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INVESTOR PRESENTATION



MAY - 2014

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- **Passenger Car & Light Truck** sales volume in the European replacement market grew by 17%
- **Gained 3% market share[^]** in Passenger Car & Light Truck in India
- **Significant improvement in Profitability**
 - Operating margin* improved from 11.4% to 14.1%
 - Net margin improved from 4.8% to 7.6%
- **Fifth consecutive year of value creation**, with ROCE of 22.8%
- **Net Debt lowered by 59% to Rs 9.6 Bn**
 - Net Debt : EBITDA* improved from 1.6 to 0.5
 - Net Debt : Equity improved from 0.7 to 0.2

Notes:

[^] Based on ATMA data for 6M FY 2014 of Domestic Availability (Production + Imports – Exports)

* EBITDA without other income and exceptional items

Flattish sales growth but significant improvement in profitability

	FY 2013	FY 2014	YOY Growth
Net Sales (Rs Bn)	127.9	133.1	4%
EBITDA [^]	11.4%	14.1%	28%
EBIT ^{^^}	8.3%	11.0%	38%

➤ **Sales growth has been flattish** because of poor market conditions, spinoff of part of SA operations in November 2013

➤ **Profitability has significantly improved** because of improved product mix, improved internal efficiencies, softening of RM and increased sales in more profitable replacement market

1 INTRODUCTION TO APOLLO TYRES



2 FINANCIAL OVERVIEW



3 KEY COMPETITIVE STRENGTHS



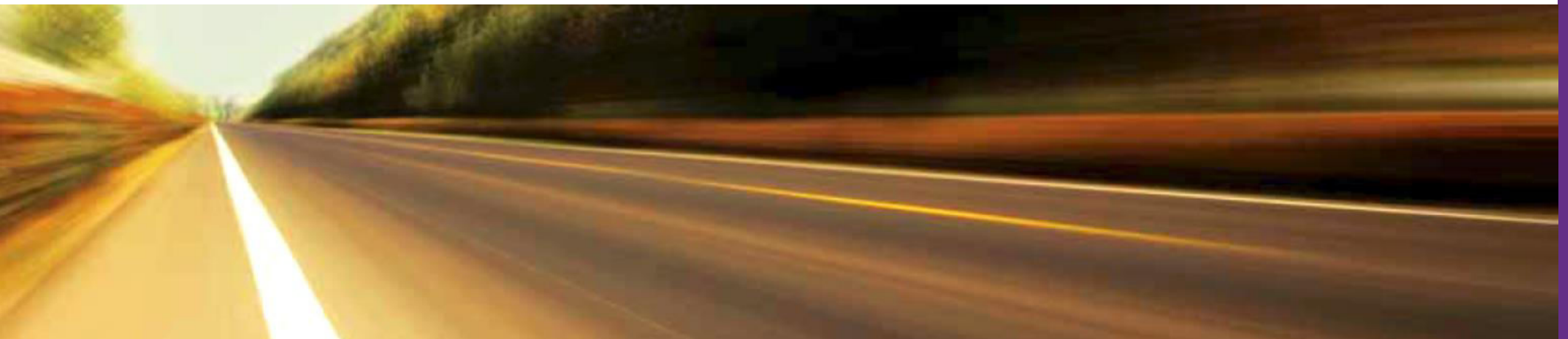
4 OUTLOOK





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INTRODUCTION



Fast Growing Tyre Company Globally

- ✓ US\$2.2bn¹ net sales in FY14²
- ✓ 5 year CAGR for Net Sales is ~ 13%
- ✓ 5 year CAGR EBITDA³ is ~ 13%

Leading Tyre Manufacturer in India, Balanced Product Portfolio

- ✓ One of the largest radial tyre capacity in India (FY 2014)
- ✓ UHP and Winter tyres capabilities
- ✓ Market leader (26% share⁴) in truck tyre market which is 2/3rd of the Industry

Manufacturing Across 3 Continents

- ✓ Manufacturing presence in Asia, Europe and Africa
- ✓ Combined capacity of ~1685 MT/Day⁵



Mix of Global and Regional Brands

Extensive Distribution Network

- ✓ ~4500 retail dealers in India
- ✓ ~3700 dealer outlets in Europe

Large Talent Pool

- ✓ ~15000 employees^{5,6} worldwide

Notes:

(1) 1US\$ = 60.10 INR, based on average exchange rate for FY14 as per www.oanda.com

(2) Consolidated financials; FY refers to financial year ended 31 March

(3) EBITDA without other income and exceptional items

(4) As per ATMA data for 6M FY 2014

(5) As of 31st March 2014

(6) Including contractual workers

EXPERIENCED & RESPECTED MANAGEMENT TEAM



Onkar S Kanwar
Chairman & Managing Director



Neeraj Kanwar
Vice Chairman & Managing Director



Sunam Sarkar
President & Chief Financial Officer



Satish Sharma
President, APMENA



Dr. Luis C Ceneviz
President, ESSAA



Robert Steinmetz
Non-Executive Director



P N Wahal
Company Secretary



Marco Paracciani
Chief Marketing Officer



Tapan Mitra
Chief, HR



P K Mohamed
Chief Advisor, Research & Development



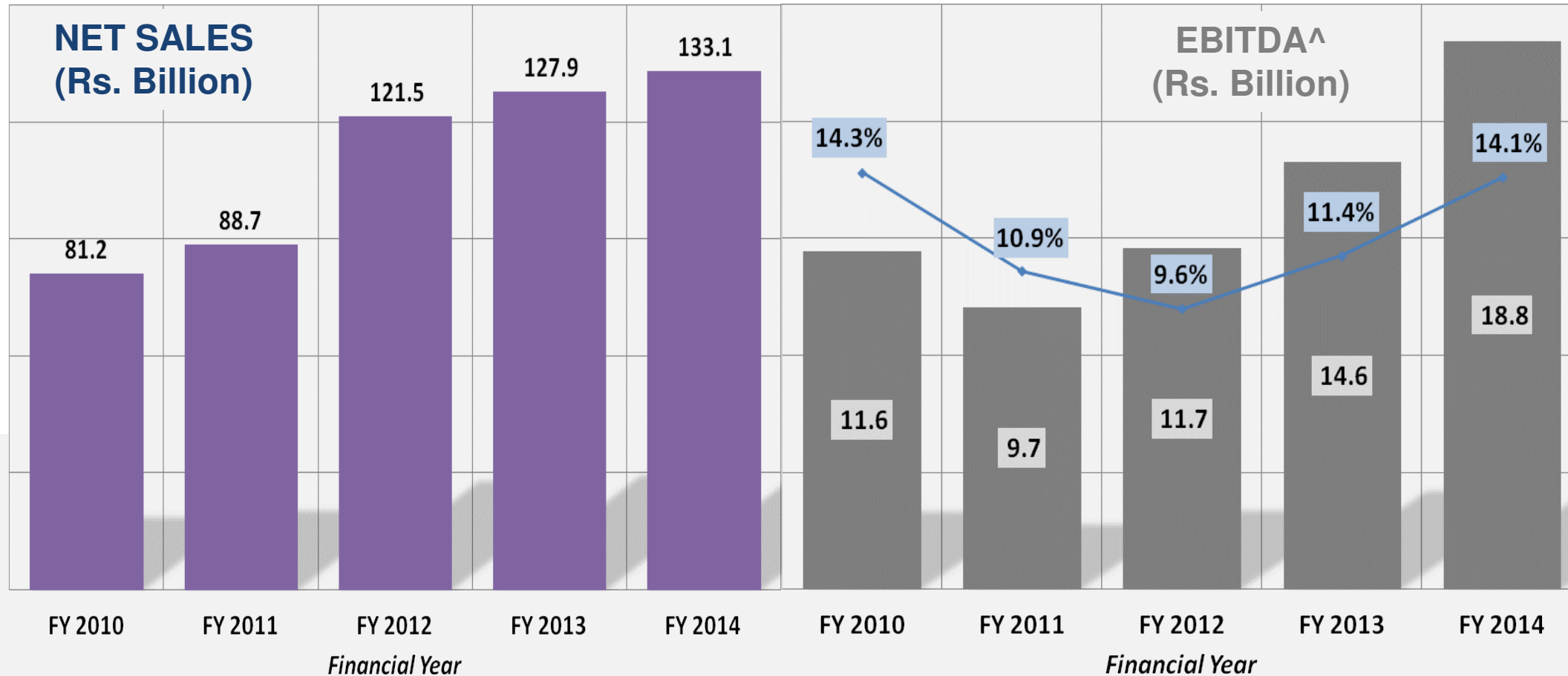
Gaurav Kumar
Group Head,
Corporate Strat. & Fin.



