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Apollo Tyres and Sumitomo Rubber Industries strike deal in Africa

Apollo to sell some assets while retaining others

Apollo Tyres today announced a transaction with Sumitomo Rubber Industries (SRI), by which SRI takes over Apollo Tyres South Africa (ATSA) including the Ladysmith passenger car tyre plant. Apollo will retain the Durban plant which manufactures Truck & Bus Radial (TBR) tyres and Off Highway tyres (OHT) used in the mining and construction industries.

Speaking on this development, **Onkar S Kanwar, Chairman, Apollo Tyres Ltd** said, "This partnership with SRI is a win-win situation for both organisations. SRI gets a manufacturing location on the continent and control over the Dunlop brand which they also use in many other countries across the world. Apollo retains one plant in South Africa and has the ability to develop further the markets for its global brands -- Apollo and Vredestein."

For a consideration of US\$ 60 million, SRI will acquire ATSA, including the Ladysmith plant. All employees of the company, other than those in the Durban plant, will continue with ATSA. Apollo will retain the Durban plant and all employees attached to it. It may be noted that the two entities have made sure that there are no jobs lost in this entire process.

Apollo Tyres will continue to sell the Apollo, Vredestein and Regal brand tyres in Africa while focusing on creating and strengthening its own sales and distribution network across the continent. Both companies will also undertake contract manufacturing of their respective brands at each other's facility to have locally manufactured products available for the market.

Commenting further, **Mr Kanwar** said, "While we have 2 global brands -- Apollo and Vredestein -- which we are looking at expanding across the world, we had the brand rights for selling Dunlop brand only in 32 countries of Africa. We have retained the manufacturing facility in Durban, as we would like to increase the presence of Apollo and Vredestein branded tyres in Africa, which we have already been selling in South Africa for the past few years."

Apollo Tyres acquired Durban, South Africa headquartered Dunlop Tyres International (later renamed Apollo Tyres South Africa Pty Ltd) in 2006.

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For further details contact:

ROHIT SHARAN, +91 124 2721000, rohit.sharan@apolloytyres.com

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.

Apollo Tyres Ltd, 7 Institutional Area, Sector 32, Gurgaon 122001, India
T: +91 124 2721000 apolloytyres.com