
Gurgaon, Haryana, India, May 11, 2011

Apollo Tyres registers a 27% Q4 and 9% FY11 net sales growth

Raw material prices continue to pose the biggest challenge

The Board of Directors of Apollo Tyres Ltd today approved the company's audited financial results for the 4th quarter (January to March) and the financial year 2010-11. The Board recommended a **dividend payout of 50%**, subject to the approval at the forthcoming Annual General Meeting for the company later in the year.

Consolidated annual revenues, taking into account the manufacturing bases in India, South Africa and the Netherlands, grew by **9% to reach a net sales of Rs 88.6 billion**.

Consolidated Annual Performance Highlights **FY2010-11 (April-March) vs FY2009-10**

- Net sales surged by 9% to Rs 88.6 billion from Rs 81.2 billion
- Net profit stood at Rs 4.4 billion from Rs 6.5 billion the previous year

Commenting on the results, **Onkar S Kanwar, Chairman, Apollo Tyres Ltd**, said, "This has been an extremely challenging year of spiraling raw material prices, especially natural rubber, and closures for over a quarter in one of our Indian plants, and an industry-wide strike in South Africa. These resulted in production and sales losses. Despite these, we have registered a very positive revenue growth across all our operations."

Quarter 4 FY2010-11 (January-March) vs Quarter 4 FY2009-10

- Net sales rose up by 27% to Rs 27.3 billion from Rs 21.4 billion
- Net profit stood at Rs 1.9 billion from Rs 2.6 billion in the same quarter the previous year

Speaking on the impact on profits, **Mr Onkar S Kanwar** mentioned, "The cost push has impacted our bottomline. While price increases have been resorted to, the lag effect impacts margins. This trend of high prices is expected to continue for the next few months. More importantly, it is also availability of natural rubber that is currently a cause of concern."

Natural rubber prices hit a record high of Rs 242/kg this year, witnessing an increase of 70% over the previous financial year. The average raw material (RM) prices for FY2010-11 were at Rs 125/kg, up 40% from FY2009-10. As per our estimates, the RM prices, especially natural rubber, will remain at this level for the next few months.

Sale of winter tyres in the recently ended winter season in Europe has been exceptionally strong for both Apollo and Vredestein brand of tyres. In June 2010, Apollo had launched its summer and winter tyres in Europe -- the first by an Indian tyre manufacturer. Winter tyres registered a complete sell-out, and order books are already full for the coming next winter season as well.

Exports continued to fare well. While South African operations registered a 24% growth, Apollo India continues to be the largest exporter of passenger car tyres with a 75% share.

The state-of-the-art Chennai plant had commenced production early in the year and is expected to reach maximum Phase 1 capacity towards the end of this year.

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ANNUAL CORPORATE HIGHLIGHTS

- On a consolidated level the **break-up of revenues across the three geographies** are: **India 62%, Europe 25% and Africa 13%**
- **For FY11, Indian Operations registered a growth of 9%, South Africa 8% and Europe 12% in revenue terms**
- Apollo launched a range of summer and winter tyres in Europe early in the year and set up an extensive distribution network across the 4 critical countries of Germany, the UK, Netherlands and Italy
- In the first year of its launch in Europe, Apollo's Acelere and Amazer 3G Maxx tyres received high ratings in tests conducted by two leading German automotive magazines **ADAC and Auto Bild**
- In a survey commissioned by Rapport and City Press newspapers on South Africa's iconic brands, Dunlop, owned by Apollo Tyres South Africa (ATSA), emerged as the #1 brand in the tyre category
- In India, Apollo Tyres was recognised for its best-in-class manufacturing practices at the **The Economic Times India Manufacturing Excellence Awards 2010**, organised in partnership with Frost & Sullivan
- The Perambra plant in Kerala continued its unbroken record of receiving the state government's Safety Award for Large Factories
- Market expansion continued out of both India to South and South East Asia and from South Africa to Southern America
- The Chennai plant which was commissioned in February 2010, produced its millionth tyre
- Manufactured in Chennai, the high end truck-bus radial Endurace was launched in India