Peter Snel
Chief, Global R&D PV

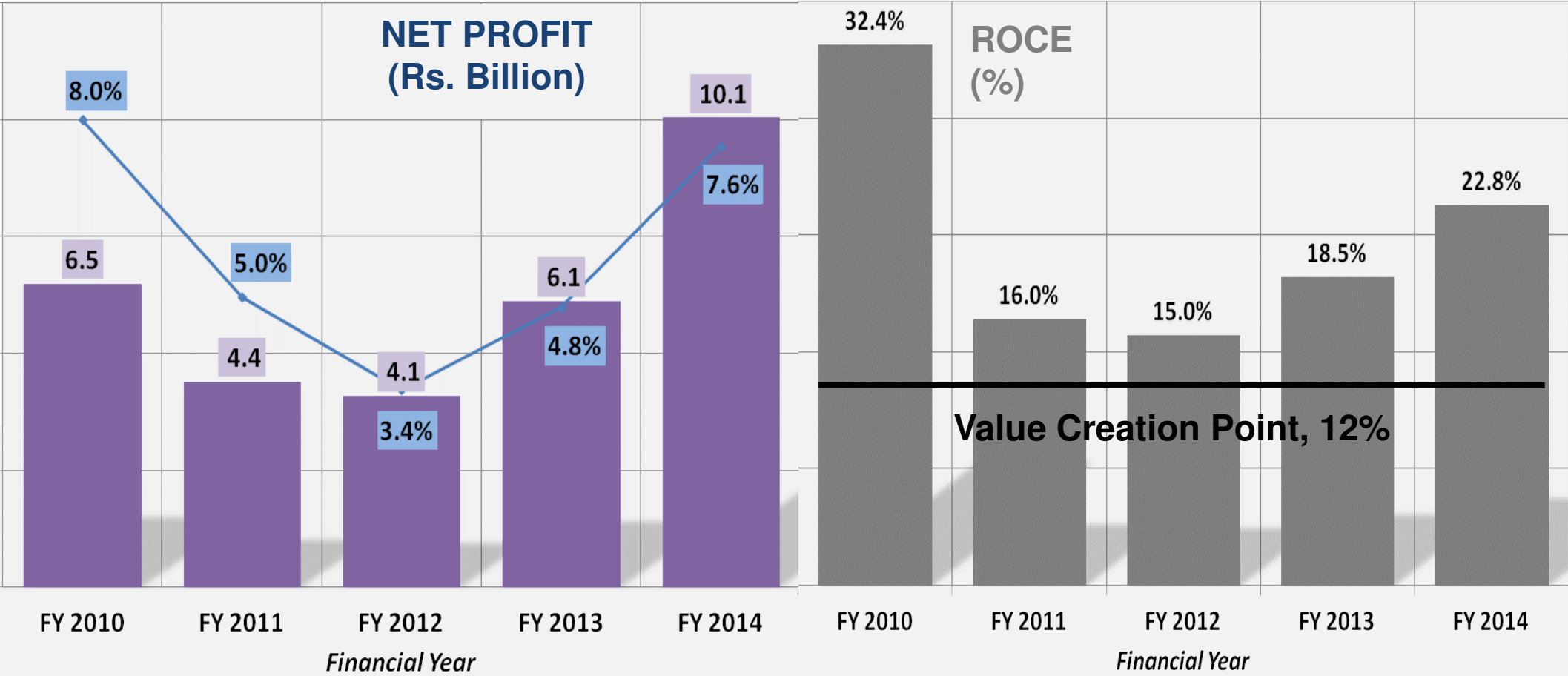


Markus Korsten
Chief, Manufacturing



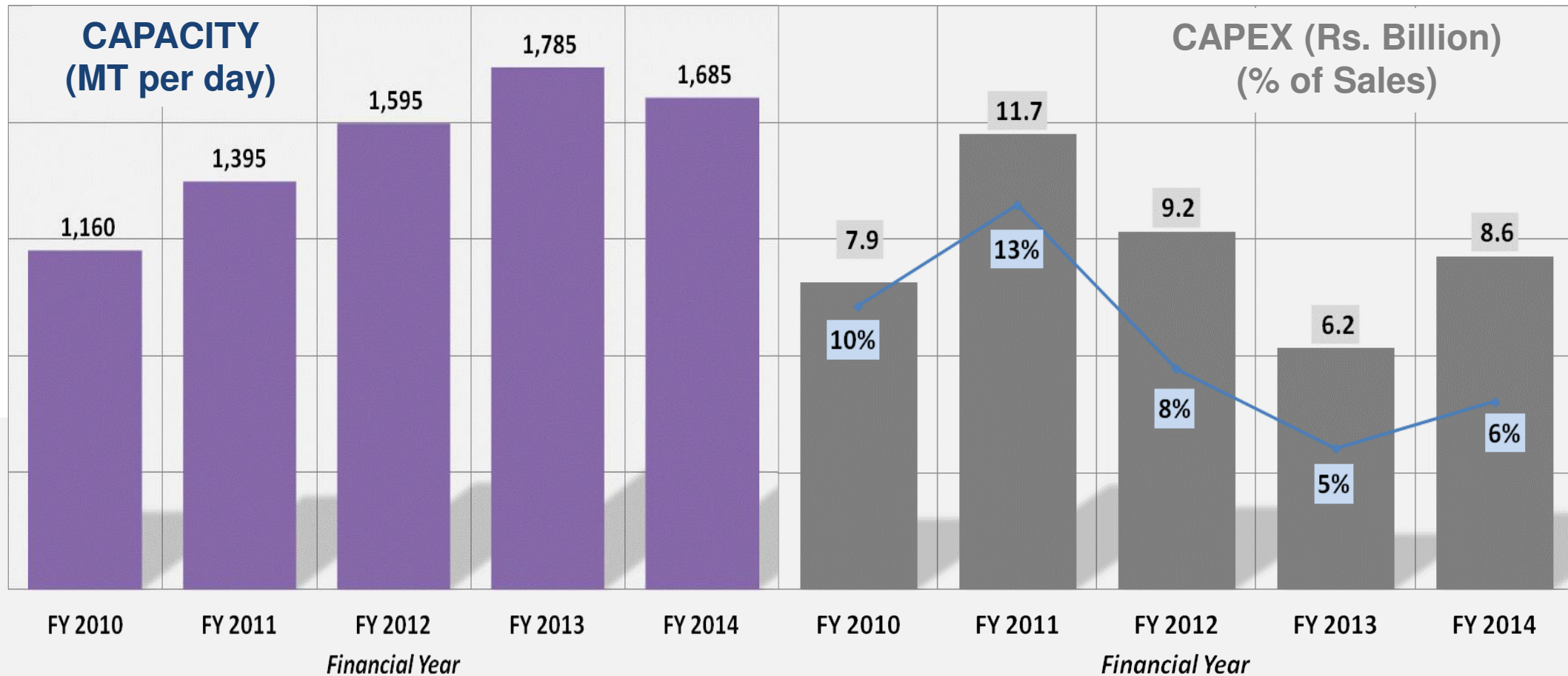
Net Sales has shown a CAGR of 13%

Median EBITDA^ of 11.4%

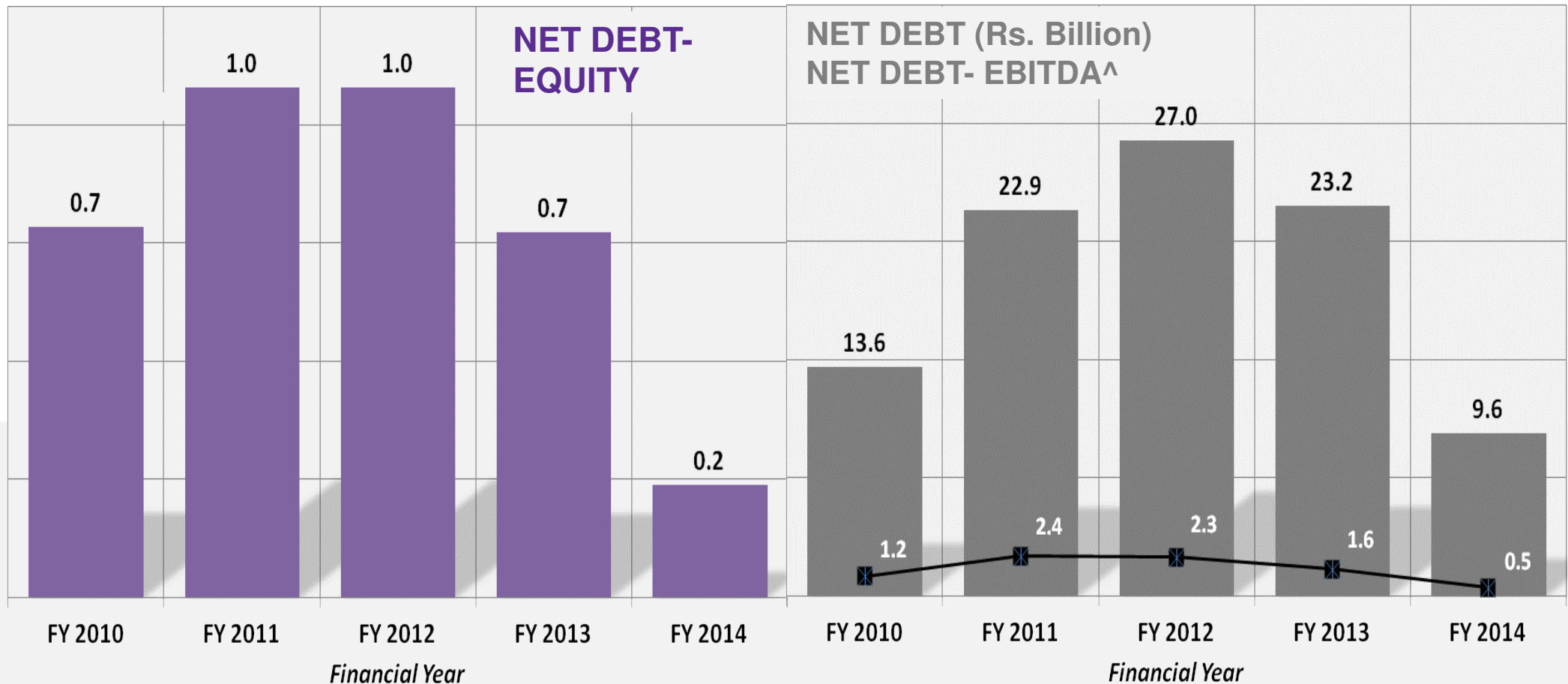


Median Net Profit of 5.0%

Consistent Value Creation for Shareholders



Consistent capital investments to augment capacity and capitalize on market growth



