

February 9, 2012

Apollo Tyres posts a 36% rise in Q3 revenues

Net sales for the 9-months of April to December reaches Rs 89 billion

The Board of Directors of Apollo Tyres Ltd today took on record the company’s unaudited results for the 3rd quarter of the financial year 2011-12.

Apollo Tyres Ltd’s consolidated revenue for the 3rd quarter grew **36%** to reach a net sales of **Rs 32.28 billion (Rs 3228 crore)**. The revenue growth was led by Indian Operations with 46% increase in revenue over the same period last fiscal, followed by South Africa with 28% and Europe with 26% growth.

Quarter 3 Consolidated Performance Highlights

FY2011-12 (October - December) vs Quarter 3 FY2010-11

- Net sales reached Rs 32.28 billion (Rs 3228 crore) from Rs 23.69 billion (Rs 2369 crore)
- Operating profit stood at Rs 3.28 billion (Rs 328 crore) from Rs 2.78 billion (Rs 278 crore)
- Net profit closed at Rs 0.98 billion (Rs 98 crore) from Rs 1.2 billion (Rs 120 crore) in the same period last year

9 months Consolidated Performance Highlights

FY2011-12 (April – December) vs FY 2010-11

- Net sales closed at Rs 89.22 billion (Rs 8922 crores) from Rs 61.38 billion (Rs 6138 crore)
- Operating profit was at Rs 8.12 billion (Rs 812 crore) from nearly Rs 6.66 billion (Rs 666 crore)
- Net profit closed at Rs 2.53 billion (Rs 253 crore) from Rs 2.48 billion (Rs 248 crore) in the previous year

Commenting on the results, **Onkar S Kanwar, Chairman, Apollo Tyres Ltd** said, “All 3 geographies have performed exceptionally well amidst concerns over a slowdown throughout the last 2 quarters. The raw material prices have stabilised to some extent, but they continue to remain on the higher side and put our margins under pressure. In India, our truck-bus radial journey, which started last year, is in full swing; and with 4000 truck-bus radial tyres coming out of our Chennai plant everyday, we have already gained leadership position in this segment as well. I am confident that the next quarter would see us further consolidate our growth and profitability journey.”

Cross Currency Reference Chart for Key Financials:

FY 2011-12	Rs Billion		US\$ Million		Euro Million	
	Q3	9 month (Apr–Dec)	Q3	9 month (Apr–Dec)	Q3	9 month (Apr–Dec)
Net Sales	32.28	89.22	627	1871	466	1338
Operating Profit	3.28	8.12	64	170	48	122
Net Profit	0.98	2.53	19	53	14	38

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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 70 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 AND NINE MONTHS ENDED DECEMBER 31, 2011

