

August 9, 2012

# Apollo Tyres net profit surges 79% in the 1st quarter of 2012-13

## Focus on enhanced product mix results in improved profitability

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 2012-13. Earlier in the day, at the 39<sup>th</sup> Annual General Meeting, shareholders approved the annual dividend payout of 50% per share (0.50 per equity share), for the year ended March 31, 2012.

Apollo Tyres Ltd's 1<sup>st</sup> quarter sales increased by **12%**, compared to the same quarter last year, to close the quarter at **Rs 31.65 billion (Rs 3165 crore)**, while net profit grew by **79%** to reach **Rs 1.38 billion (Rs 138 crore)** on the back of a more judicious product and customer mix. In India, Apollo has established a clear leadership in the growing truck-bus radial tyres, registering a growth of 60% in the quarter; while in South Africa passenger vehicle tyre sales moved higher by 32%. European Operations, even in a slowdown situation continued to maintain topline growth and profitability expanded by close to 50%.

### Quarter 1 Consolidated Performance Highlights

#### Q1 FY2012-13 (April - June) vs Q1 FY2011-12

- Net sales grew by **12% to Rs 31.65 billion (Rs 3165 crore)** from Rs 28.22 billion (Rs 2822 crore)
- Operating profit stood at **Rs 3.61 billion (Rs 361 crore) an increase of 48%**, from Rs 2.44 billion (Rs 244 crore)
- Net profit closed at **Rs 1.38 billion (Rs 138 crore) up 79%** from Rs 0.77 billion (Rs 77 crore)

Commenting on the results, **Onkar S Kanwar, Chairman, Apollo Tyres Ltd** said, "For the past few quarters, we have been focusing on improving our product and customer mix across geographies. This has enabled us to post incremental revenue increases on a sequential basis in each of the quarters last year, eventually resulting in enhanced profitability in the 1<sup>st</sup> quarter of this year. Our leadership in the growing truck-bus radial segment in India along with an increased focus on the replacement market has allowed us to achieve this. The investments made in the Chennai plant two years back on both product and process technology are showing results and have provided us with a superior springboard for the future."

### Cross Currency Reference Chart for Key Financials

Q1 FY2012-13	Rs Billion	US\$ Million	Euro Million
Net Sales	31.65	580	451
Operating Profit	3.65	66	52
Net Profit	1.38	25	20

(ends)

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#### About Apollo Tyres Ltd

Apollo Tyres Ltd is a high-performance tyre manufacturer headquartered in India. 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 100 countries. In each of the domestic markets the company operates through a vast network of branded, exclusive and multi-product outlets.

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UNAUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER ENDED JUNE 30, 2012



PART I		Rs. Million			
P A R T I C U L A R S		QUARTER ENDED			YEAR ENDED
		(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)
		30.06.2012	31.03.2012	30.06.2011	31.03.2012
1	<b>Income from Operations</b>				
	(a) Net Sales/Income From Operations (Net of Excise Duty)	31,647.02	32,313.97	28,224.09	121,532.87
	(b) Other Operating Income	-	-	-	-
	<b>Total Income from Operations (Net)</b>	<b>31,647.02</b>	<b>32,313.97</b>	<b>28,224.09</b>	<b>121,532.87</b>
2	<b>Expenses</b>				
	(a) Cost of Materials Consumed	21,267.48	18,655.31	19,972.21	76,351.45
	(b) Purchase of Stock - in- Trade	1,793.58	2,016.50	1,707.67	6,576.07
	(c) Changes in Inventories of Finished Goods/Work-in-Progress and Stock-in-Trade	(3,493.09)	428.18	(3,050.75)	(2,557.51)
	(d) Employees Benefits Expense	3,881.99	3,022.82	3,433.42	13,350.11
	(e) Depreciation & Amortisation Expense	935.54	901.81	753.68	3,255.95
	(f) Other Expenses	4,681.16	4,577.87	3,833.52	16,151.79
	<b>Total Expenses</b>	<b>29,066.66</b>	<b>29,602.49</b>	<b>26,649.75</b>	<b>113,127.86</b>
3	<b>Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1 - 2)</b>	<b>2,580.36</b>	<b>2,711.48</b>	<b>1,574.34</b>	<b>8,405.01</b>
4	Other Income	98.37	166.40	116.81	326.39
5	<b>Profit/(Loss) from Ordinary Activities before Finance Costs and Exceptional Items (3 + 4)</b>	<b>2,678.73</b>	<b>2,877.88</b>	<b>1,691.15</b>	<b>8,731.40</b>
6	Finance Costs	750.62	782.43	642.52	2,872.90
7	<b>Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5 - 6)</b>	<b>1,928.11</b>	<b>2,095.45</b>	<b>1,048.63</b>	<b>5,858.50</b>
8	Exceptional Items	-	-	-	293.80
9	<b>Profit/(Loss) from Ordinary Activities before Tax (7-8)</b>	<b>1,928.11</b>	<b>2,095.45</b>	<b>1,048.63</b>	<b>5,564.70</b>
10	Tax Expense (Net of MAT credit in the previous periods)	539.19	514.91	273.57	1,443.50
11	<b>Net Profit/(Loss) from Ordinary Activities after Tax ( 9-10 )</b>	<b>1,388.92</b>	<b>1,580.54</b>	<b>775.06</b>	<b>4,121.20</b>
12	Extraordinary Items (Net of Tax expenses)	-	-	-	-
13	<b>Net Profit for the Period ( 11-12)</b>	<b>1,388.92</b>	<b>1,580.54</b>	<b>775.06</b>	<b>4,121.20</b>
14	Share of profit / (loss) of associates	(8.89)	(10.15)	(3.87)	(23.10)
15	Minority Interest	0.12	(0.82)	0.09	0.86
16	<b>Net Profit/(Loss) after taxes , minority interest &amp; share of profit / ( loss) of associates ( 13+14+15 )</b>	<b>1,380.15</b>	<b>1,569.57</b>	<b>771.28</b>	<b>4,098.96</b>
17	Paid-up Equity Share Capital (Equity Shares of Re 1 each)	504.09	504.09	504.09	504.09
18	Reserves excluding Revaluation Reserves	-	-	-	27,792.38
19	<b>EARNINGS PER SHARE (EPS)</b>				
	(a) Basic EPS before & after Extraordinary Items (Not Annualized) -Rs.	2.74	3.11	1.53	8.13
	(b) Diluted EPS before & after Extraordinary Items (Not Annualized)-Rs.	2.74	3.11	1.53	8.13