Strong Balance Sheet position

Consistently maintained conservative leveraging to position for future growth

Strong relationships with market leading OEMs, raw material suppliers and testing facilities

BUSINESS



RAW MATERIAL



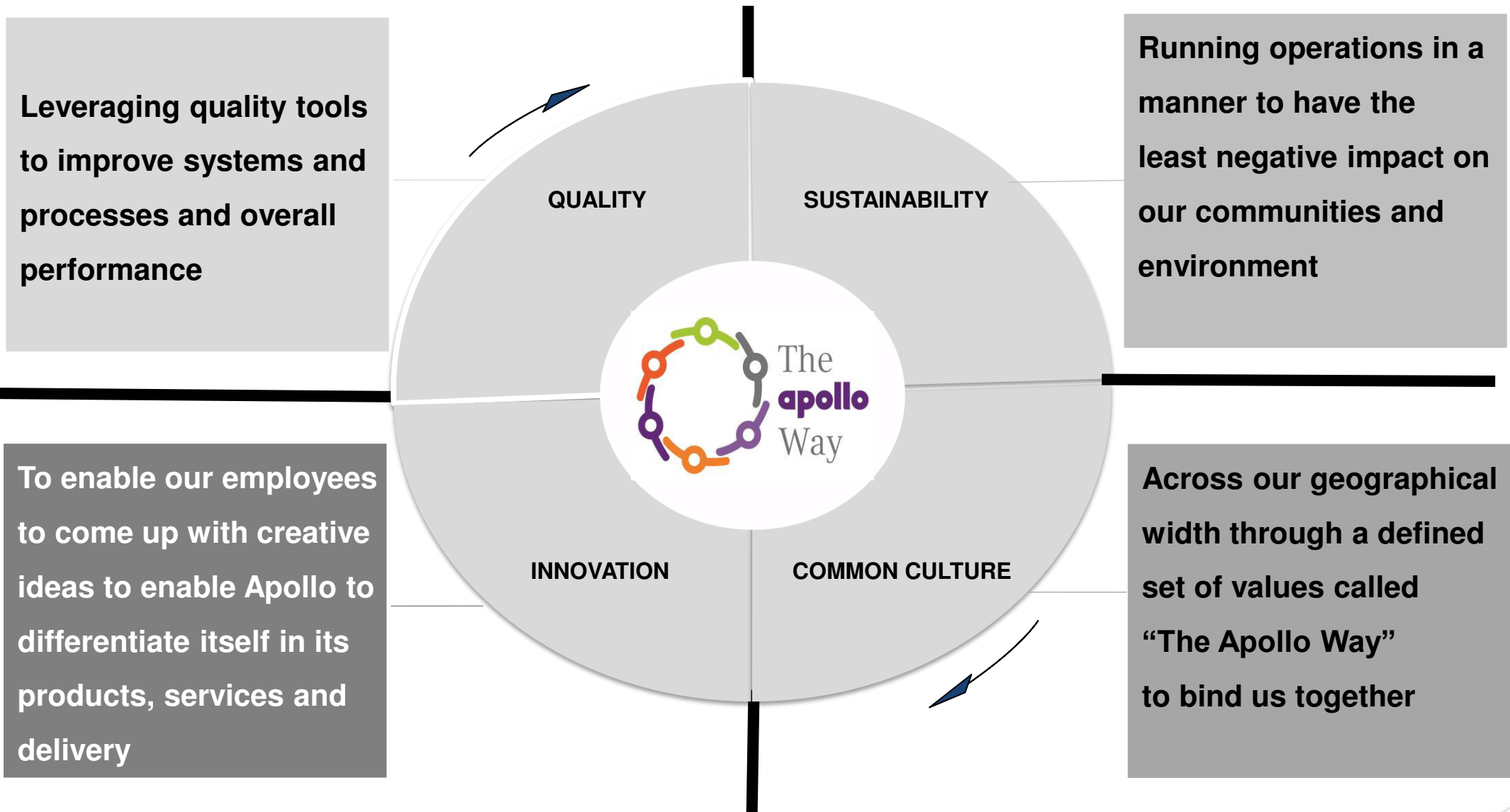
TESTING FACILITIES



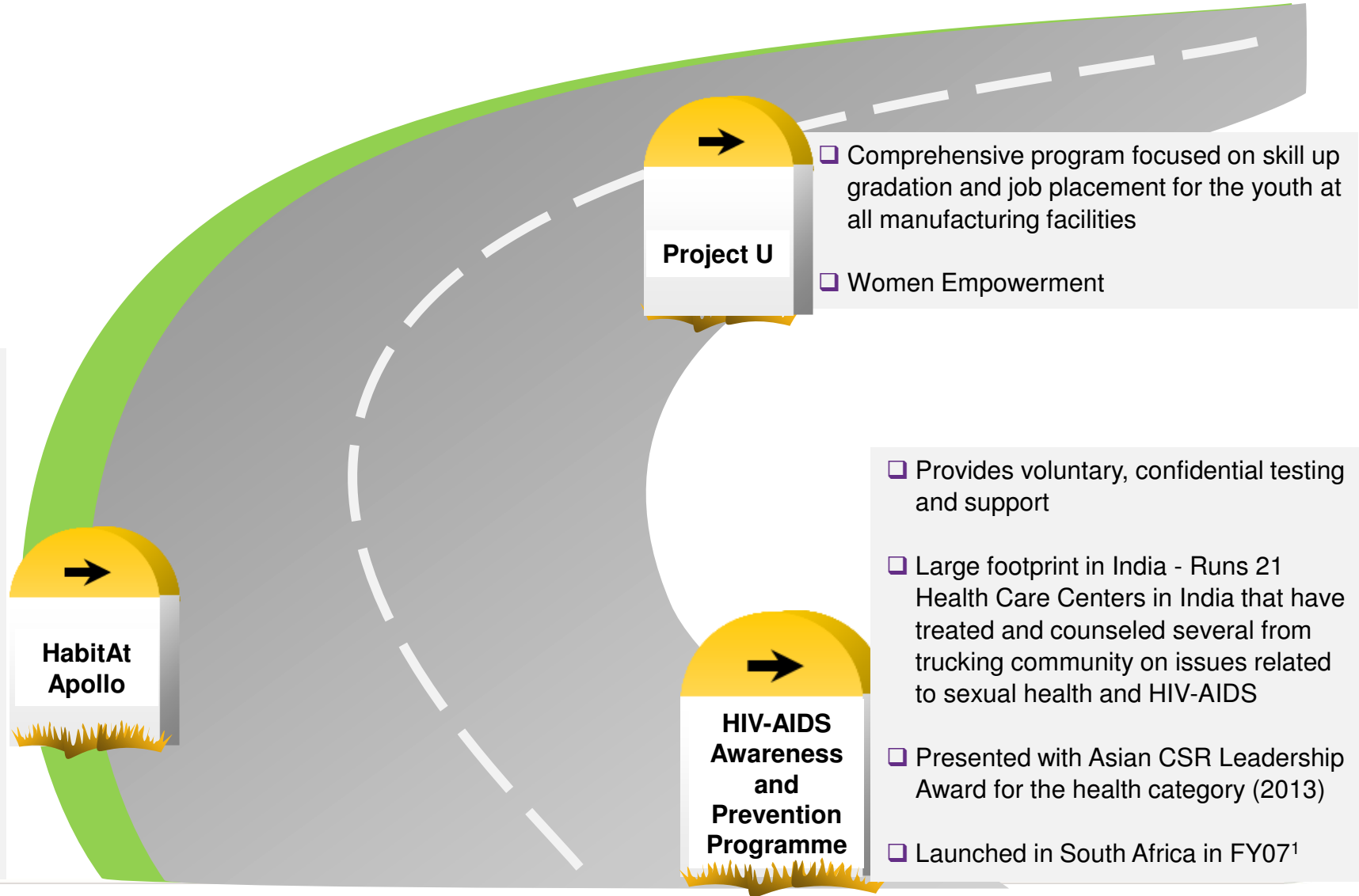
AGILE: APOLLO GROWTH INNOVATION LEADERSHIP EXCELLENCE



Strategic 5-year initiative with concrete goal to become one of the top tyre manufacturers in the world



Committed CSR practice with initiatives to add value to the stakeholders



Consistently recognized as one of the best by various renowned institutions

MARKETING / PR



Cannes: Silver Lion for 'Adopt a Pothole' campaign in 2013



Cannes: Golden Dolphin for Marketing Communication in 2013

LEADERSHIP



Ernst & Young: Young Entrepreneur of the Year in Manufacturing to Chairman of Apollo Tyres in 2012

OTHERS

✓ **Mahindra & Mahindra :** Sustainability Award in the farming category in 2012

✓ **General Motors :** Supplier Quality Excellence Award 2012

✓ **ET :** Gold Award in Manufacturing Excellence Awards 2012

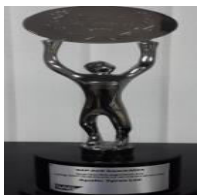
✓ **Museum of Architecture & Design :** Good Design Award for the Ultrac Vorti project in 2013