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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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AUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2011

Rs. Million

S.NO.	PARTICULARS	QUARTER ENDED		YEAR ENDED	
		(UNAUDITED)		(AUDITED)	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
1 (a)	Net Sales / Income From Operations	27,295.25	21,433.30	88,677.18	81,207.43
(b)	Other Operating Income	1.30	-	2.58	2.43
		27,296.55	21,433.30	88,679.76	81,209.86
2	Expenditure				
a.	(Increase)/Decrease in Stock in Trade and Work in Progress	(294.97)	590.48	(4,737.13)	2,180.63
b.	Consumption of Raw Materials	16,216.13	11,432.30	52,948.41	39,339.78
c.	Purchase of Traded Goods	1,489.13	1,084.20	4,810.56	4,287.46
d.	Employees Cost	2,502.45	2,973.42	11,552.96	10,884.73
e.	Depreciation	738.54	641.35	2,719.44	2,542.33
f.	Other Expenditure	4,171.15	2,370.51	14,322.44	12,766.02
g.	Total	24,822.43	19,092.26	81,616.68	72,000.95
3	Profit from Operations before Other Income, Interest & Exceptional Items (1 - 2)	2,474.12	2,341.04	7,063.08	9,208.91
4	Other Income	171.30	134.16	260.27	211.31
5	Profit Before Interest & Exceptional Items (3 + 4)	2,645.42	2,475.20	7,323.35	9,420.22
6	Interest	542.63	125.42	1,852.06	1,153.80
7	Profit After Interest but Before Exceptional Items (5 - 6)	2,102.79	2,349.78	5,471.29	8,266.42
8	Exceptional Items	-	873.73	-	873.73
9	Profit before Tax (7+8)	2,102.79	3,223.51	5,471.29	9,140.15
10	Tax Expense (Net of MAT Credit entitlement for the current period)	176.74	594.17	1,063.27	2,606.61
11	Net Profit after tax (9-10)	1,926.05	2,629.34	4,408.02	6,533.54
12	Share in (Profit) / Loss of Associates	3.08	0.02	6.42	0.02
13	Minority Interest	(0.03)	-	(0.03)	-
14	Net Profit for the Period (11-12-13)	1,923.00	2,629.32	4,401.63	6,533.52
15	Paid-up Equity Share Capital (Equity Shares of Re 1 each)	504.09	504.09	504.09	504.09
16	Reserves Excluding Revaluation Reserves			23,589.96	19,142.93
17	Earnings Per Share (EPS)				
(a)	Basic EPS before & after Extraordinary Items (Not Annualized) -Rs.	3.81	5.22	8.73	12.96
(b)	Diluted EPS before & after Extraordinary Items (Not Annualized)-Rs.	3.81	5.22	8.73	12.96
18	Public Shareholding				
	- Number of Shares	280,612,726	305,713,965	280,612,726	305,713,965
	- Percentage of Shareholding	55.67%	60.65%	55.67%	60.65%
19	Promoters and Promoter Group Shareholding				
(a)	Pledged / Encumbered				
	- Number of Shares	62,100,000	10,600,000	62,100,000	10,600,000
	- Percentage of Shares (as a percentage of the total shareholding of promoter and promoter group)	27.80%	5.35%	27.80%	5.35%
	- Percentage of Shares (as a percentage of the total share capital of the company)	12.32%	2.10%	12.32%	2.10%
(b)	Non - Encumbered				
	- Number of Shares	161,312,044	187,710,805	161,312,044	187,710,805
	- Percentage of Shares (as a percentage of the total shareholding of promoter and promoter group)	72.20%	94.65%	72.20%	94.65%
	- Percentage of Shares (as a percentage of the total share capital of the company)	32.01%	37.25%	32.01%	37.25%
20	Shares held by Custodians and against which Depository Receipts have been issued				
(a)	Promoters and Promoter Group Shareholding	Nil	Nil	Nil	Nil
(b)	Public Shareholding	Nil	Nil	Nil	Nil

