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INVESTOR PRESENTATION



September- 2015

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- **Continued Improvement in Profitability**

- **13.2% to 17.7%** : Operating margin* improvement on YOY basis

- **Strong cash flows leading to further lowering of Debt**

- Net Debt is negative

Notes:

* EBITDA without other income and exceptional items

- **Improvement in Profitability**

- **14.1% to 15.2%** : Operating margin* improvement on YOY basis

- **Sixth consecutive year of value creation**, with ROCE of ~24%

- **Net Debt lowered** by 57% to Rs 4.1 Bn YOY

- **0.5 to 0.2** : Net Debt - EBITDA* improvement on YOY basis
 - **0.2 to 0.1** : Net Debt - Equity improvement on YOY basis

Notes:

* EBITDA without other income and exceptional items

Improvement in profitability

	Q1 FY 2015	Q1 FY 2016	YOY Growth
Net Sales (Rs Bn)	32.2	28.3	-12.1%
EBITDA [^]	13.2%	17.7%	18.4%
EBIT ^{^^}	10.1%	14.6%	27.7%

- **Sales impacted** by weak Indian market, Euro depreciation and restructuring of SA operations
- **Profitability has improved** primarily because of softening of raw material

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\$2.1bn¹ net sales in FY15²
- 5 year CAGR for Net Sales is ~ 9%
- 5 year CAGR EBITDA³ is ~ 19%

Leading Tyre Manufacturer in India, Balanced Product Portfolio

- One of the largest radial tyre capacity in India (FY 2015)
- UHP and Winter tyres capabilities
- One of the largest player in truck tyre segment (with market share of 26%⁴) which is 2/3rd of the Industry

Manufacturing Across 2 Continents

- Manufacturing presence in Asia & Europe
- Combined capacity of ~1,640 MT/Day⁵



Mix of Global and Regional Brands

Extensive Distribution Network

- ~4,900 retail dealers in India
- ~3,550 dealer outlets in Europe

Large Talent Pool

- ~15,000 employees^{6,7} worldwide

Notes:

(1) 1US\$ = 61.05 INR, based on average exchange rate for FY15 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 FY 2015

