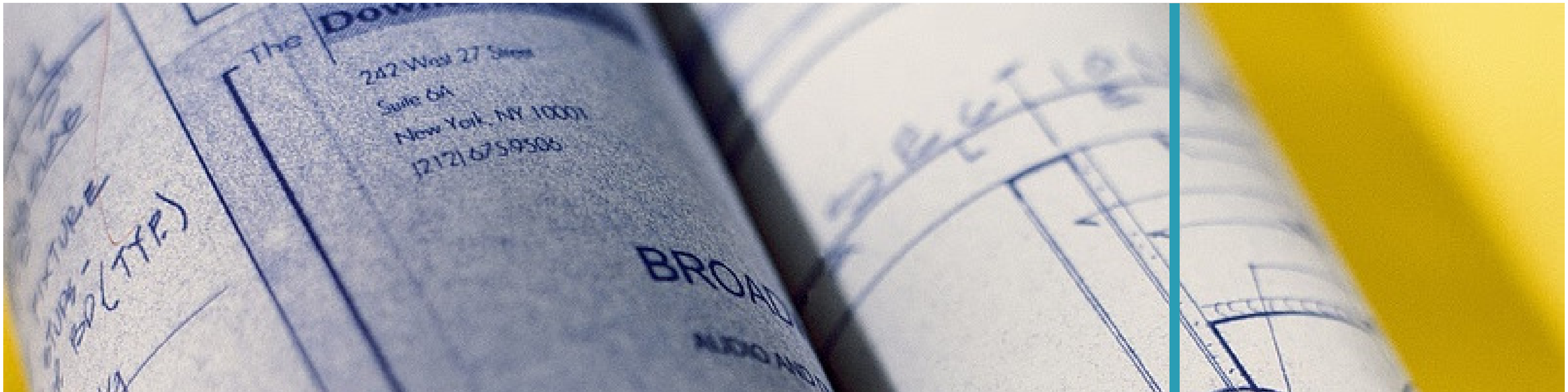
APL Apollo Tubes Ltd.

