

Kochi, Kerala, INDIA, July 29, 2010

## Apollo posts an 11% rise in Q1 revenues

Spiralling natural rubber prices prove to be a dampener and remain a cause of concern for the entire year

The Board of Directors of Apollo Tyres Ltd today approved the company's unaudited results for the 1<sup>st</sup> quarter of the financial year 2010-11. Earlier in the day, at the 37<sup>th</sup> Annual General Meeting, shareholders approved the highest ever annual dividend payout of 75% per share in the history of the company, for the year ended March 31, 2010.

Apollo Tyres Ltd's consolidated revenue for the 1<sup>st</sup> quarter -- taking into account Apollo Tyres' Indian and International Operations -- grew **11%** to reach a net sales of **Rs 18.2 billion (Rs 1821 crores)** from the previous year's Rs 16.3 billion (Rs 1635 crores).

Earlier in the day, in his address to shareholders at the company's 37<sup>th</sup> AGM, Apollo's Chairman Onkar S Kanwar, highlighted the concerns arising out of the spiraling cost of natural rubber prices. Commenting on the results, **Onkar S Kanwar, Chairman, Apollo Tyres Ltd** said: "This quarter's results reflect the pressures on the bottomline due to an abnormal rise in the price of natural rubber. In April 2009, it was Rs 70/kg. When we closed the year in March 2010, it had doubled to Rs 145/kg. Four months later in July, the average price is Rs 180/kg -- and rising. I do not see relief in the immediate future since while international prices have been falling since April, domestic prices have continued to rise."

### **Quarterly Performance Highlights (Consolidated)**

#### **Q1 FY2010-11 (April-June) vs Q1 FY2009-10**

- Net sales up 11.4% to **Rs 18.2 billion (Rs 1821 crore)** from Rs 16.3 billion (Rs 1635 crore)
- Operating profit at **Rs 2.02 billion (Rs 202 crore)**, from Rs 2.07 billion (Rs 207.3 crore)
- Net profit at **Rs 742 million (Rs 74.2 crore)**, from Rs 738.2 million (Rs 73.8 crore)

Apollo's European operations seem to have overcome the trend of the continent's slow recovery and posted revenues of Rs 4.4 billion (Rs 438 crores) in the 1<sup>st</sup> quarter of the year.

An investment of **Euro 6.6 million** is being undertaken at the Enschede manufacturing unit in the Netherlands to increase the plant's capacity from the current 5.1 million to 6 million tyres a year. Similarly, South Africa will be absorbing investments of **US\$ 30 million** for expansion and equipment upgradation in the Durban and Ladysmith plants.

The Chennai Greenfield in India which began production in the previous quarter is expected to be completed by the end of the year. The Board has already sanctioned a further Rs 3 billion (Rs 300 crore) investment to the existing Rs 20 billion (Rs 2000 crores) taking the total to **Rs 23 billion (Rs 2300 crore)**.

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#### For further details contact:

**ROHIT SHARAN**  
+91 98182 00359  
rohit.sharan@apollotyres.com

**HARSHITA VERMA**  
+91 97177 71576  
harshita.verma@apollotyres.com

#### 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. [Website: www.apollotyres.com](http://www.apollotyres.com)

#### Corporate Headquarters

Apollo House, 7 Institutional Area, Sector 32, Gurgaon 122001, Haryana, India. T: +91 124 2721000 F: +91 124 2383021

APOLLO TYRES LTD.  
7 Institutional Area  
Sector 32  
Gurgaon 122001, India

Registered Office  
Cherupushpam Building  
6th Floor  
Shanmugham Road  
Kochi 682031, India