(5) Average for FY 2015 for India and Europe plants

(6) As of 31st March 2015

(7) Including contractual workers



Onkar S Kanwar
Chairman & Managing Director



Neeraj Kanwar
Vice Chairman & Managing Director



Sunam Sarkar
President & Chief Business Officer



Satish Sharma
President, APMEA



Mathias Heimann
President, EA



Robert Steinmetz
Non-Executive Director



P K Mohamed
Chief Advisor, R&D



Marco Paracciani
Chief Marketing Officer



Dr. Seshu Bhagavathula
Chief Technology Officer



Markus Korsten
Chief Manufacturing Officer



Martha Desmond
Chief Human Resources Officer



Peter Snel
Chief, R&D PV



Pedro Matos
Chief Quality Officer

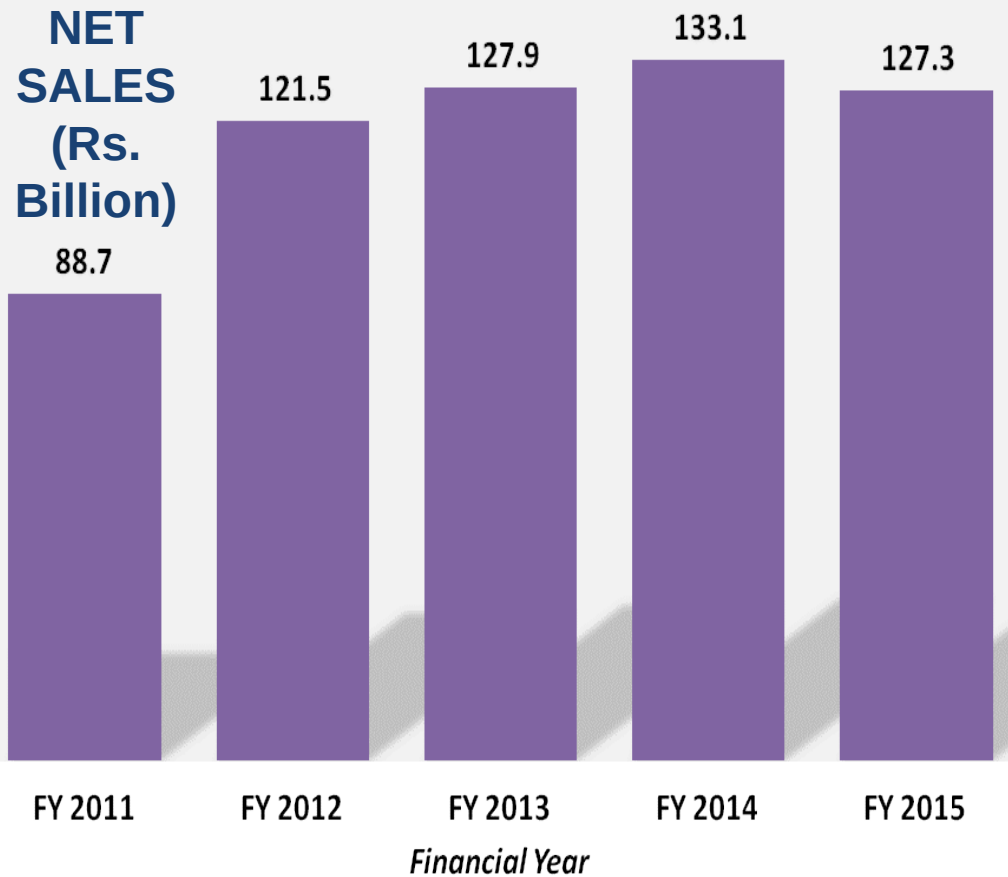


K Prabhakar
Chief Projects

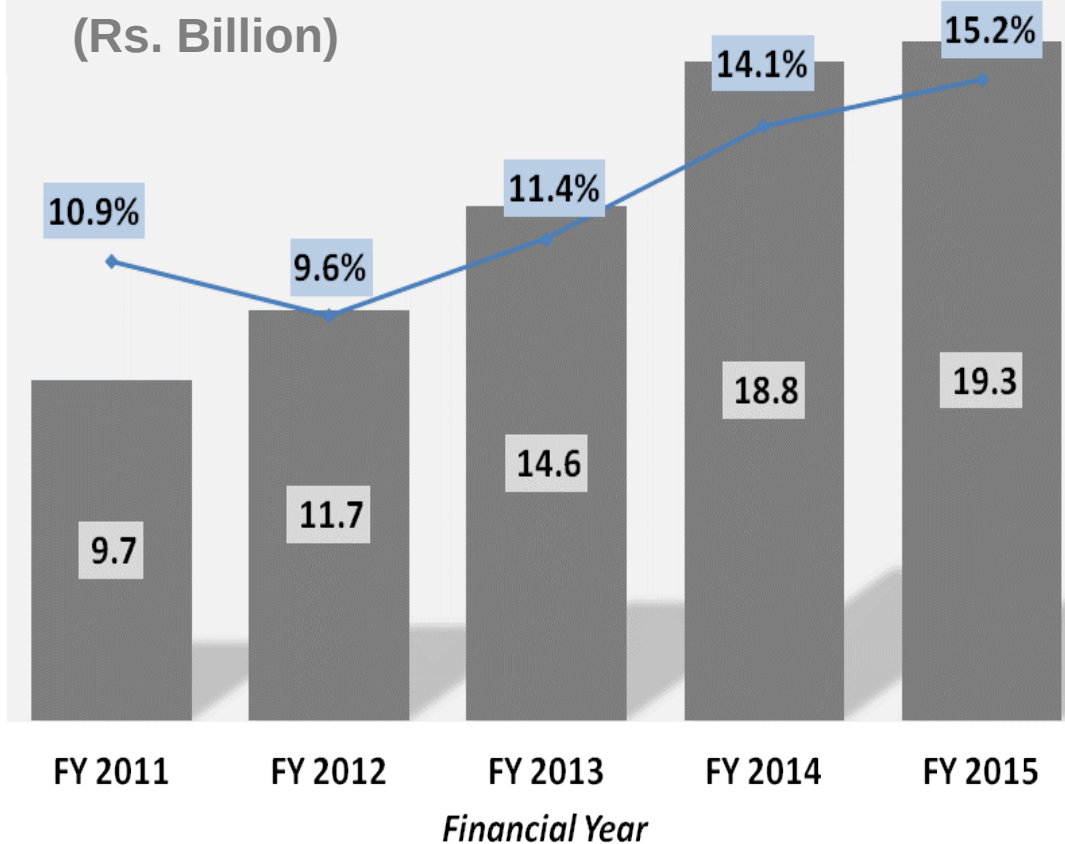


Gaurav Kumar
Chief Financial Officer

NET SALES (Rs. Billion)



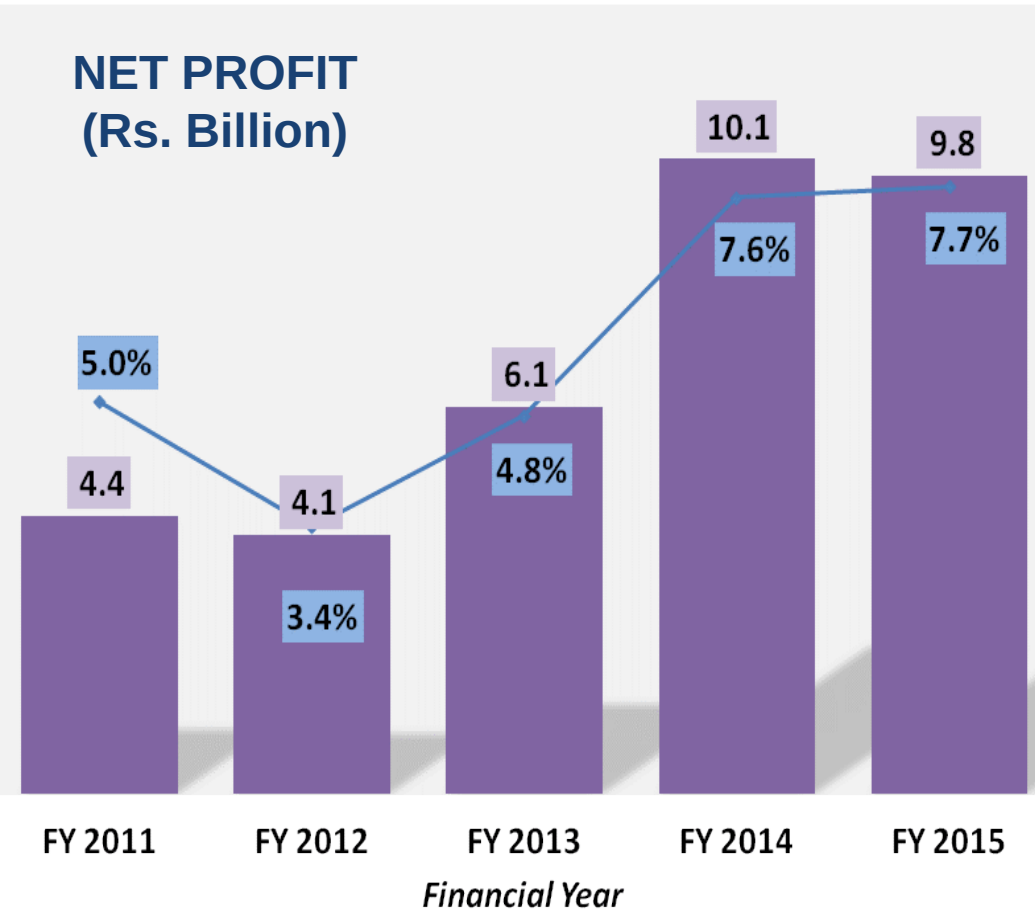
EBITDA[^] (Rs. Billion)