✓ **FICCI :** Platinum Prize in Quality System Excellence Award 2012

MANUFACTURING / IT



Tire Technology International : Tire Manufacturer of the Year 2012



SAP: Ace award for Innovation in 2013

BRAND



AIMA: RK Swamy High Performance Brand Award 2012

CSR

Global sustainability leadership award in 2014 for best community action

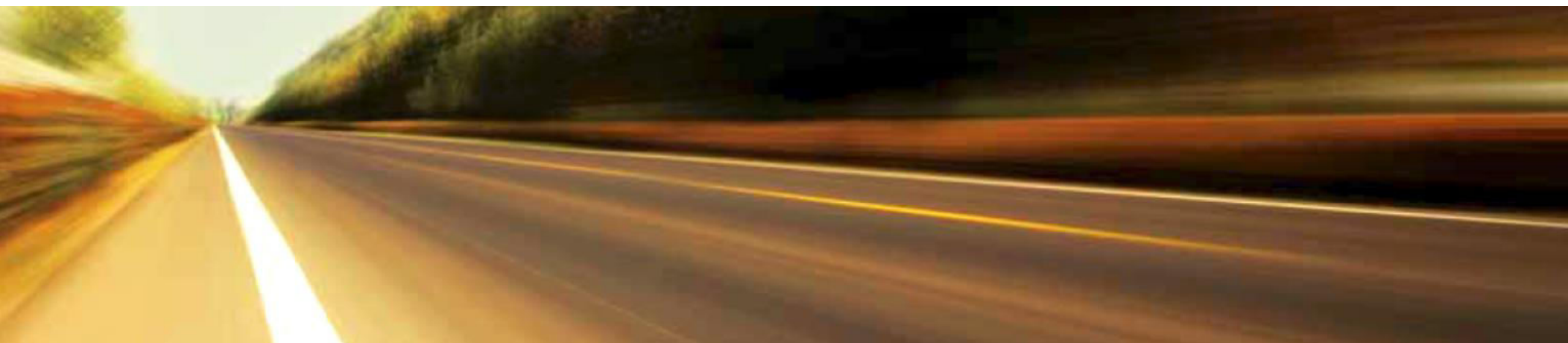


Asia Responsible Entrepreneurship Award in 2012 for HIV-AIDS initiative



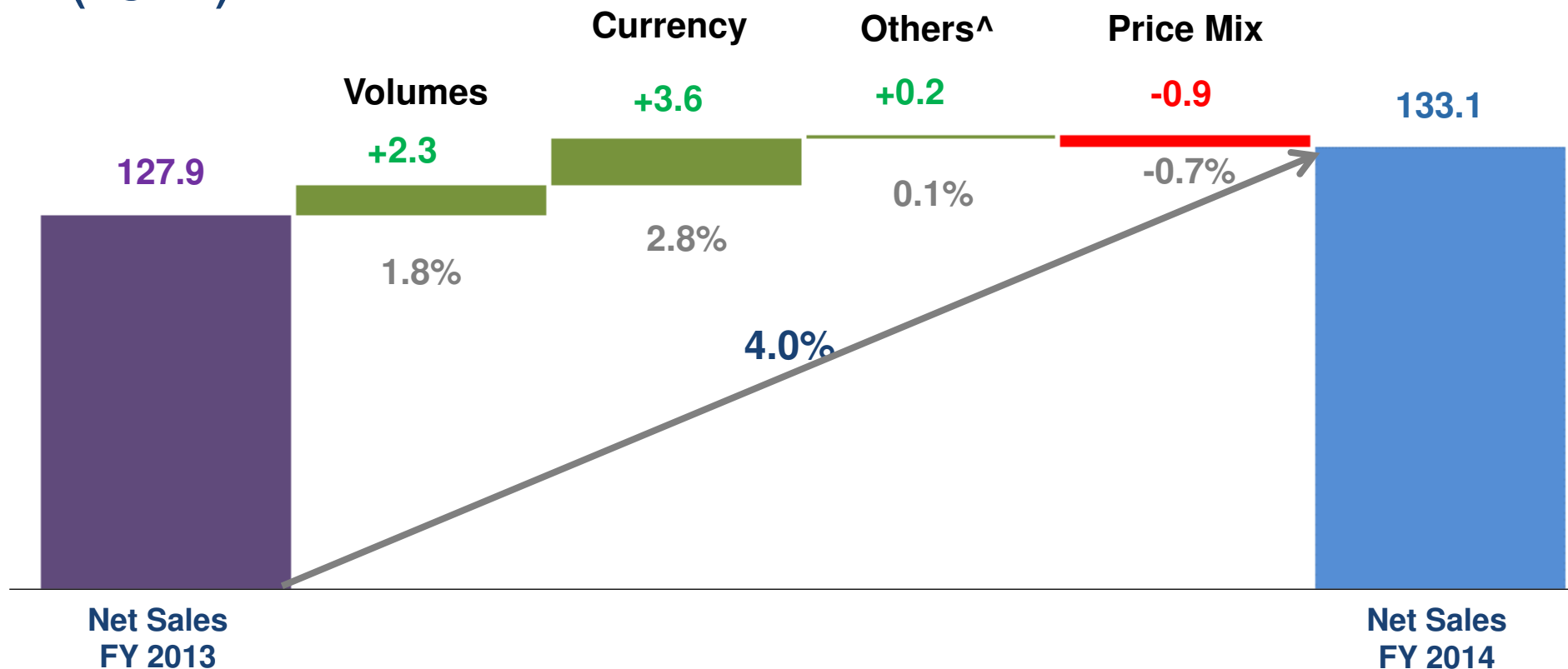
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FINANCIAL OVERVIEW



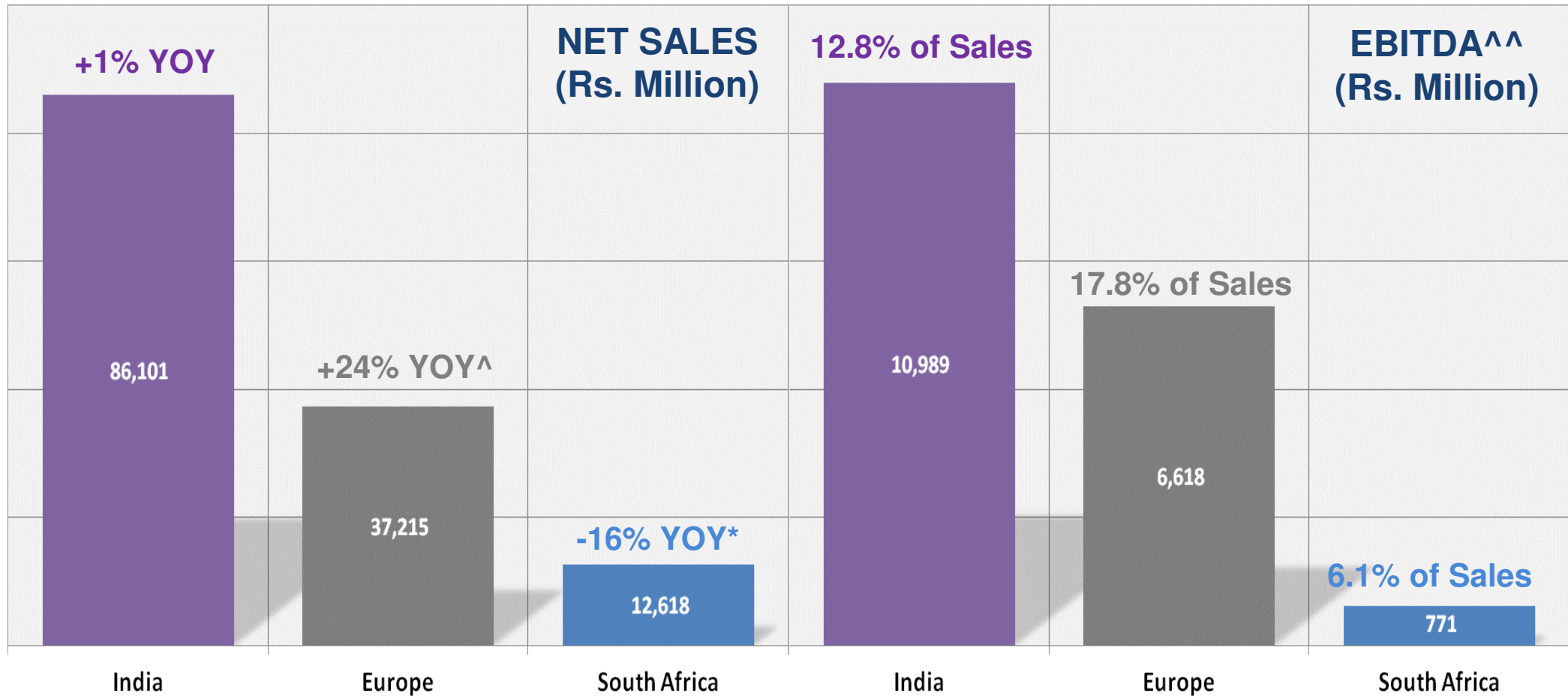
The growth in sales is primarily because of increased volumes and favourable currency impact

YOY Change
(Rs Bn)



Notes:

