945.02	9,420.22
6	Interest	528.65	438.10	1,309.43	1,028.38	1,153.80
7	Profit After Interest but Before Exceptional Items (5 - 6)	1,579.94	2,755.81	3,368.50	5,916.64	8,266.42
8	Exceptional Items	-	-	-	-	873.73
9	Profit before Tax (7+8)	1,579.94	2,755.81	3,368.50	5,916.64	9,140.15
10	Tax Expense (Net of MAT Credit entitlements for the current period)	372.44	882.19	886.53	2,012.44	2,606.61
11	Net Profit after tax (9-10)	1,207.50	1,873.62	2,481.97	3,904.20	6,533.54
12	Share in (Profit) / Loss of Associates	3.34	0.00	3.34	0.00	0.02
13	Net Profit for the Period (11-12)	1,204.16	1,873.62	2,478.63	3,904.20	6,533.52
14	Paid-up Equity Share Capital (Equity Shares of Re 1 each)	504.09	504.09	504.09	504.09	504.09
15	Reserves Excluding Revaluation Reserves as per balance sheet of previous accounting year					19,142.93
16	Earnings Per Share (EPS)					
(a)	Basic EPS before & after Extraordinary Items (Not Annualized) -Rs.	2.39	3.72	4.92	7.75	12.96
(b)	Diluted EPS before & after Extraordinary Items (Not Annualized)-Rs.	2.39	3.72	4.92	7.75	12.96
17	Public Shareholding					
	- Number of Shares	303,387,258	305,713,965	303,387,258	305,713,965	305,713,965
	- Percentage of Shareholding	60.19%	60.65%	60.19%	60.65%	60.65%
18	Promoters and Promoter Group Shareholding					
(a)	Pledged / Encumbered					
	- Number of Shares	15,000,000	22,870,000	15,000,000	22,870,000	10,600,000
	- Percentage of Shares (as a percentage of the total shareholding of promoter and promoter group)	7.48%	11.53%	7.48%	11.53%	5.35%
	- Percentage of Shares (as a percentage of the total share capital of the company)	2.98%	4.54%	2.98%	4.54%	2.10%
(b)	Non - Encumbered					
	- Number of Shares	185,637,512	175,440,805	185,637,512	175,440,805	187,710,805
	- Percentage of Shares (as a percentage of the total shareholding of promoter and promoter group)	92.52%	88.47%	92.52%	88.47%	94.65%
	- Percentage of Shares (as a percentage of the total share capital of the company)	36.83%	34.81%	36.83%	34.81%	37.25%
19	Shares held by Custodians and against which Depository Receipts have been issued					
(a)	Promoters and Promoter Group Shareholding	Nil	Nil	Nil	Nil	Nil
(b)	Public Shareholding	Nil	Nil	Nil	Nil	Nil

**Segment wise Revenue, Results & Capital Employed
(under Clause 41 of the Listing Agreement)**

I Geographical Segments:

The Company has considered geographic segments as the primary segments for disclosure. The geographic segments are India, South Africa and Europe on the basis of Organisation Structure and Operating Locations.

Indian segment includes manufacturing and sales operations through India, South African segment includes manufacturing and sales operations through South Africa along with its subsidiaries and European segment includes manufacturing and sales operations through the plant at Netherlands along with its subsidiaries.

II Business Segments

The Company has considered business segments as secondary segment for disclosure. The Company's operation comprises of one segment - Tyres, Tubes & Flaps and therefore there are no other business segments to be reported Under AS - 17 - "Segment Reporting"

III Information about Primary Segments

Rs. Million

Particulars	Consolidated Results				
	Quarter Ended (Unaudited)		Nine Months Ended (Unaudited)		Year Ended (Audited)
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
1. Segment Revenue					
India	14,319.84	13,233.26	37,288.56	37,237.78	50,365.61
South Africa	2,995.47	2,919.20	8,291.90	8,278.20	10,971.64
Europe	6,491.54	6,809.93	16,113.96	14,260.43	19,901.47
Total Segment Revenue	23,806.85	22,962.39	61,694.42	59,776.42	81,238.72
Less : Inter Segment Revenue	(121.02)	(0.16)	(312.49)	(2.29)	(31.29)
Net Sales	23,685.83	22,962.23	61,381.93	59,774.13	81,207.43
2. Segment Results					
India	1,154.50	1,760.81	2,884.18	5,082.09	6,721.41
South Africa	78.02	202.36	73.51	457.70	1,649.02
Europe	883.25	1,230.47	1,827.20	1,612.83	2,240.70
Total Segment Results	2,115.77	3,193.64	4,784.89	7,152.63	10,611.13
Less : Interest Expenses	(528.65)	(438.09)	(1,309.43)	(1,028.38)	(1,153.80)
Other Unallocable Corporate Expenses / Eliminations	(7.18)	0.26	(106.96)	(207.61)	(317.18)
Profit Before Tax	1,579.94	2,755.81	3,368.50	5,916.64	9,140.15
3. Capital Employed (Segment Assets - Segment Liabilities)					
India	21,178.33	18,515.56	21,178.33	18,515.56	19,278.76
South Africa	2,331.89	1,424.04	2,331.89	1,424.04	2,305.47
Europe	5,940.85	3,964.46	5,940.85	3,964.46	4,652.63
	29,451.07	23,904.07	29,451.07	23,904.07	26,236.86
Add: Other Corporate Assets & Liabilities	1,989.33	2,350.76	1,989.33	2,350.76	2,447.27
Less: Eliminations	(8,913.34)	(8,855.79)	(8,913.34)	(8,855.79)	(9,005.89)
Total Capital Employed	22,527.06	17,399.04	22,527.06	17,399.04	19,678.24

all

NOTES:

- 1 The key standalone financial information of the company is as under:

Particulars	<i>Rs. Million</i>				
	Quarter Ended *		Nine Months Ended *		Year Ended
	(Unaudited)		(Unaudited)		(Audited)
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
Net Sales	14,319.84	13,233.26	37,288.56	37,237.78	50,365.61
Net Profit Before Tax	720.06	1,549.80	1,828.86	4,542.99	5,981.95
Net Profit after Tax	540.99	1,020.31	1,320.59	2,988.11	4,149.88

* The above standalone financial information has been subjected to limited review by the statutory auditors.

- 2 The unaudited consolidated financial results for the quarter and nine months ended December 31, 2010 have been subjected to limited review by the Statutory Auditors.
- 3 The number of investor complaints received during the quarter were 9(nine) all of which have been resolved. There were no investor complaints pending at the beginning or at the end of the quarter.
- 4 The Company has opted to publish Consolidated financial results for the financial year 2010-11. Standalone financial results, for the quarter and nine months ended 31st December 2010 can be viewed on the website of the Company, National Stock Exchange of India Limited and Bombay Stock Exchange Limited at www.apollotyres.com, www.nseindia.com and www.bseindia.com respectively.
- 5 The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 11th February 2011.
- 6 Previous periods' figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of the Board
of Directors of Apollo Tyres Ltd.

Onkar Kanwar

PLACE: Chennai
DATE: 11.02.2011

ONKAR S. KANWAR
CHAIRMAN & MANAGING DIRECTOR