BSE code: 533758 I NSE Symbol: APLAPOLLO

Corporate Presentation

February 2012

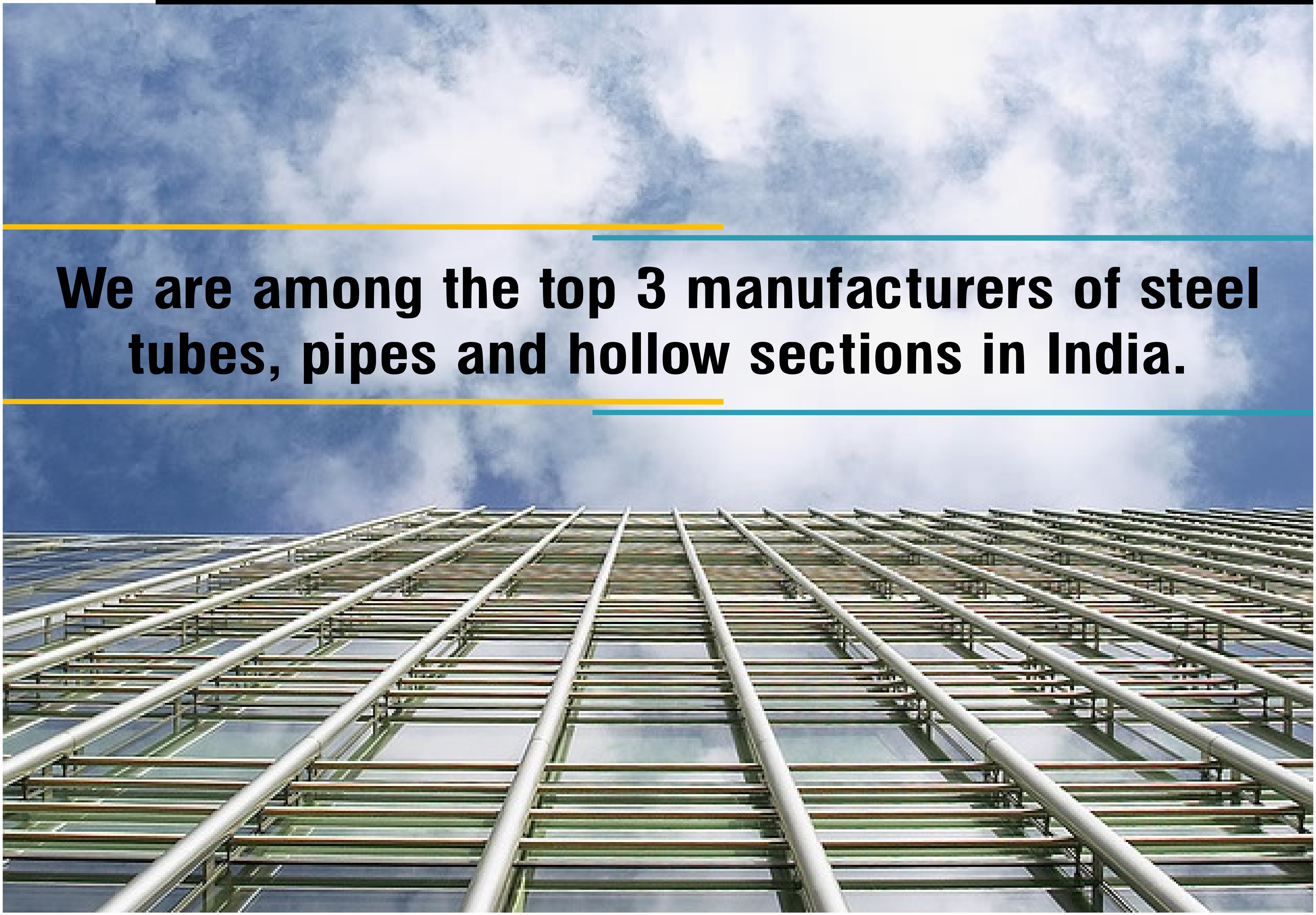


Contents

- The story till now
- Poised for growth
- The future is promising
- Detailed financials

The story till now

ESTABLISHED OUR CREDENTIALS



We are among the top 3 manufacturers of steel tubes, pipes and hollow sections in India.

CONQUERED MILESTONES

1986 - Founded by the late Mr. Sudesh Gupta as Bihar Tubes (P) Limited

1987 - Sikandrabad facility started producing 6,000 MT of ERW black pipes.

1989 - Capacity was raised to 24,000 MT annually.

1994 - New galvanising plant was commissioned and operations commenced

1995 - Issued an IPO of 2.19 mn shares of Rs. 10 each at a premium of Rs. 20 with detachable tradable warrants

1986-1995

- Invested in new technology and value-added products
- Cutting-edge technology from Kusakabe, Japan, was installed across three tube mills
- Forayed into new segments and diversified into structural pipes, Hollow Sections and pre-galvanised pipes
- Received ISO 9001:2000 certification from DNV, Netherlands and various other approvals and certifications

1996-2005

2007 - Acquired Apollo Metalex as a 100% subsidiary

2008 - Acquired Shri Lakshmi Metal Udyog Ltd, as other 100% subsidiary

2009 - Initiated establishment of Unit II at Hosur, TN
- Received UL, CE & SGF France certifications with other approvals

2010 - Name changed to **APL Apollo Tubes Limited**
- Acquired Lloyds Line Pipes as another 100% subsidiary

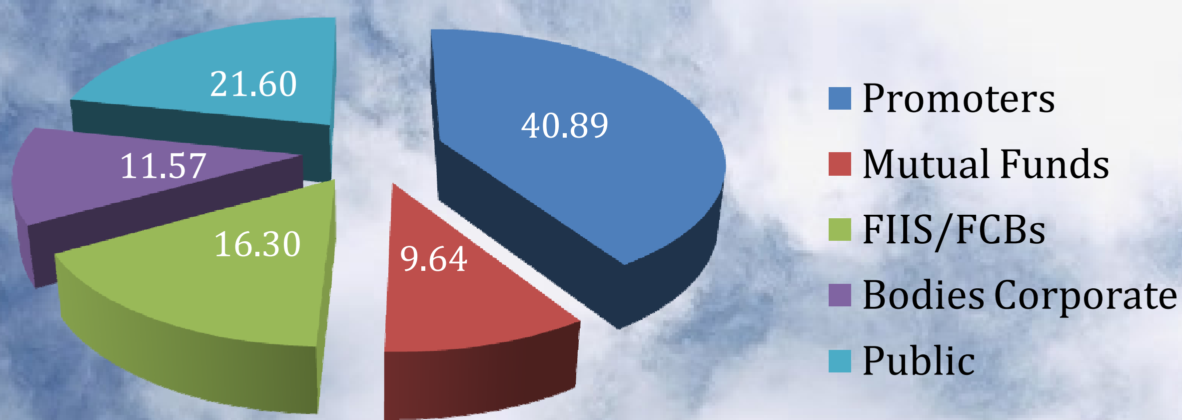
2011 - Completed successfully Hosur Project & commissioned another sheet galvanising plant in South India
- Introduced RSM Technology, for the first time in India

