

May 11, 2016

# Apollo Tyres' net profit increases 12% annually

## High imports continues to be a cause of concern for company's Indian Operations

The Board of Directors of Apollo Tyres Ltd today approved the company's audited financial results for the 4<sup>th</sup> quarter (January to March) and the financial year 2015-16. The Board recommended a **dividend payout of 200%**, to be approved by the shareholders at the forthcoming Annual General Meeting, later in the year.

**Consolidated annual revenues**, across operations closed at **Rs 117 billion** (or Rs 11708 crores). During the same period the company reported a net profit of Rs 10.9 billion (Rs 1093 crores). Net sales of the company for the 4<sup>th</sup> quarter closed at 30 billion (Rs 2966 crores); net profit reported for Q4 was Rs 2.45 billion (Rs 245 crores).

### Consolidated Annual Performance Highlights

#### FY2015-16 (April-March) vs FY2014-15

- Net sales stood at Rs 117 billion
- Operating profit grew 3% to close at Rs 20.4 billion from Rs 19.8 billion
- Net profit increased 12% at Rs 10.9 billion from Rs 9.8 billion in the previous year

Commenting on the results, **Onkar S Kanwar, Chairman, Apollo Tyres Ltd**, said, "Our revenue in India, in the past financial year, has largely been impacted by the Chinese imports. The imported truck-bus radials, especially from China, occupied close to 30% of the Indian replacement market for radial truck tyres, which not only impacted the domestic truck-bus radials, but also the truck-bus bias segment. With India having no anti-dumping duties, in the past fiscal on Chinese tyres, and numerous other geographies having imposed anti dumping duties on Chinese tyres, India has opened its market for low cost tyre imports from China, thereby putting at risk the huge investments made by the domestic tyre majors."

### Quarter 4 Consolidated Performance Highlights

#### Q4 FY2015-16 (January-March)

- Net sales stood at Rs 30 billion
- Operating profit closed at Rs 5 billion
- Net profit reported for the quarter was Rs 2.5 billion

Added **Onkar S Kanwar, Chairman, Apollo Tyres Ltd**, "Our European Operations have been impacted due to the SAP implementation. Having said that, we are confident that the team would be able to resolve the challenges very soon. With the addition of Reifen.com, we are looking at maximising on the new business vertical. We believe that there is a huge potential in further developing this business model across geographies."

### Cross Currency Reference Chart for Key Financials:

	Rs Billion		Rs Crores		US\$ Million		Euro Million	
	Q4	FY16	Q4	FY16	Q4	FY16	Q4	FY16
Net Sales	29.7	117.1	2966	11708	438.9	1787.6	397.8	1618.6
Operating Profit	5	20.4	497	2038	73.4	311.2	66.6	281.8
Net Profit	2.5	10.9	245	1093	36.2	167	32.8	151.2



## ANNUAL CORPORATE HIGHLIGHTS

- On a consolidated level the **break-up of revenues** across geographies are: **India – 69%; Europe – 26%** and **Other Geographies – 5%**
- Apollo Tyres announced its **foray into two-wheeler tyre segment** in India
- The company **acquired Reifencom GmbH**, Germany based tyre distributor with both online and offline presence
- The partnership with Manchester United was expanded to **129 countries** globally; and 2nd **Go The Distance pitch** globally, was inaugurated in Mumbai
- Apollo Tyres was awarded with **Global Green Future Leadership Award 2016**, under Best Waste Management category, and **Asian CSR awards 2015**, under Health Enhancement category
- Multiple new Apollo Zones, company's branded retail outlets, were inaugurated in the Middle East region -- **Jordan and Lebanon**
- Special edition dual branded -- Apollo & Manchester United -- tyres introduced in the **Middle East and North Africa** markets
- Air Master by Vredestein received **DKG Product Award**, while Apollo Alnac 4G All Season tyres received **high ratings** from Auto Bild Allrad
- **Apollo Amazer 4G Life** -- a high mileage passenger car tyre -- was introduced for the Indian market
- A **Purified Drinking Water Project** was set-up to provide clean drinking water to villagers around company's Oragadam facility, outside Chennai
- Apollo Tyres inaugurated two **Go The Distance Playgrounds**, created using worn-out or end-of-life tyres for the village children just outside Chennai

(ends)

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### **About Apollo Tyres Ltd**

Apollo Tyres Ltd is an international tyre manufacturer and the leading tyre brand in India. The company has manufacturing units in India and The Netherlands. It is setting up a new manufacturing facility in Hungary, with a planned investment of €475 million. The company markets its products under its two global brands – Apollo and Vredestein, and its products are available in over 100 countries through a vast network of branded, exclusive and multi-product outlets.

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