Net Sales has shown a CAGR of 9%

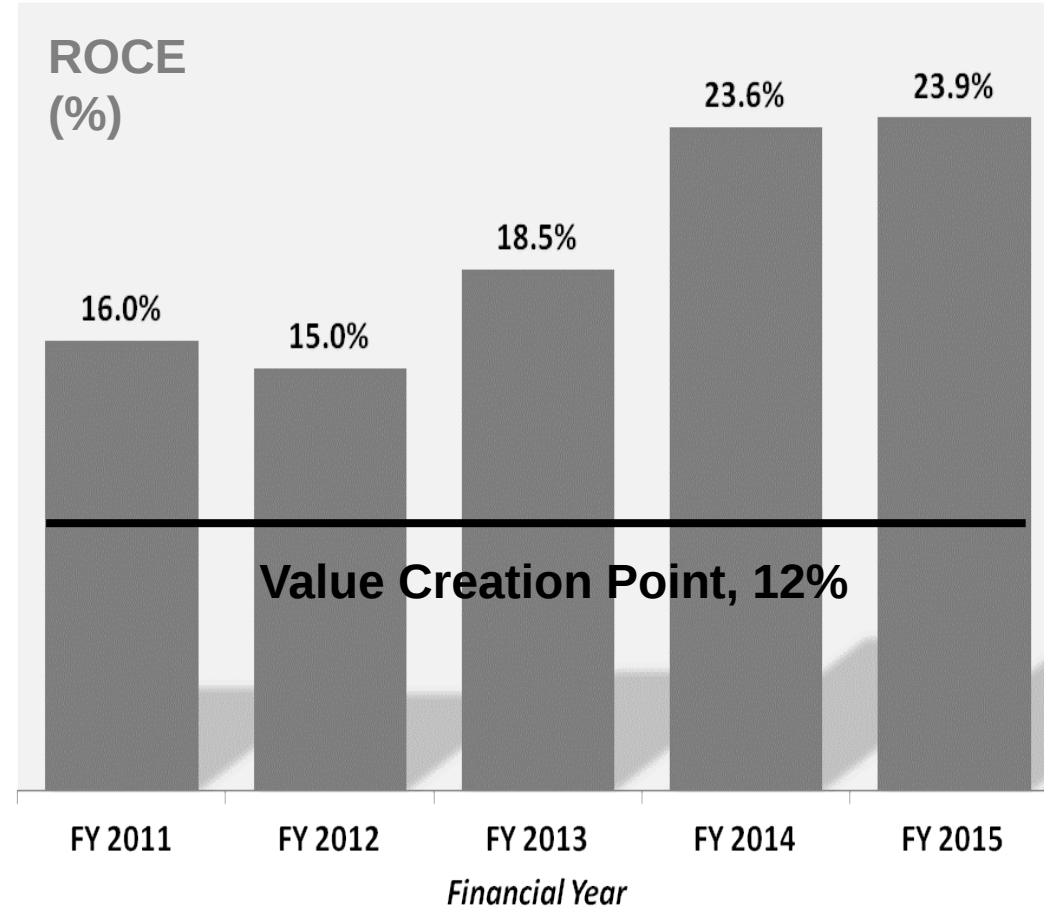
Consistent increase in EBITDA Margins

NET PROFIT (Rs. Billion)



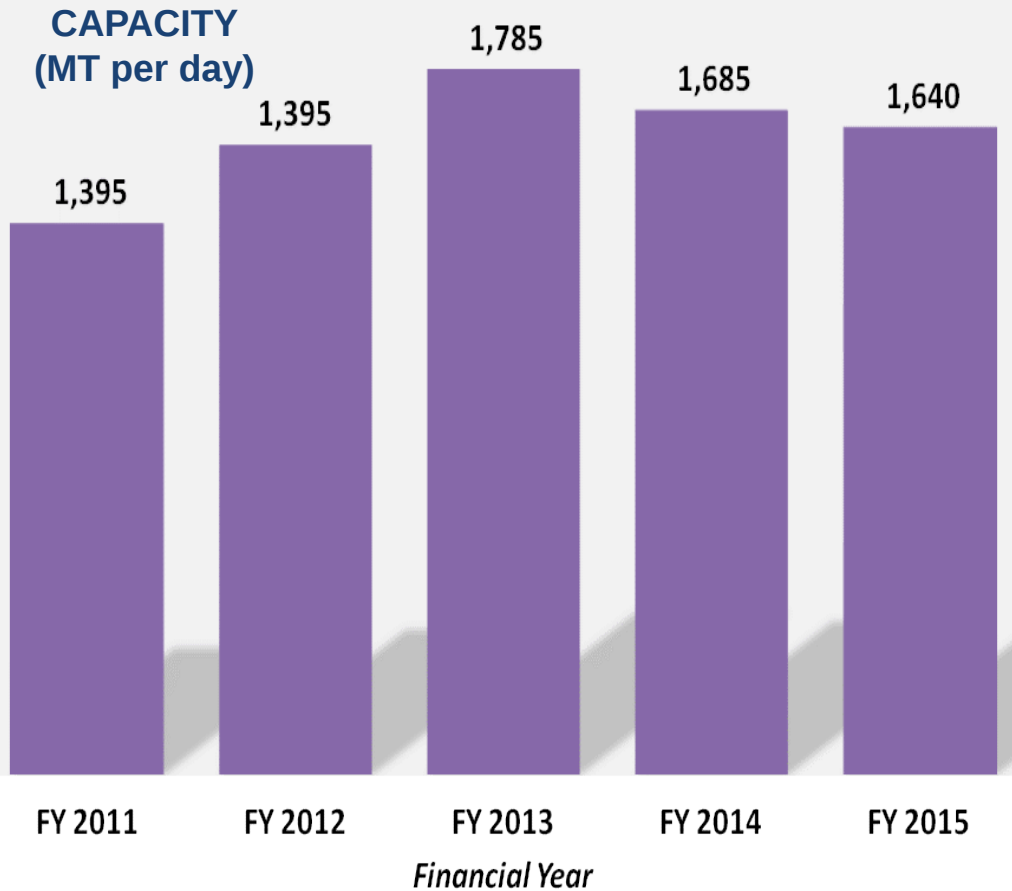
Median Net Profit of 5.0%

ROCE (%)