^ Sale of Semi Finished Goods from Apollo Durban to Sumitomo Rubber South Africa

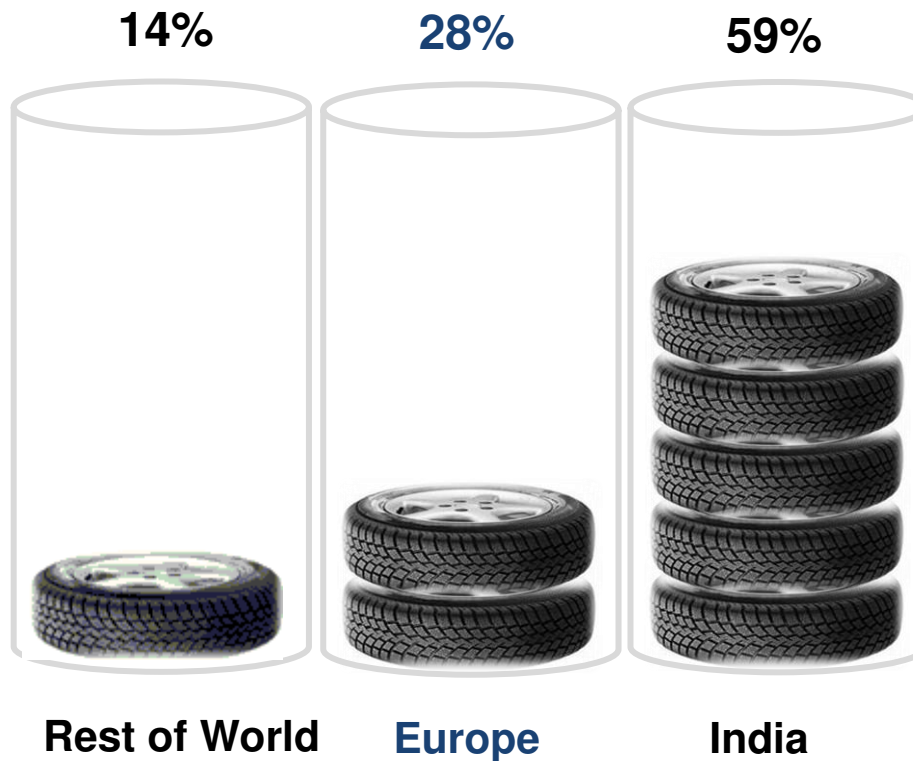


On consolidated basis Net Sales has grown by 4% over FY 2013

On consolidated basis EBITDA^{^^} has grown by 28% over FY 2013

Diversified business across India, Europe & Rest of World, 3/4th in Replacement market