## PART II

## Select Information for the Quarter ended June 30 , 2012

PARTICULARS	QUARTER ENDED			YEAR ENDED
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
<b>PARTICULARS OF SHAREHOLDING</b>				
<b>1 Public Shareholding</b>				
- Number of Shares	267,453,528	267,453,529	280,612,726	267,453,528
- Percentage of Shareholding	53.06%	53.06%	55.67%	53.06%
<b>2 Promoters and Promoter Group Shareholding</b>				
<b>(a) Pledged / Encumbered</b>				
- Number of Shares	36,700,400	36,700,400	59,350,000	36,700,400
- Percentage of Shares (as a percentage of the total shareholding of promoter and promoter group)	15.51%	15.51%	26.57%	15.51%
- Percentage of Shares (as a percentage of the total share capital of the company)	7.28%	7.28%	11.78%	7.28%
<b>(b) Non - Encumbered</b>				
- Number of Shares	199,870,842	199,870,841	164,062,044	199,870,841
- Percentage of Shares (as a percentage of the total shareholding of promoter and promoter group)	84.49%	84.49%	73.43%	84.49%
- Percentage of Shares (as a percentage of the total share capital of the company)	39.65%	39.65%	32.55%	39.65%

Particulars	Quarter ended 30.06.2012
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	Nil
Received during the quarter	8
Disposed off during the quarter	8
Remaining unresolved at the end of the quarter	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**

Particulars	Consolidated Results			
	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
<b>1. Segment Revenue</b>				
India	21,523.66	22,590.02	19,607.76	81,578.75
South Africa	3,926.92	3,394.44	2,800.11	13,048.79
Europe	6,496.29	6,773.83	6,035.24	28,498.73
Others	496.57	286.10	33.69	1,048.73
<b>Total Segment Revenue</b>	<b>32,443.44</b>	<b>33,044.40</b>	<b>28,476.80</b>	<b>124,175.01</b>
Less : Inter Segment Revenue	796.42	730.43	252.71	2,642.14
<b>Net Sales</b>	<b>31,647.02</b>	<b>32,313.97</b>	<b>28,224.09</b>	<b>121,532.87</b>
<b>2. Segment Results</b>				
India	1,716.89	1,721.27	1,178.16	4,988.14
South Africa	53.43	(111.85)	(50.25)	(433.15)
Europe	930.52	1,187.40	589.37	3,863.70
Others	7.69	54.09	(15.91)	14.28
<b>Total Segment Results</b>	<b>2,708.53</b>	<b>2,850.91</b>	<b>1,701.37</b>	<b>8,432.97</b>
Less : Interest Expenses	750.62	782.43	642.52	2,872.90
Other Unallocable Corporate Expenses / Eliminations	29.80	(26.97)	10.22	(4.63)
<b>Profit Before Tax</b>	<b>1,928.11</b>	<b>2,095.45</b>	<b>1,048.63</b>	<b>5,564.70</b>
<b>3. Capital Employed (Segment Assets - Segment Liabilities)</b>				
India	20,799.95	20,648.47	21,654.00	20,648.47
South Africa	1,991.93	1,639.53	1,697.49	1,639.53
Europe	10,794.95	9,578.51	5,953.13	9,578.51
Others	1,464.28	1,226.11	12.29	1,226.11
	<b>35,051.11</b>	<b>33,092.62</b>	<b>29,316.91</b>	<b>33,092.62</b>
Less : Other Corporate Assets & Liabilities / Eliminations	5,074.17	4,757.31	4,266.29	4,757.31
<b>Total Capital Employed</b>	<b>29,976.94</b>	<b>28,335.31</b>	<b>25,050.62</b>	<b>28,335.31</b>

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**NOTES:**

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

Particulars	Quarter Ended			Rs. Million
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
Net Sales	21,523.66	22,590.02	19,607.76	81,578.75
Net Profit Before Tax	1,099.01	1,055.18	628.52	2,575.13
Net Profit after Tax	752.77	722.55	444.33	1,813.33

- 2 The Company has opted to publish Consolidated financial results for the financial year 2012-13. Standalone financial results, for the quarter ended June 30 , 2012 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.
- 3 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.
- 4 The figures of last quarter (i.e. three months ended March 31 , 2012) are the balancing figure between audited figures in respect of the full financial year and the year to date figures upto the end of third quarter of the respective financial year.
- 5 The above results were reviewed by the Audit Committee on August 8, 2012 and approved by the Board of Directors at their meeting held on August 9, 2012. The unaudited consolidated and stand-alone financial results of the company for the quarter ended June 30, 2012 have undergone limited review by the Statutory Auditors.

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

*Onkar Kanwar*

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**ONKAR S. KANWAR**  
**CHAIRMAN & MANAGING DIRECTOR**

Place: Kochi  
Date: August 9 , 2012