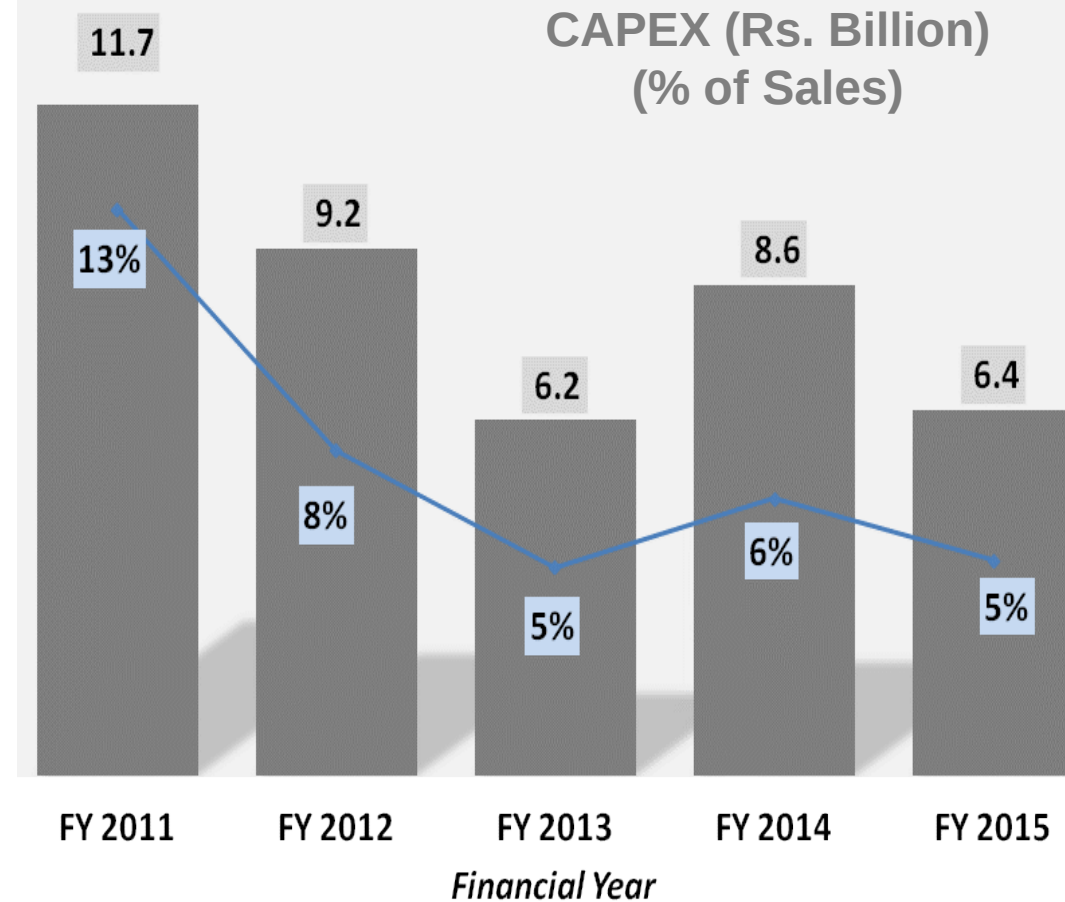


Consistent Value Creation for Shareholders

**CAPACITY
(MT per day)**

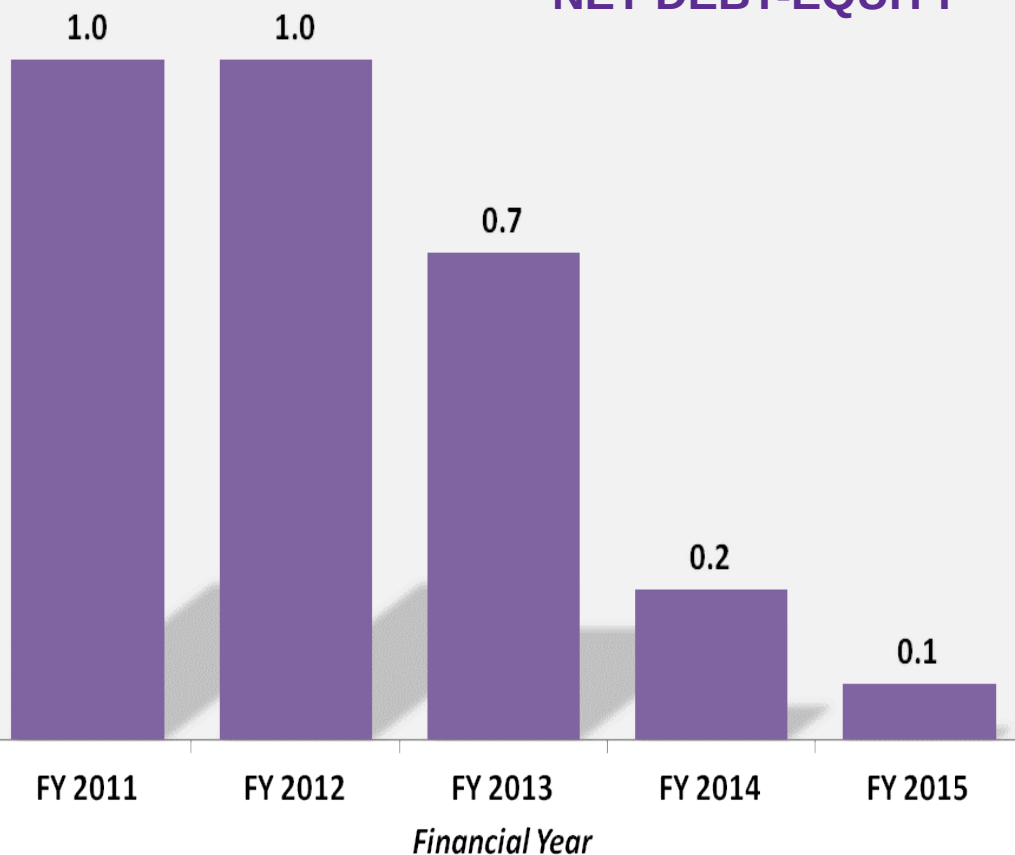


**CAPEX (Rs. Billion)
(% of Sales)**

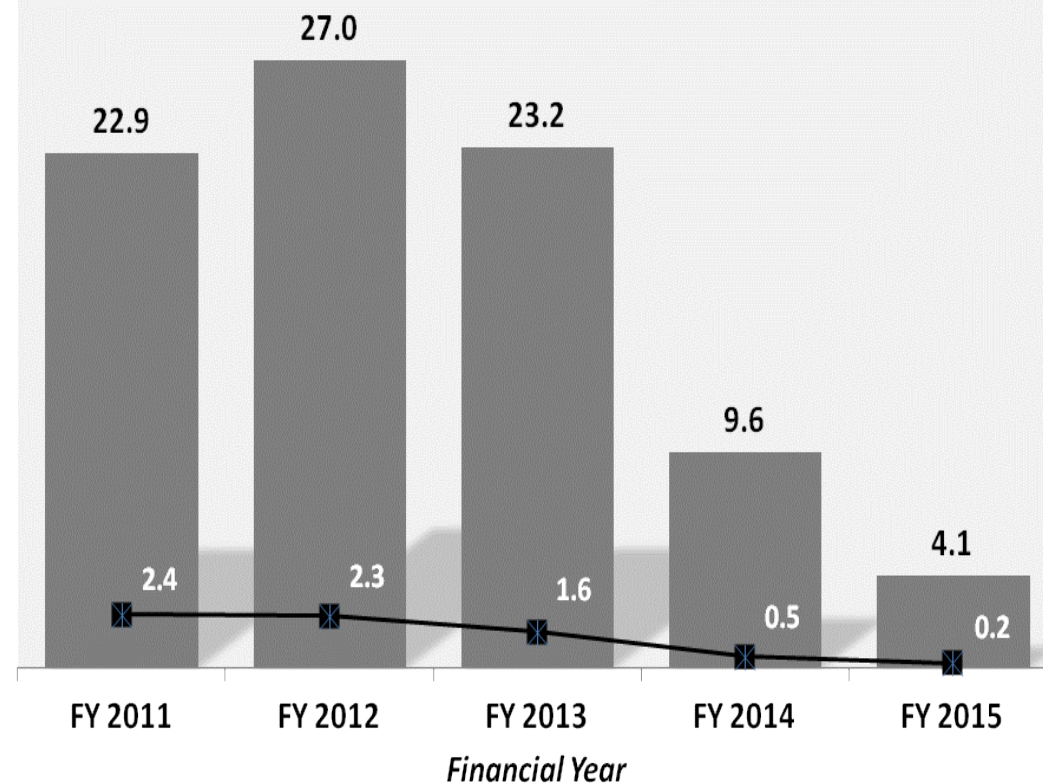


Consistent capital investments to augment capacity and capitalize on market growth

NET DEBT-EQUITY



NET DEBT (Rs. Billion) NET DEBT- EBITDA[^]