Region Wise

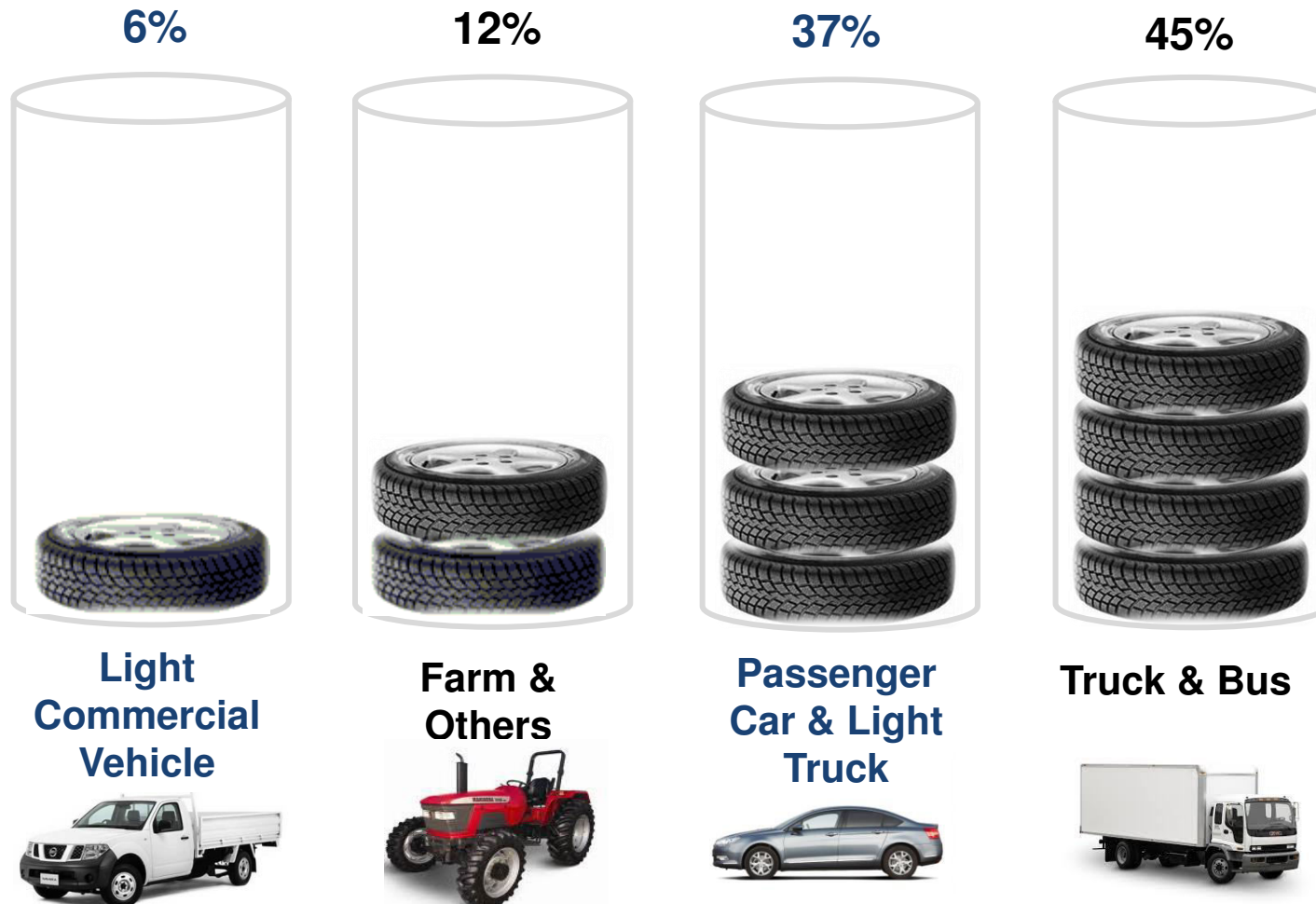


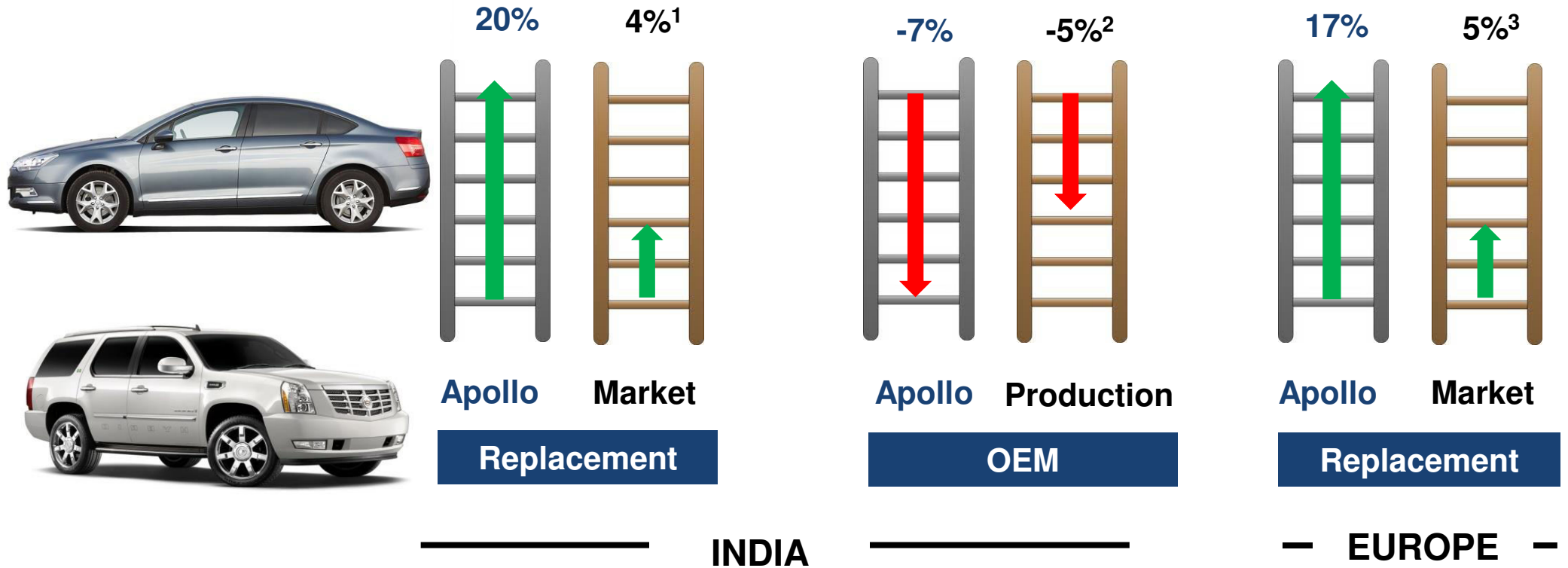
Market Wise



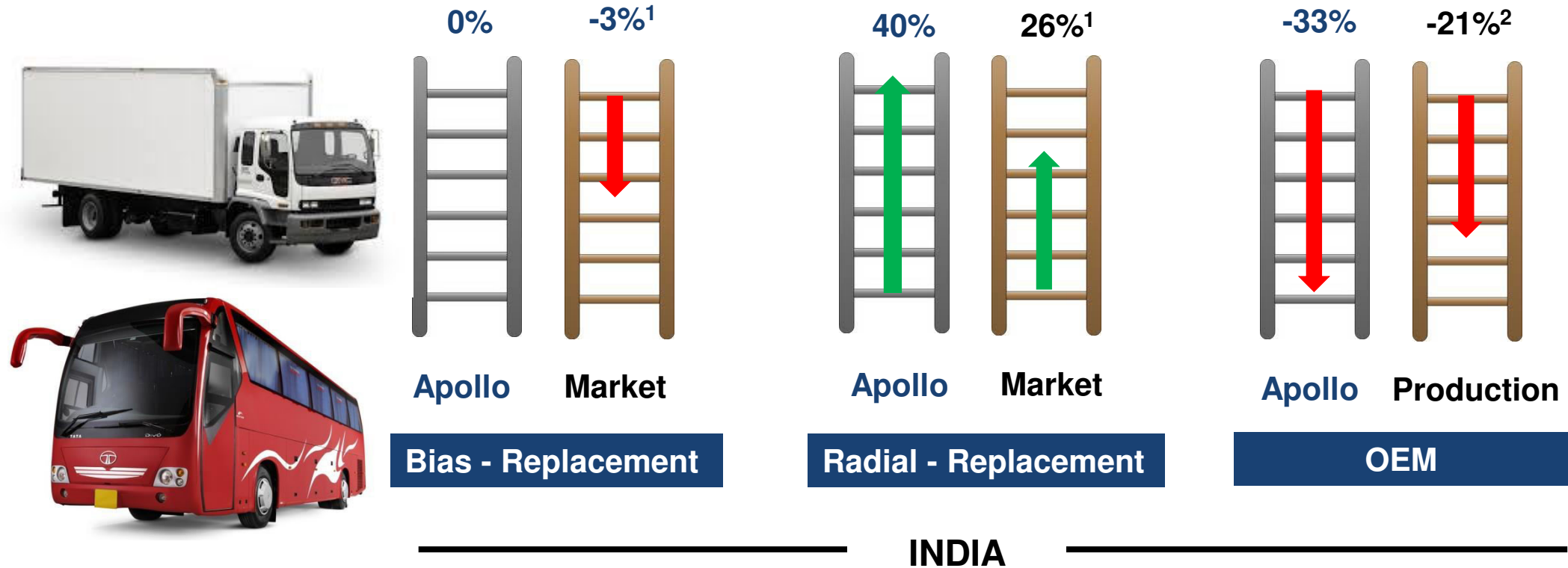
~80% of the revenues are contributed by PCLT and Truck & Bus Tyres

Product Category Wise Revenue Segmentation





- Outperformed replacement market in both India as well as Europe
 - New Product launches in India
 - Sustained focus on branded retail outlets
- Pick up of sales of Apollo branded tyres in Europe
- Improved sales in Summer and All Season tyres in Europe
- OE market continued to decline for the second consecutive year

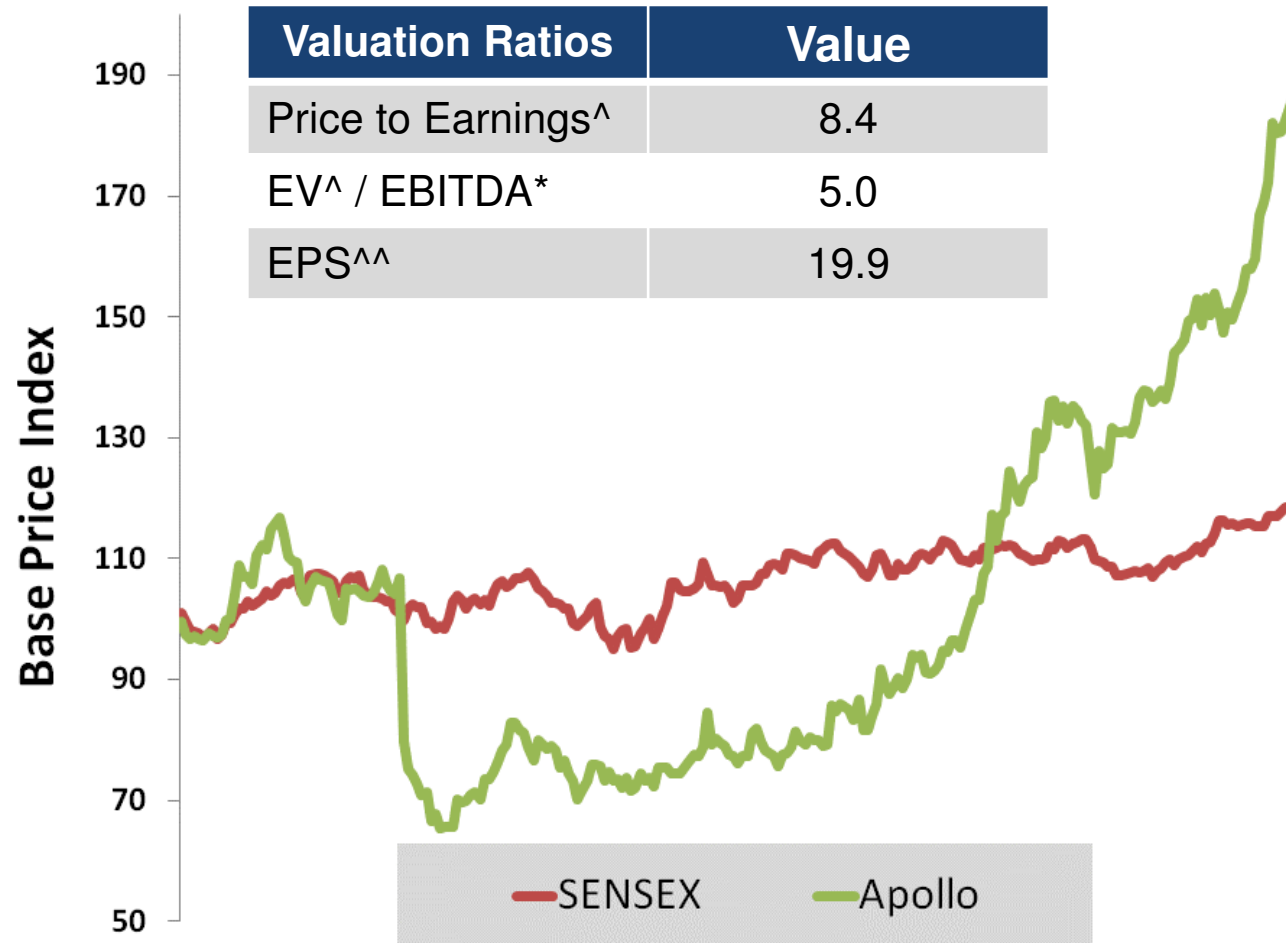


➤ Outperformed replacement market

- Refreshed product strategy in bias category
- Customer centric initiatives in both bias and radial categories

➤ OE sales suffered

- Demand declined for some product segments on which primarily Apollo was fitted



Shareholding Pattern as on 31.03.2014

Classification	% of Shares
Promoters	43.5
Financial Institutions/ Banks/ Mutual Funds	5.9
FII's/NRIs	34.9
Government of Kerala/ Travancore/ Titanium Products Ltd.	2.0
Public	13.7

Notes:

[^] Based on average share price for April 2014

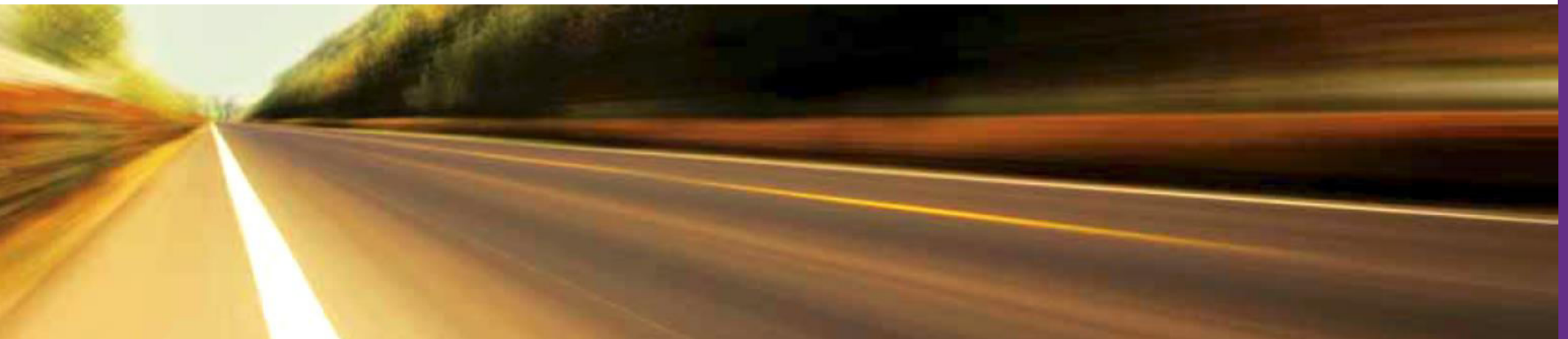
^{*} EBITDA is without other income and exceptional items

^{^^} For financial year ended March 31st 2014



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KEY COMPETITIVE STRENGTHS



Leading Manufacturer



One of India's leading tyre manufacturers growing into a global tyre group

Diverse Portfolio



Well positioned multi-brand strategy with diverse product offering, supported by extensive International distribution network

