

November 11, 2013

## Apollo Tyres net profit surges 44% in Q2

**Improved product and customer mix across geographies helped improve profitability amidst challenging circumstances**

The Board of Directors of Apollo Tyres Ltd today approved the company's unaudited financial results for the 2<sup>nd</sup> quarter and the first 6 months of the financial year 2013 - 14.

For the quarter ended September 30, 2013, Apollo Tyres Ltd, on a consolidated level, reported a profit of Rs 219 crores, on net sales of Rs 3433 crores. For the first half of the year (April – September), the company posted a profit of Rs 385 crores, on net sales of Rs 6623 crores. Apollo Tyres' European Operations continued with its strong performance and reported a 27% increase in the second quarter revenues, as compared to the same period last fiscal.

### Quarterly Performance Highlights

#### Quarter 2 FY2013-14 (July-September) vs Quarter 2 FY2012-13

- Net sales stood at Rs 34.3 billion (Rs 3433 crores) against Rs 33.7 billion (Rs 3374.8 crores)
- Operating profit up 16% at Rs 4.4 billion (Rs 440.6 crores) from Rs 3.8 billion (Rs 380.9 crores)
- Net profit up 44% at Rs 2.2 billion (Rs 219.5 crores) from Rs 1.5 billion (Rs 152.2 crores)

### Half Yearly Performance Highlights

#### H1 FY2013-14 (April-September) vs H1 FY2012-13

- Net sales recorded was Rs 66.23 billion (Rs 6623 crores) against Rs 65.4 billion (Rs 6539.5 crores)
- Operating profit up 14% at Rs 8.4 billion (Rs 845 crores) from Rs 7.4 billion (Rs 742.3 crores)
- Net profit up 33% at Rs 3.8 billion (Rs 385.4 crores) from Rs 2.9 billion (Rs 290.2 crores)

Speaking on the results, **Onkar S Kanwar, Chairman, Apollo Tyres Ltd**, said "Our focused efforts towards improving our product and customer mix across geographies is showing its results, and is also evident from our improved bottomline despite the challenging circumstances. In India, which is our largest market, while there is no upswing in the demand from the OEs, the healthy demand in the replacement market, especially for our products, has helped us to hold on to our topline. We are also looking forward to introduce the Vredestein brand in India next month."

### Cross Currency Reference Chart for Key Financials:

	Rs Billion		US\$ Million		Euro Million	
	Q2 FY14	H1 FY14	Q2 FY14	H1 FY14	Q2 FY14	H1 FY14
Net Sales	34.3	66.2	550.2	1121.9	414.7	852.4
Operating Profit	4.4	8.4	70.6	143.1	53.3	108.8
Net Profit	2.2	3.8	35.5	65.3	26.8	49.6

The Board of Directors, during the meeting held today, also took cognizance of the fact that, during the previous quarter, Apollo Tyres Ltd, through its subsidiaries, had entered into a definitive merger agreement for acquisition of US-based Cooper Tire & Rubber Company. On October 4, 2013 Cooper had filed a law suit against Apollo in a Delaware Court. An answer and counterclaim was also filed by Apollo Tyres. In a partial ruling on Friday, November 8, 2013, the Delaware Court Judge has found that Apollo is not in breach of the merger agreement with Cooper Tire. The Court found that Apollo has used 'reasonable best efforts' to negotiate with the USW and that, contrary to Cooper's claims, 'nothing in Apollo's conduct indicates buyer's remorse.' Apollo continues to believe in the merits of the combination and is committed to finding a sensible way forward.

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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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