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





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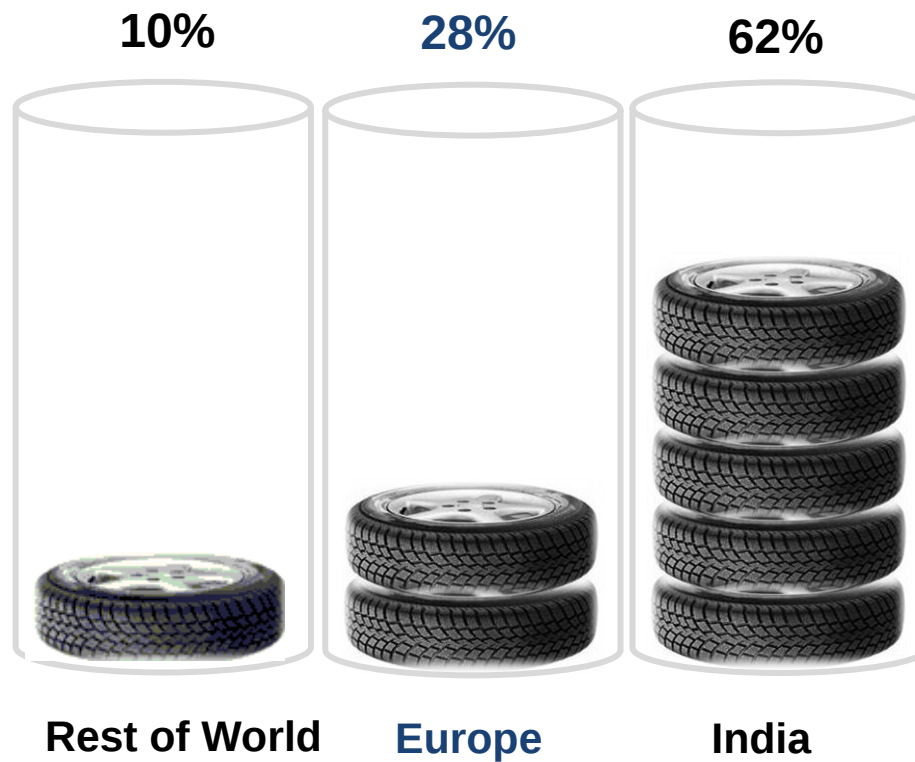