R&D Focus



Strong focus on R&D and testing capabilities

Global Presence



Global presence with proximity to growth and profit pool markets

Proven Success

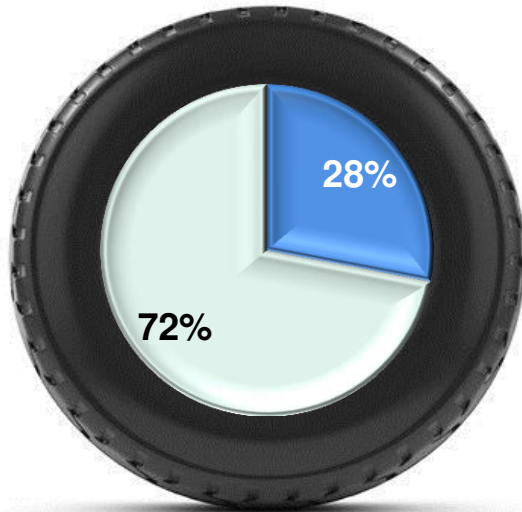


Proven success in pursuing strategic growth

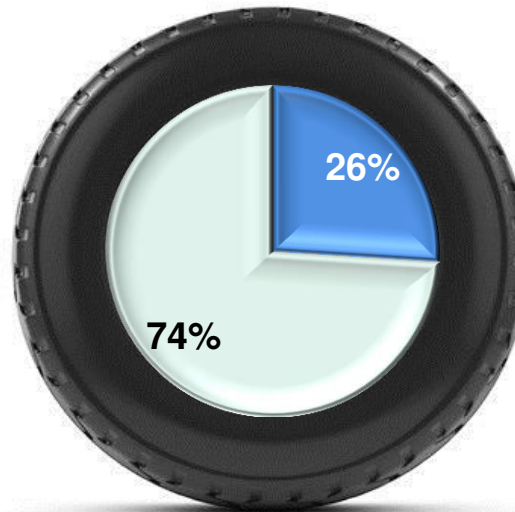
Leading player in India with significant market share across product categories

MARKET SHARES

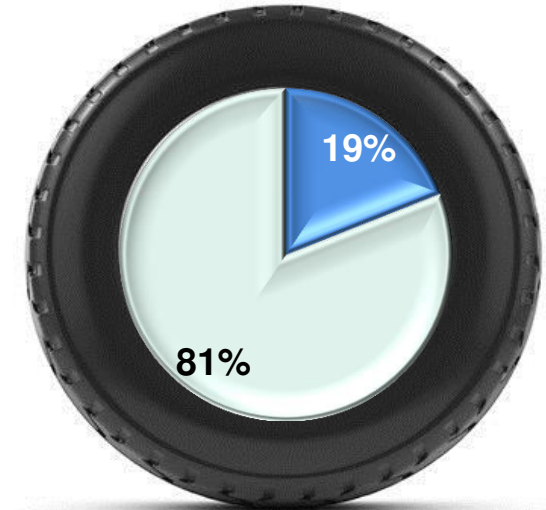
TBR[^]



TBB[^]



PCR[^]



Market Leader for more than a decade in the Truck Tyres category

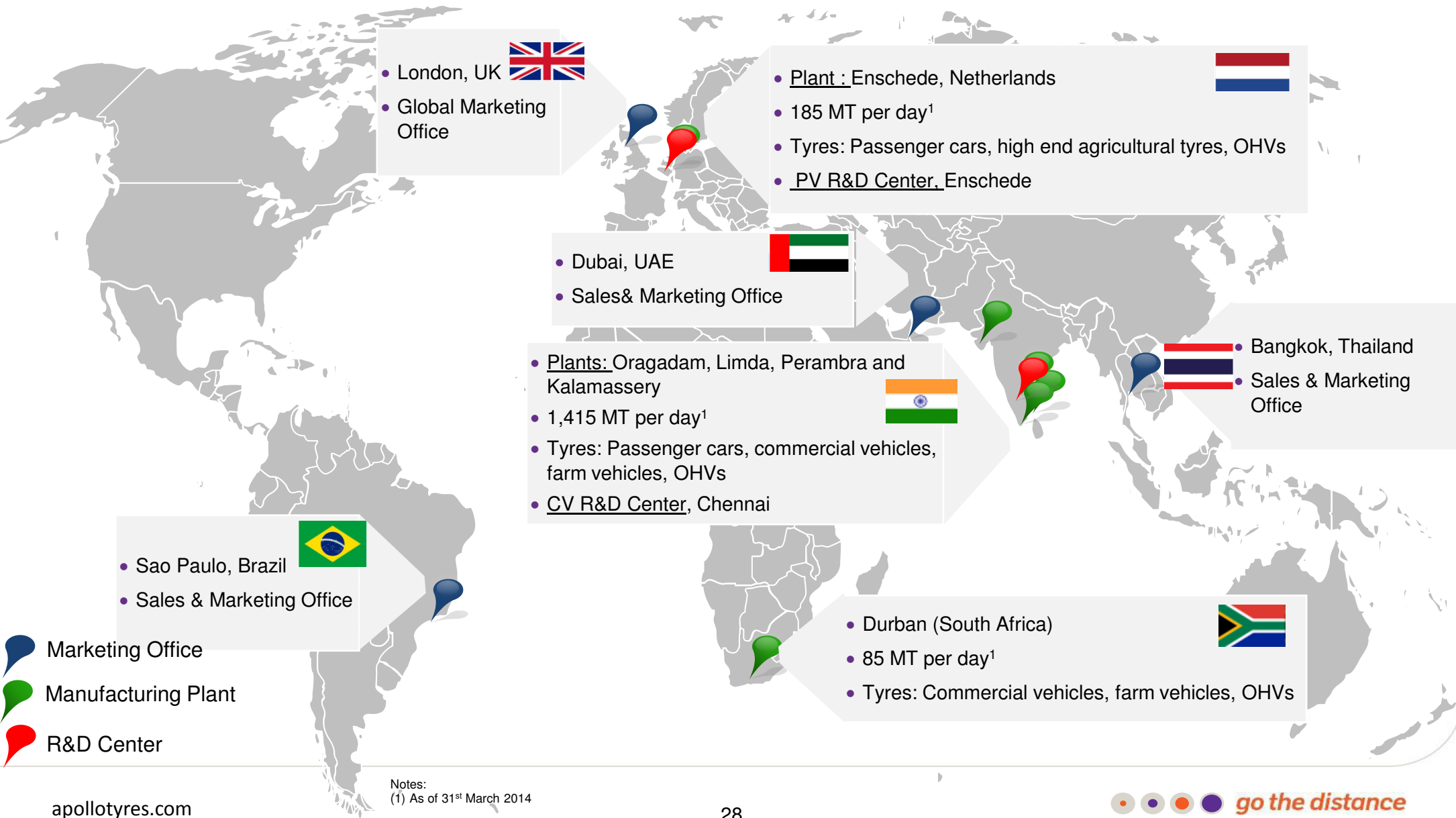
One of the top 3 players in the Passenger Car Tyres category

Notes:
[^] Based on ATMA data for 6M FY 2014 of Domestic Availability (Production + Imports – Exports)

Global Presence With Proximity to Growth and Profit Pool Markets



Sales to more than 100 countries world wide



Well positioned multi-brand strategy across different segments



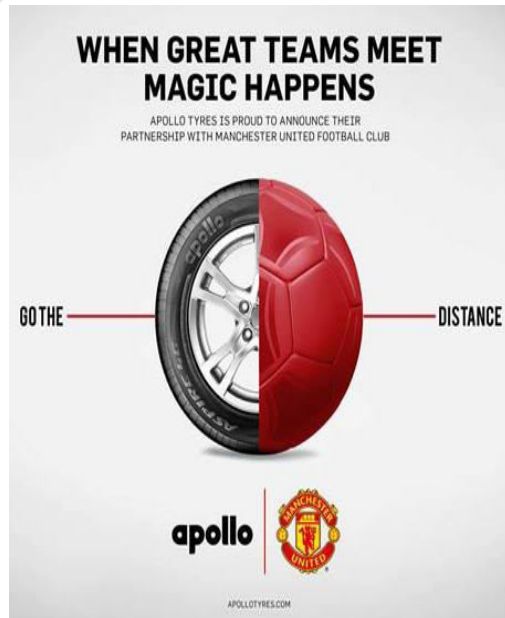
Vredestein commands a premium position in passenger car tyres

Pricing segment	Brand	Brand Positioning	UHP & Winter tyres	Passenger vehicles tyres	Commercial vehicles tyres	Farm vehicle tyres	Off highway tyres	Bicycle	Peers
Top		Global Niche Premium	✓	✓		✓	✓	✓	   
Medium		Global	✓	✓	✓	✓	✓		   
Others		Global Challenger		✓	✓				
		Global Challenger			✓				

The ideology behind our brands is 'Reliability' & 'Customer Safety'

Apollo continues to invest in its brand across global markets

Brand building activities



3 year Partnership with Manchester United



Partnership with Hamann & Carlsson



Participation in Major Auto Shows



Our 'Designer' brand



- Notable designs: VW Golf 1, BMW M1, Maserati 3200GT, Alfa Romeo Brera, Ferrari 250GT, Lotus Esprit, Ducati 860GT
- Named "Car Designer of the Century" in 1999
- Inducted to Automotive Hall of Fame in 2002

Vredestein's exclusive arrangement with renown Italian automotive designer Giorgetto Giugiaro