Rs. Million

S.No.	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		(UNAUDITED)			(UNAUDITED)		(AUDITED)
		31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	31.03.2011
1(a)	Net Sales / Income From Operations	32,282.38	28,712.43	23,685.83	89,218.90	61,381.93	88,677.18
(b)	Other Operating Income	-	-	1.28	-	1.28	2.58
		32,282.38	28,712.43	23,687.11	89,218.90	61,383.21	88,679.76
2	Expenditure						
(a)	Decrease/(Increase) in Stock in Trade and Work in Progress	113.21	(48.15)	(2,023.68)	(2,985.69)	(4,442.16)	(4,737.13)
(b)	Consumption of Raw Materials	20,001.69	17,966.93	14,570.06	57,866.75	36,732.28	52,948.41
(c)	Purchase of Traded Goods	1,377.77	1,474.13	1,365.48	4,559.57	3,321.43	4,810.56
(d)	Employees Cost	3,511.23	3,299.11	3,126.19	10,327.29	9,050.51	11,552.96
(e)	Depreciation	823.56	776.90	673.31	2,354.14	1,980.90	2,719.44
(f)	Other Expenditure	4,035.02	3,605.93	3,917.32	11,392.31	10,151.29	14,322.44
(g)	Total	29,862.48	27,076.85	21,628.68	83,514.37	56,794.25	81,616.68
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	2,419.90	1,635.58	2,058.43	5,704.53	4,588.96	7,063.08
4	Other Income	33.13	10.69	50.16	63.30	88.97	260.27
5	Profit Before Interest & Exceptional Items (3 + 4)	2,453.03	1,646.27	2,108.59	5,767.83	4,677.93	7,323.35
6	Interest	730.71	654.17	528.65	2,004.78	1,309.43	1,852.06
7	Profit After Interest but Before Exceptional Items (5 - 6)	1,722.32	992.10	1,579.94	3,763.05	3,368.50	5,471.29
8	Less : Exceptional Item	293.80	-	-	293.80	-	-
9	Profit before Tax (7-8)	1,428.52	992.10	1,579.94	3,469.25	3,368.50	5,471.29
10	Tax Expense (Net of MAT Credit entitlements for the current period)	444.29	210.73	372.44	928.59	886.53	1,063.27
11	Net Profit after tax (9-10)	984.23	781.37	1,207.50	2,540.66	2,481.97	4,408.02
12	Less : Share in Loss of Associates	4.78	4.30	3.34	12.95	3.34	6.42
13	Add : Minority Interest	0.97	0.62	-	1.68	-	0.03
14	Net Profit for the Period (11-12+13)	980.42	777.69	1,204.16	2,529.39	2,478.63	4,401.63
15	Paid-up Equity Share Capital (Equity Shares of Re 1 each)	504.09	504.09	504.09	504.09	504.09	504.09
16	Reserves Excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	23,589.96
17	EARNINGS PER SHARE (EPS)						
(a)	Basic EPS before & after Extraordinary Items (Not Annualized) -Rs.	1.95	1.54	2.39	5.02	4.92	8.73
(b)	Diluted EPS before & after Extraordinary Items (Not Annualized)-Rs.	1.95	1.54	2.39	5.02	4.92	8.73
18	Public Shareholding						
	- Number of Shares	270,220,475	276,533,726	303,387,258	270,220,475	303,387,258	280,612,726
	- Percentage of Shareholding	53.61%	54.87%	60.19%	53.61%	60.19%	55.67%
19	Promoters and Promoter Group Shareholding						
(a)	Pledged / Encumbered						
	- Number of Shares	87,450,000	67,250,000	15,000,000	87,450,000	15,000,000	62,100,000
	- Percentage of Shares (as a percentage of the total shareholding of promoter and promoter group)	37.40%	29.56%	7.48%	37.40%	7.48%	27.80%
	- Percentage of Shares (as a percentage of the total share capital of the company)	17.35%	13.34%	2.98%	17.35%	2.98%	12.32%
(b)	Non - Encumbered						
	- Number of Shares	146,354,295	160,241,044	185,637,512	146,354,295	185,637,512	161,312,044
	- Percentage of Shares (as a percentage of the total shareholding of promoter and promoter group)	62.60%	70.44%	92.52%	62.60%	92.52%	72.20%
	- Percentage of Shares (as a percentage of the total share capital of the company)	29.04%	31.79%	36.83%	29.04%	36.83%	32.01%
20	Shares held by Custodians and against which Depository Receipts have been issued						
(a)	Promoters and Promoter Group Shareholding	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Public Shareholding	Nil	Nil	Nil	Nil	Nil	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