FINANCIAL OVERVIEW



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

Region Wise

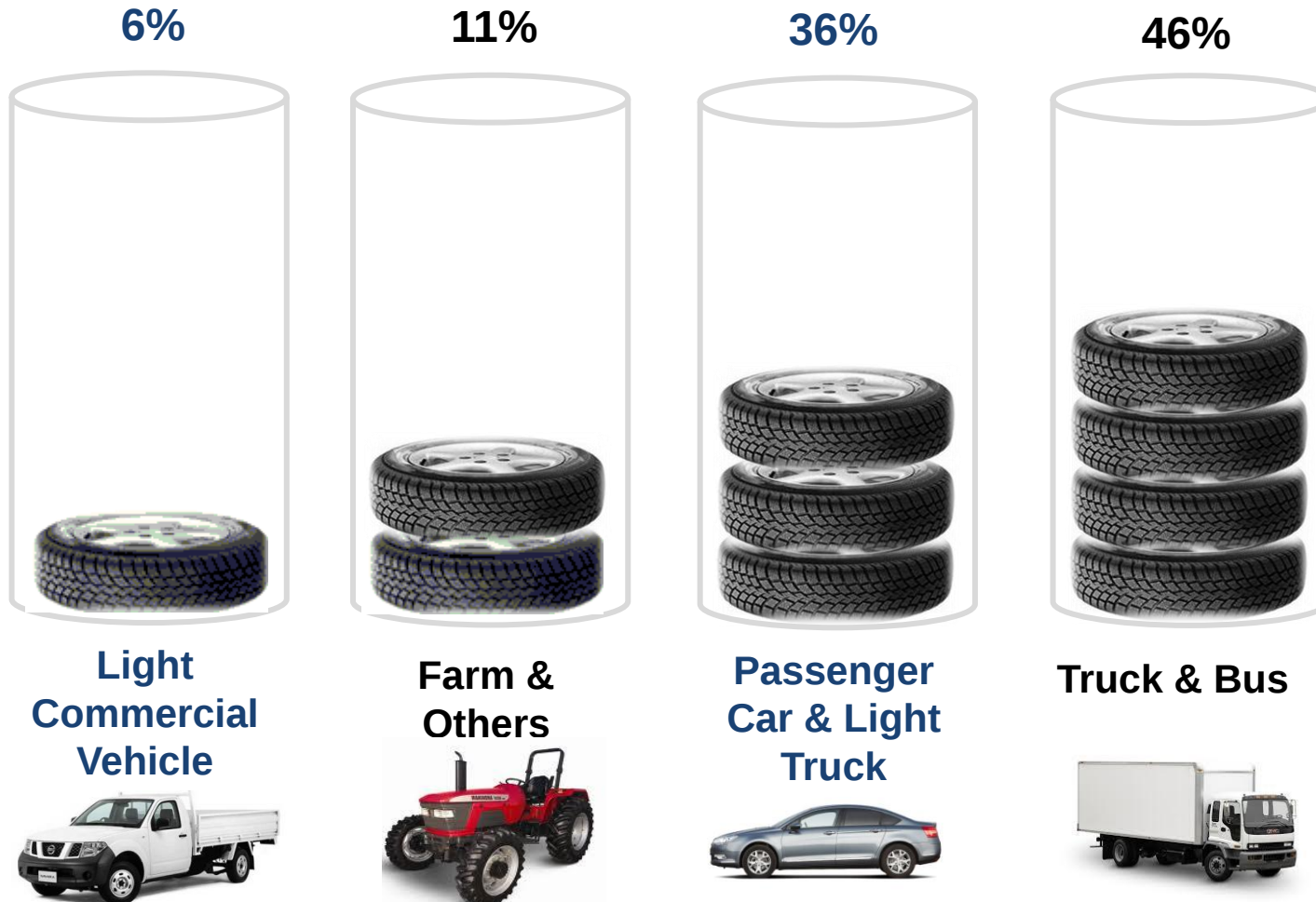


Market Wise



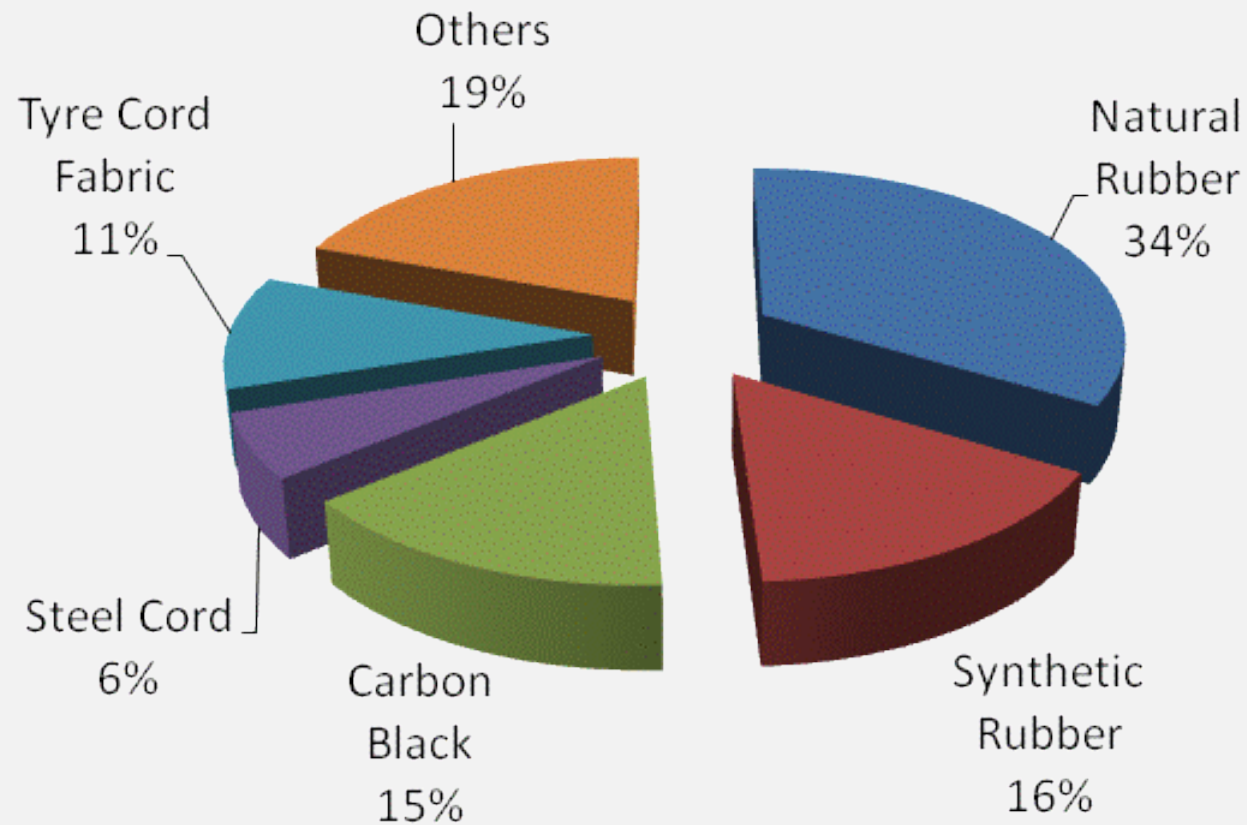
More than 80% of the revenues are contributed by PCLT and Truck & Bus Tyres

Product Category Wise Revenue Segmentation



Raw materials account for ~50% of total sales

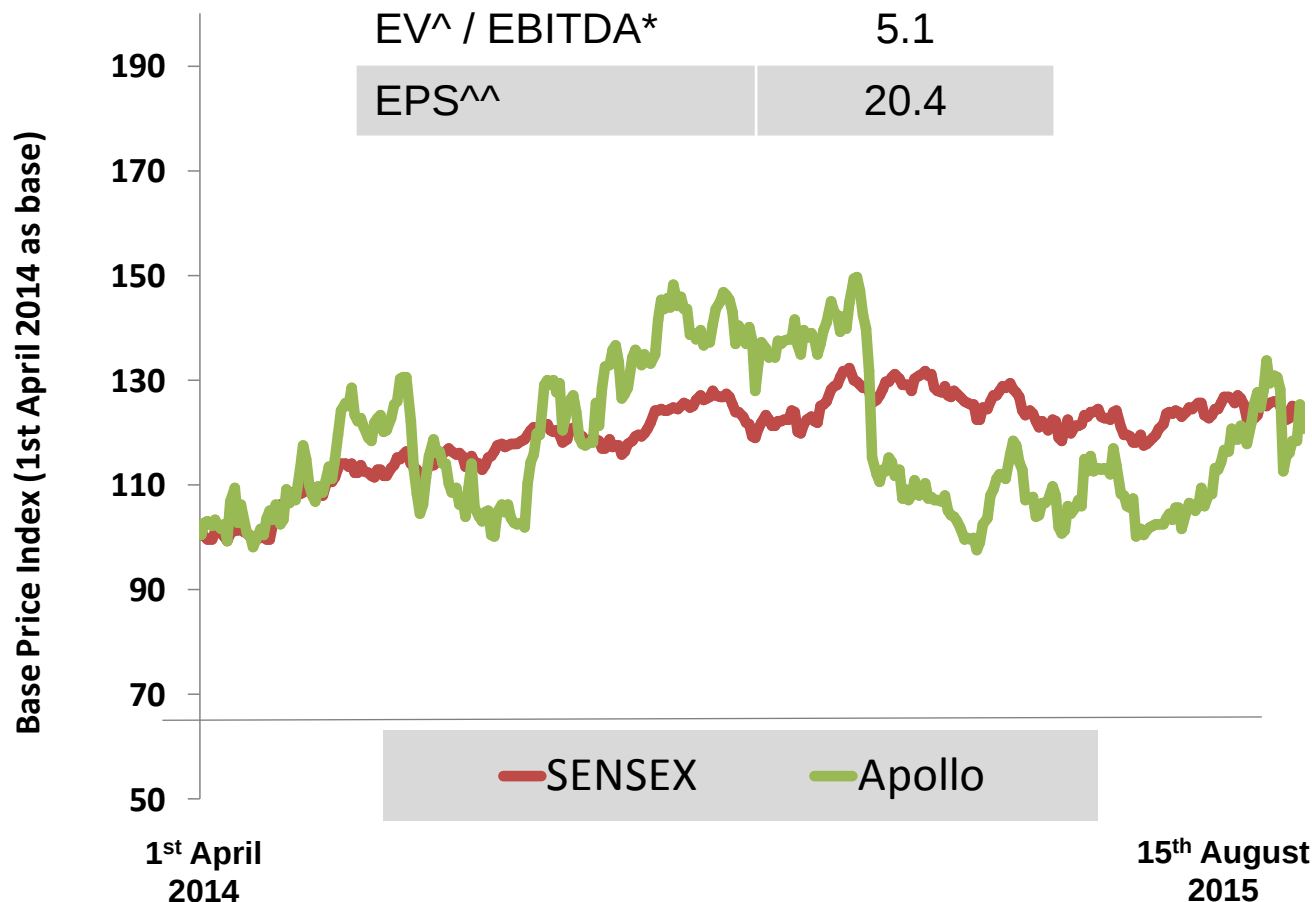
CONSOLIDATED OPERATIONS



Valuation Ratios	Value
Price to Earnings [^]	9.9
EV [^] / EBITDA [*]	5.1
EPS ^{^^}	20.4