WIDE DISTRIBUTION NETWORK ACROSS INDIA & EUROPE



Well positioned to support sale of its regional brands

India



Extensive distribution network in India

- ~4,500 (incl. ~1,200 exclusive) retail dealers*
- 160 sales, service & stock points
- 19 state offices
- Wide specialist network*: Apollo Super Zone, Apollo Zone, Apollo CV Zone, Apollo Point

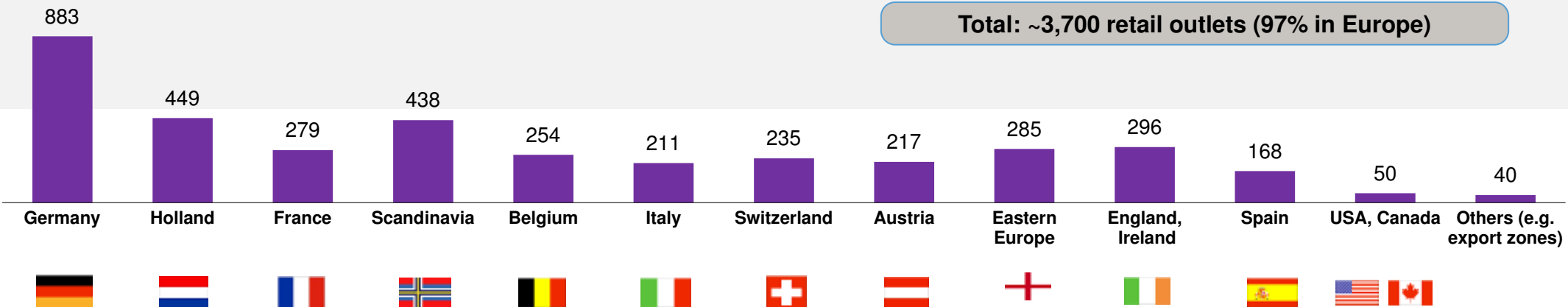
Europe



Distribution network across Europe

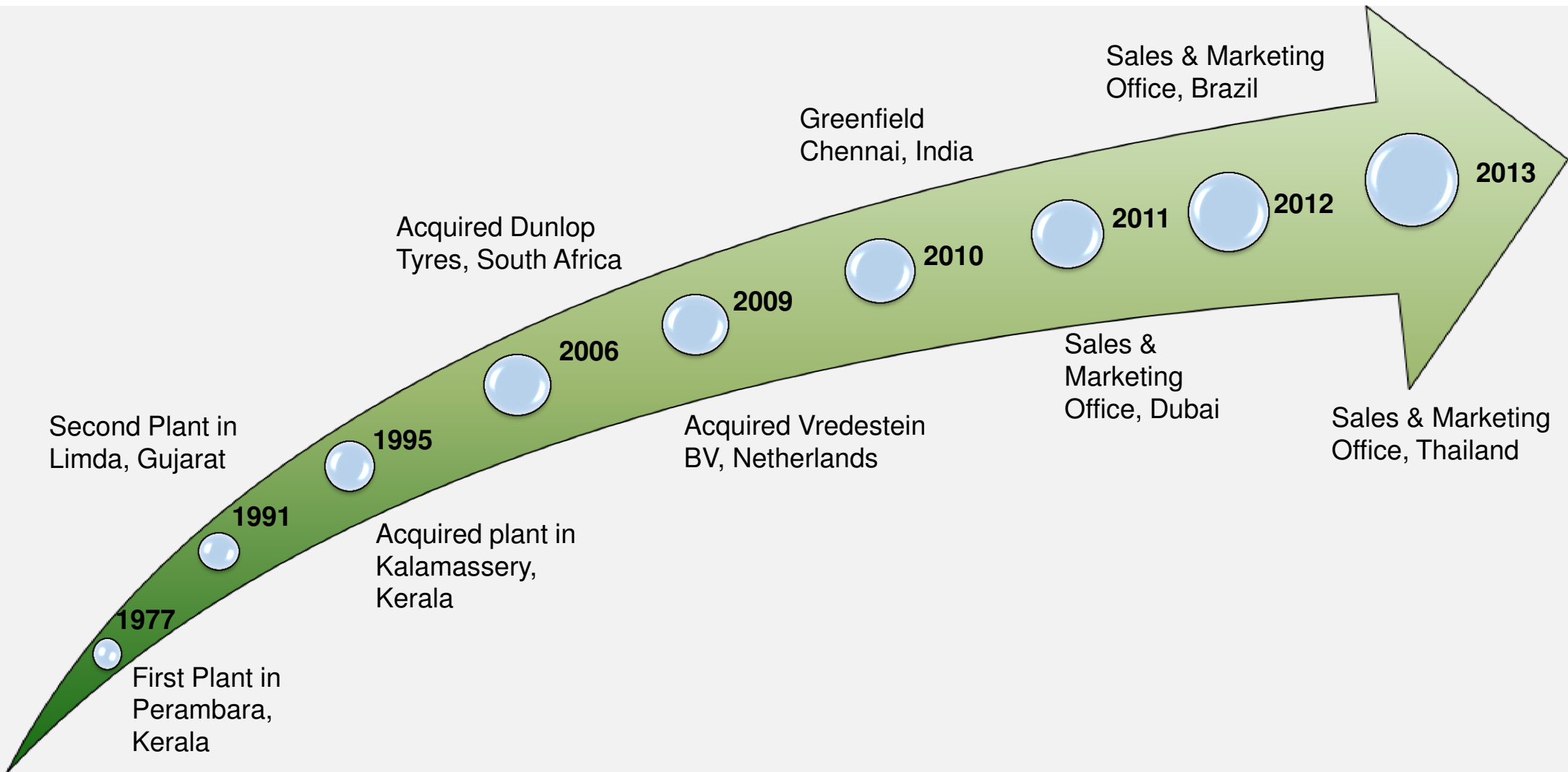
- ~3,700 outlets
- 25 distribution centers, retail stores, warehouses, offices etc

Vredestein distribution network: Ability to deliver within 90% of Europe within 24 hours



Notes:
*Not Company owned

History of establishing manufacturing plants, international sales offices and acquiring global assets to become a truly international player



- Research of new transportation solutions with lowest possible impact on environment
- Partnered with various technical bodies and universities across the world
- Co-developed an active front spoiler with Porsche

Commercial Vehicle (CV) R&D Centre, Chennai, India

- ✓ Team of ~130 scientists (PhD-7, Post Graduate-16 and the rest engineers)
- ✓ In house development of All Steel Radial Technology required for developed & developing markets
- ✓ Developed market leader brands such as Load star, XT-7, 100K and Endurance LD
- ✓ Pioneers in developing agriculture radial tyres in India & developed 35 to 57" OTR tyres for world market
- ✓ Developed technology for retread and started R&D Center for Retreading
- ✓ Developed superior compounds for Mileage, Rolling Resistance & cut chip resistance

Passenger Vehicle (PV) R&D Centre, Enschede, Netherlands

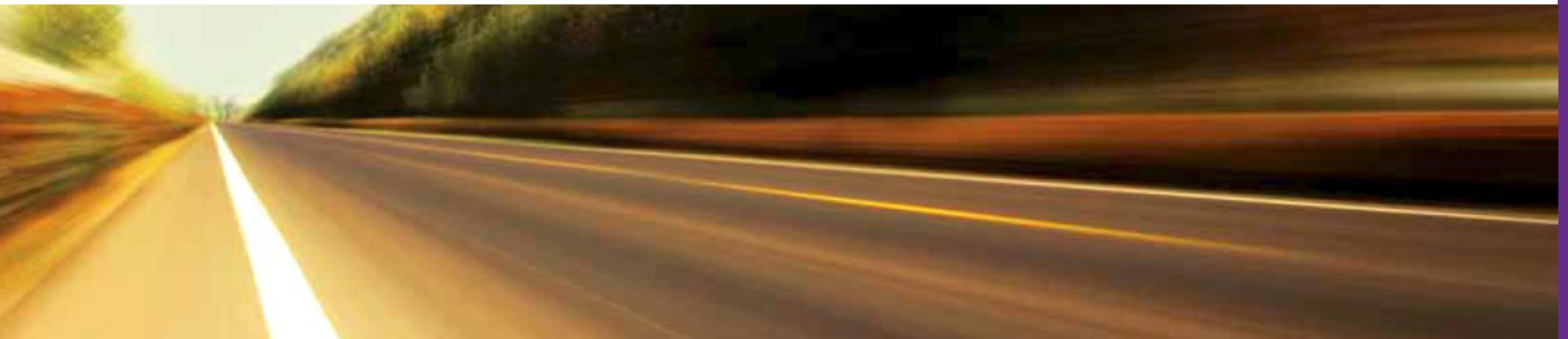
- ✓ Highly qualified, multi cultural team of 120 employees
- ✓ Equipped with modern Laboratories for testing of materials and products.
- ✓ Three decades of manufacturing expertise and innovation
- ✓ Innovation through close cooperation with International universities and Material suppliers and OE partners.
- ✓ Developed 'Spacemaster', a collapsible spare tyre. This is used by OEMs like Porsche, Audi, Daimler Benz, Volkswagen



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OUTLOOK





- **Economic recovery** expected in India post general elections
- **Recovery in OEM** in India expected to start in H2 FY 2015
- **European market** on road to recovery
- **Marginal increase** in raw material prices expected in H1 FY 2015
- **Setting up Greenfield** plant in Eastern Europe with a potential spend of €500 mn over next 4 years

Thanks



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