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AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS ON 31st MARCH 2011

Rs. Million

SL.NO.	P A R T I C U L A R S	A S O N (A U D I T E D)	
		31.03.2011	31.03.2010
1	Shareholders' Funds :		
	(a) Share Capital	504.09	504.09
	(b) Reserves and Surplus	23,621.18	19,174.15
2	Minority Interest	8.48	-
3	Loans	24,802.16	17,071.56
4	Deferred Tax Liability (Net)	3,162.01	2,514.40
	T O T A L	52,097.92	39,264.20
4	Fixed Assets	38,971.19	29,785.65
5	Goodwill on Consolidation	1,249.65	1,175.16
6	Investments	111.81	58.52
7	Current Assets, Loans and Advances :		
	(a) Inventories	17,537.51	9,928.72
	(b) Sundry Debtors	9,501.80	7,869.00
	(c) Cash and Bank Balances	1,908.86	3,489.82
	(d) Other Current Assets	-	44.18
	(e) Loans and Advances	3,947.67	3,055.62
	Less: Current Liabilities and Provisions		
	(a) Liabilities	17,127.32	12,451.07
	(b) Provisions	4,003.25	3,691.40
	NET CURRENT ASSETS	11,765.27	8,244.87
	T O T A L	52,097.92	39,264.20

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**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		Year Ended (Audited)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
1. Segment Revenue				
India	17,616.30	13,127.83	54,904.86	50,365.61
South Africa	3,539.02	2,693.44	11,830.92	10,971.64
Europe	6,229.76	5,641.04	22,343.72	19,901.47
Total Segment Revenue	27,385.08	21,462.30	89,079.50	81,238.72
Less : Inter Segment Revenue	89.83	29.00	402.32	31.29
Net Sales	27,295.25	21,433.30	88,677.18	81,207.43
2. Segment Results				
India	1,244.22	1,639.32	4,128.40	6,721.41
South Africa	247.33	1,191.32	320.84	1,649.02
Europe	1,148.20	627.87	2,975.40	2,240.70
Total Segment Results	2,639.75	3,458.50	7,424.64	10,611.13
Less : Interest Expenses	542.63	125.42	1,852.06	1,153.80
Other Unallocable Corporate Expenses / Eliminations	(5.67)	109.57	101.29	317.18
Profit Before Tax	2,102.79	3,223.51	5,471.29	9,140.15
3. Capital Employed (Segment Assets - Segment Liabilities)				
India	21,727.11	19,278.76	21,727.11	19,278.76
South Africa	4,328.43	2,305.47	4,328.43	2,305.47
Europe	7,231.15	4,652.63	7,231.15	4,652.63
	33,286.69	26,236.86	33,286.69	26,236.86
Add: Other Corporate Assets & Liabilities	1,742.39	2,447.27	1,742.39	2,447.27
Less: Eliminations	10,895.33	9,005.89	10,895.33	9,005.89
Total Capital Employed	24,133.75	19,678.24	24,133.75	19,678.24

NOTES:

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

Particulars	Rs. Million			
	Quarter Ended (Unaudited)		Year Ended (Audited)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Net Sales	17,616.30	13,127.83	54,904.86	50,365.61
Net Profit Before Tax	806.62	1,438.96	2,635.48	5,981.95
Net Profit After Tax	661.94	1,161.77	1,982.53	4,149.88

- 2 The Board of Directors has recommended a dividend @ Re.0.50 per Share amounting to Rs.252.01 Million on Equity Shares of Re 1/ each as Dividend for the year.
- 3 The number of investor complaints received during the quarter were 8(eight) all of which have been disposed off. 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 year ended 31st March 2011 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 on 10th May 2011 and approved by the Board of Directors at its meeting held on 11th May 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

ONKAR S. KANWAR
CHAIRMAN & MANAGING DIRECTOR

PLACE: Gurgaon
DATE: 11th May 2011