Shareholding Pattern as on 05.08.2015

Classification	% of Shares
Promoters	44.1%
Financial Institutions/ Banks/ Mutual Funds	10.9%
FII's/NRIs	29.8%
Government of Kerala/ Travancore/ Titanium Products Ltd.	2.0%
Public	13.2%



Notes:

[^] Based on average share price from 1st August – 15th August -2015

^{*} EBITDA is without other income and exceptional items for LTM Q1 FY 2016

^{^^} For LTM Q1 FY 2016



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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

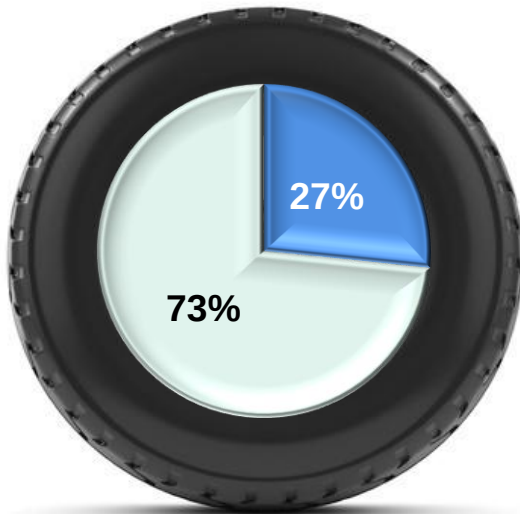


Proven success in pursuing strategic growth

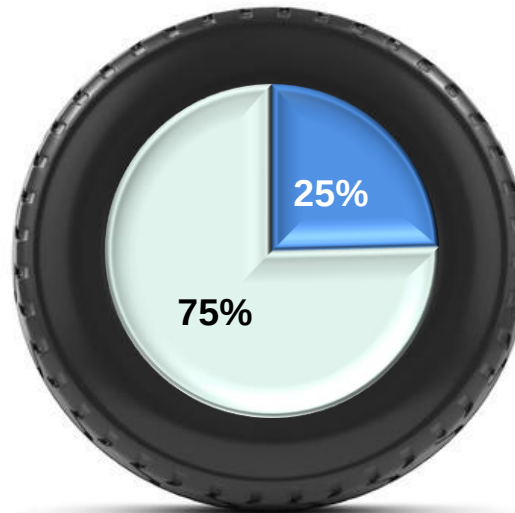
Leading player in India with significant market share across product categories

MARKET SHARES

TBR[^]



TBB[^]



PCR[^]



One of the key players in the Truck & Passenger Car Tyres category

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'

Brand Tie-up with Manchester United



Leverage the partnership with Manchester United to raise Apollo Brand's awareness among potential customers, business partners and consumer audiences in key markets



Apollo Tyres is Manchester United's Official Global Tyre Partner

Well positioned to support sale of its regional brands

India



Extensive distribution network in India

- ~4,900 (incl. ~1,600 exclusive) retail dealers*
- 152 sales offices including regional and area offices
- 15 Regional distribution centers servicing 152 stocking points
- Wide specialist network*: Apollo Super Zone, Apollo Zone, Apollo CV Zone, Apollo Point

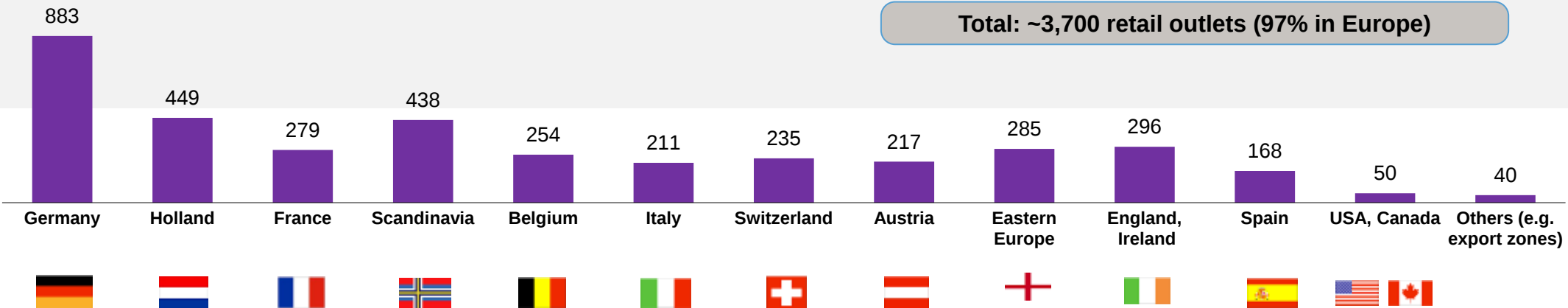
Europe



Distribution network across Europe

- ~3,550 third party dealers in Europe
- 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

- ❑ Focus on New Product Development to Grow Market Share
- ❑ Research of new transportation solutions with lowest possible impact on environment
- ❑ Partnered with various technical bodies, universities and OEM partners across the world

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

- Developed market leading brands in truck radial and cross-ply categories for India
- Developed superior compounds for Mileage, Rolling Resistance & cut chip resistance
- Launched the new XMR with LiveBond Steer mile technology in India: We believe it offers customers lower cost of ownership and more total tyre life