T: +91 124 2383002  
F: +91 124 2383017/20/21  
www.apollotyres.com

UNAUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER ENDED JUNE 30, 2010

**apollo**

Rs. Millions

S.NO.	PARTICULARS	QUARTER ENDED		YEAR ENDED
		(UNAUDITED)		(AUDITED)
		30.06.2010	30.06.2009	31.03.2010
1 (a)	Net Sales / Income From Operations	18,206.88	16,349.98	81,207.43
(b)	Other Operating Income	-	1.21	2.43
		18,206.88	16,351.19	81,209.86
2	<b>Expenditure</b>			
a.	Decrease / (Increase) in Stock in Trade and Work in Progress	(1,314.61)	340.91	2,180.63
b.	Consumption of Raw Materials	10,711.09	8,332.15	39,339.78
c.	Purchase of Traded Goods	827.55	499.98	4,287.46
d.	Employees Cost	2,910.90	1,928.64	10,884.73
e.	Depreciation	638.14	543.85	2,542.33
f.	Other Expenditure	3,086.72	3,191.03	12,766.02
g.	<b>Total</b>	16,859.79	14,836.56	72,000.95
3	<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items (1 - 2)</b>	1,347.09	1,514.63	9,208.91
4	Other Income	34.75	14.80	211.31
5	Profit Before Interest & Exceptional Items (3 + 4)	1,381.84	1,529.43	9,420.22
6	Interest	338.39	306.68	1,153.80
7	Profit After Interest but Before Exceptional Items (5 - 6)	1,043.45	1,222.75	8,266.42
8	Exceptional Items	-	-	873.73
9	<b>Profit before Tax (7+8)</b>	1,043.45	1,222.75	9,140.15
10	<b>Tax Expense</b> (Net of MAT Credit entitlements for the current quarter)	301.49	484.55	2,606.61
11	<b>Net Profit after tax ( 9-10 )</b>	741.96	738.20	6,533.54
12	Share of (Profit) / Loss of Associates	-	-	0.02
13	<b>Net Profit for the Period ( 11-12 )</b>	741.96	738.20	6,533.52
14	Paid-up Equity Share Capital (Equity Shares of Re 1 each)	504.09	504.09	504.09
15	Reserves Excluding Revaluation Reserves as per balance sheet of previous accounting year			19,142.93
16	<b>EARNINGS PER SHARE (EPS)</b>			
(a)	Basic EPS before & after Extraordinary Items (Not Annualized) -Rs.	1.47	1.46	12.96
(b)	Diluted EPS before & after Extraordinary Items (Not Annualized)-Rs.	1.47	1.46	12.96
17	<b>Public Shareholding</b>			
-	Number of Shares	303,690,965	305,715,965	305,713,965
-	Percentage of Shareholding	60.25%	60.65%	60.65%
18	<b>Promoters and Promoter Group Shareholding</b>			
(a)	<b>Pledged / Encumbered</b>			
-	Number of Shares	15,800,000	53,477,080	10,600,000
-	Percentage of Shares (as a percentage of the total shareholding of promoter and promoter group)	7.89%	26.97%	5.35%
-	Percentage of Shares (as a percentage of the total share capital of the company)	3.13%	10.61%	2.10%
(b)	<b>Non - Encumbered</b>			
-	Number of Shares	184,533,805	144,831,725	187,710,805
-	Percentage of Shares (as a percentage of the total shareholding of promoter and promoter group)	92.11%	73.03%	94.65%
-	Percentage of Shares (as a percentage of the total share capital of the company)	36.62%	28.74%	37.25%

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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

**III Information about Primary Segments**

Rs. Millions

Particulars	Consolidated Results		
	Quarter Ended (Unaudited)		Year Ended (Audited)
	30.06.2010	30.06.2009	31.03.2010
<b>1. Segment Revenue</b>			
India	11,212.67	11,801.42	50,365.61
South Africa	2,664.38	2,466.52	10,971.64
Europe	4,375.64	2,082.04	19,901.47
Total Segment Revenue	18,252.69	16,349.98	81,238.72
Less : Inter Segment Revenue	(45.81)	0.00	(31.29)
Net Sales	<b>18,206.88</b>	<b>16,349.98</b>	<b>81,207.43</b>
<b>2. Segment Results</b>			
India	833.95	1,636.94	6,762.13
South Africa	70.70	61.72	1,649.02
Europe	511.73	19.46	2,240.70
Total Segment Results	1,416.38	1,718.12	10,651.85
Less : Interest Expenses	(338.39)	(306.68)	(1,153.80)
Other Unallocable Corporate Expenses / Eliminations	(34.54)	(188.69)	(357.90)
Profit Before Tax (including Exceptional Items and after minority interest)	<b>1,043.45</b>	<b>1,222.75</b>	<b>9,140.15</b>
<b>3. Capital Employed (Segment Assets - Segment Liabilities)</b>			
India	20,035.09	16,474.16	19,278.76
South Africa	2,288.56	1,207.65	2,305.47
Europe	4,139.40	3,039.78	4,652.63
	26,463.05	20,721.59	26,236.86
Add: Other Corporate Assets & Liabilities	2,875.68	2,367.23	2,447.27
Less: Eliminations	(9,170.50)	(8,855.78)	(9,005.89)
Total Capital Employed	<b>20,168.23</b>	<b>14,233.04</b>	<b>19,678.24</b>

*Handwritten signatures*

**NOTES:**

1 The Lock-out at Company's manufacturing facility at Perambra (Kerala) declared on 11th June, 2010 is still continuing. The negotiations with the workers relating to long term settlement are under progress.

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

Particulars	Quarter Ended *		Rs. Millions
	(Unaudited)		Year Ended (Audited)
	30.06.2010	30.06.2009	31.03.2010
Net Sales	11,212.67	11,801.42	50,365.61
Net Profit Before Tax	575.05	1,434.40	5,981.95
Net Profit after Tax	406.05	946.71	4,149.88

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

3 The unaudited consolidated financial results for the quarter ended June 30, 2010 have been subjected to limited review by the Statutory Auditors.


4 The number of investor complaints received during the quarter were 7(seven) all of which have been disposed off. There were no investor complaints pending at the beginning or at the end of the quarter.

5 The Company has opted to publish Consolidated financial results for the financial year 2010-11. Standalone financial results for the quarter ended 30th June, 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](http://www.apollotyres.com), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.

6 The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29th July 2010.

7 Previous periods' figures have been regrouped / rearranged wherever considered necessary.

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



ONKAR S. KANWAR  
CHAIRMAN & MANAGING DIRECTOR

PLACE: KOCHI  
DATE: 29TH JULY 2010