Rs. Million

Particulars	Consolidated Results					
	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
	31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	31.03.2011
1. Segment Revenue						
India	20,932.21	18,448.76	14,319.84	58,988.73	37,288.56	54,904.86
South Africa	3,831.58	3,022.66	2,995.47	9,654.35	8,291.90	11,830.92
Europe	8,197.48	7,492.18	6,491.54	21,724.90	16,113.96	22,343.72
Others	352.85	376.09	-	762.63	-	-
Total Segment Revenue	33,314.12	29,339.69	23,806.85	91,130.61	61,694.42	89,079.50
Less : Inter Segment Revenue	1,031.74	627.26	121.02	1,911.71	312.49	402.32
Net Sales	32,282.38	28,712.43	23,685.83	89,218.90	61,381.93	88,677.18
2. Segment Results						
India	1,211.33	815.84	1,154.50	3,183.98	2,884.18	4,128.40
South Africa	(296.43)	26.42	78.02	(321.30)	73.51	320.84
Europe	1,289.67	794.66	883.25	2,673.50	1,827.20	2,975.40
Others	(21.25)	(2.65)	(6.91)	(39.81)	(18.67)	(29.03)
Total Segment Results	2,183.32	1,634.27	2,108.86	5,496.37	4,766.22	7,395.61
Less : Interest Expenses	730.71	654.17	528.65	2,004.78	1,309.43	1,852.06
Other Unallocable Corporate Expenses / Eliminations	24.09	(12.00)	0.27	22.34	88.29	72.26
Profit Before Tax	1,428.52	992.10	1,579.94	3,469.25	3,368.50	5,471.29
3. Capital Employed (Segment Assets - Segment Liabilities)						
India	22,988.50	22,547.91	21,178.33	22,988.50	21,178.33	21,727.11
South Africa	3,941.49	4,048.71	2,331.89	3,941.49	2,331.89	4,328.43
Europe	9,590.58	8,719.54	5,940.85	9,590.58	5,940.85	7,231.15
Others	349.45	344.86	89.47	349.45	89.47	238.21
	36,870.02	35,661.02	29,540.54	36,870.02	29,540.54	33,524.90
Add: Other Corporate Assets & Liabilities	2,961.12	1,948.25	1,899.86	2,961.12	1,899.86	1,504.18
Less: Eliminations	12,191.99	11,638.11	8,913.34	12,191.99	8,913.34	10,895.33
Total Capital Employed	27,639.15	25,971.16	22,527.06	27,639.15	22,527.06	24,133.75

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NOTES:

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

Particulars	Rs. Million					
	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
	31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	31.03.2011
Net Sales	20,932.21	18,448.76	14,319.84	58,988.73	37,288.56	54,904.86
Net Profit Before Tax	597.69	293.74	720.06	1,519.95	1,828.86	2,635.48
Net Profit after Tax	425.74	220.70	540.99	1,090.78	1,320.59	1,982.53

2 Exceptional item represents the impact of penalty of ZAR 45 Million on account of company's South African subsidiary Apollo Tyres South Africa Pty Ltd. (ATSA) entering into settlement agreement with South African Competition Commission during the quarter. As the current management had no involvement in, or knowledge of, the anti-competitive conduct identified by the Commission during the period before ATSA's acquisition, the company decided to settle this and move forward in the best interest of all stakeholders. The penalty followed the South African Commission's investigation against South African Tyre Manufacturers Conference (Pty) Ltd (SATMC) and four local tyre manufacturers and suppliers including ATSA.

3 The number of investor complaints received during the quarter were 8 (Eight) all of which have been disposed off. There were no investor complaints pending at the beginning or at the end of the quarter.

4 The Company has opted to publish Consolidated financial results for the financial year 2011-12. Standalone financial results, for the quarter and nine months ended 31st December 2011 can be viewed on the website of the Company, National Stock Exchange of India Limited and Bombay Stock Exchange Limited at www.apollotyres.com, www.nseindia.com and www.bseindia.com respectively.

5 The above results were reviewed by the Audit Committee on 8th February 2012 and approved by the Board of Directors at its meeting held on 9th February 2012. The unaudited consolidated and standalone financial results for the quarter and nine months ended December 31, 2011 have been subjected to limited review by the Statutory Auditors.

6 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: Gurgaon
DATE: 9th February 2012