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

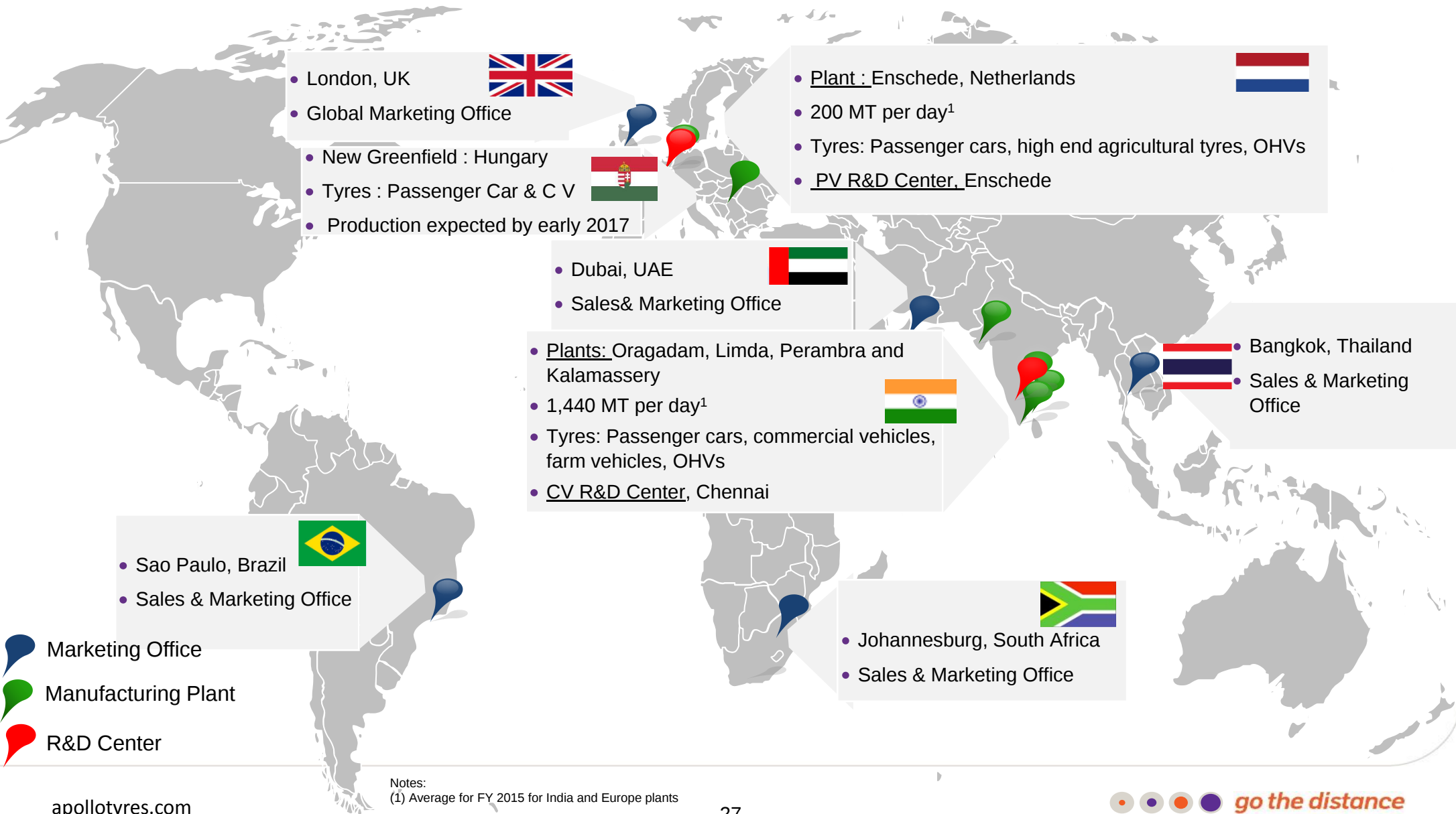
- Proven history of manufacturing expertise and innovation
- Developed 'Spacemaster', a collapsible spare tyre for high end cars
- Launched the variable front spoiler made with a specially developed EPDM rubber for the European market that we believe helps in improving high speed handling and fuel efficiency
- Focus on sustainable material research: Development of the production chain of natural rubber and Inulin from Russian dandelions & use of reprocessed material as a replacement for natural rubber



Global Presence With Proximity to Growth and Profit Pool Markets



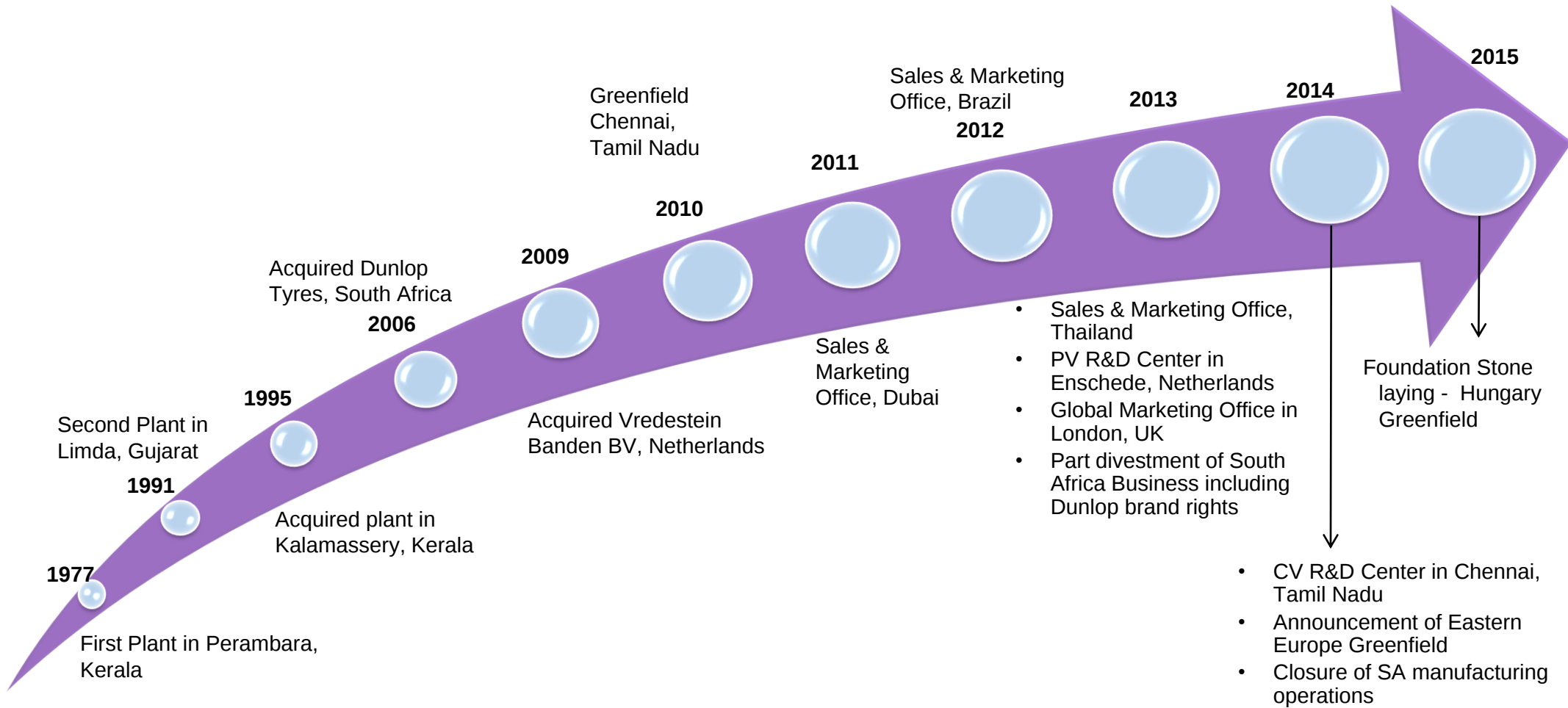
Sales to more than 100 countries world wide



PROVEN SUCCESS IN STRATEGIC GROWTH



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





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OUTLOOK





- **Recovery in OEM** happening in FY 2016
- **European market** showing growth in FY 2016
- **Continued favourable** raw material prices expected in FY 2016
- **Greenfield** plant in Eastern Europe now under construction with first tyre rollout expected in early 2017
- **Expanding Truck Radial** capacity in Chennai plant with a spend of ~Rs. 27 Bn over the next 3 years

Thanks



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