2005-2011

CREATED A REPUTED COMPANY

- Established player in hollow sections and pioneer in pre-galvanised steel tubes, hollow sections
- Headquartered in NCR Delhi and having 5 manufacturing locations in four states
- An established customer base both in India and abroad
- Close proximity to the major raw material and consumption centers
- Exports to over 35 countries across all continents
- Direct marketing presence in over 15 states and vast distributor-network comprising ~ 300 Dealers across India

OWNERSHIP DETAILS
as at December31, 2011



Financial Highlights FY11

Gross sales of Rs. 9851.5 mn

EBIDTA of Rs. 892.7 mn

PAT of Rs. 430.9 mn

EPS of Rs. 21.32

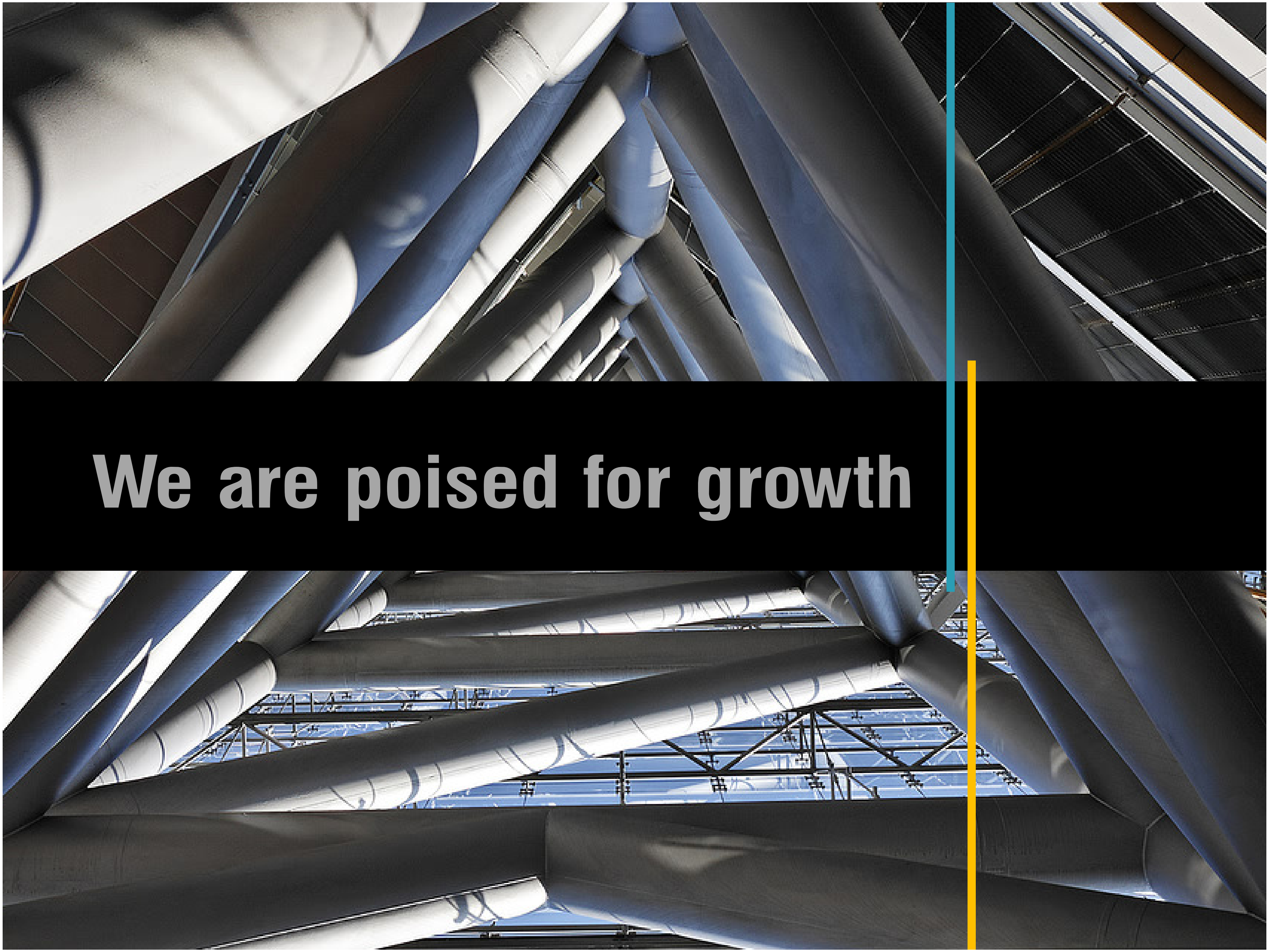
Market cap of Rs. 3000 mn

CREATED A REPUTED COMPANY

only player having

Nationwide Distribution Network

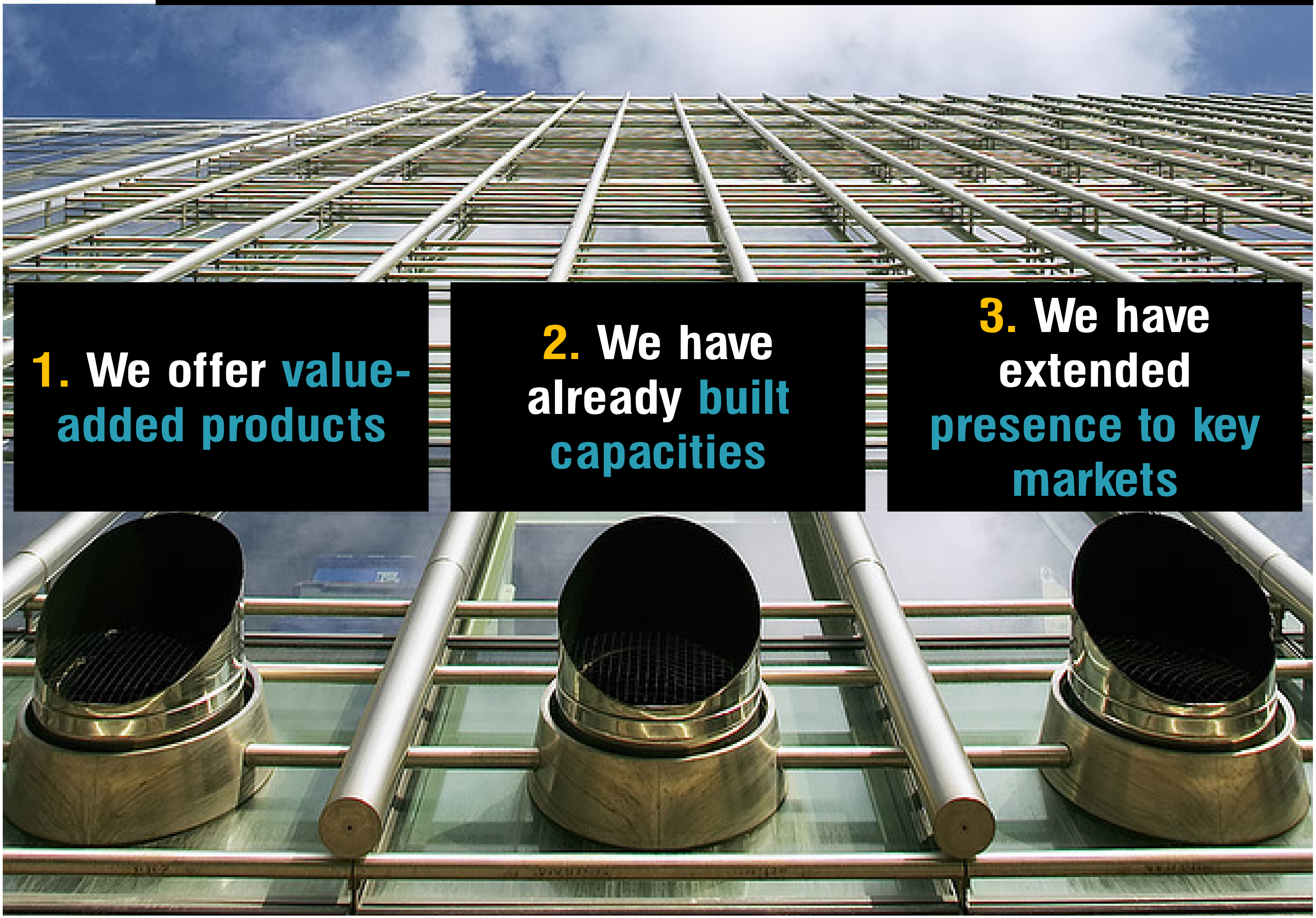
supported by multi-location manufacturing facilities


We are poised for growth

ONWARDS... TO BECOME THE LARGEST INDUSTRY PLAYER BY 2014

by 2015, we are aiming at a topline of US$1bn

HOW WOULD WE GET THERE?



1. We offer value-added products

2. We have already built capacities

3. We have extended presence to key markets

WE OFFER VALUE-ADDED PRODUCTS

1.

CATERING TO NEW APPLICATIONS

1.

Traditionally, steel tubes and pipes were used mainly for water infrastructure, construction and management.

In the recent years, it has evolved into a full-fledged infrastructure material with diverse applications across industries.

Traditional uses

- Irrigation & Plumbing
- Water infrastructure systems
- Buildings and high-rises
- Fencing
- Engineering Application

New age uses

Manufacturing

- Bus bodies -structures for low floor buses
- Telecommunication towers
- Oil, Gas and Sewage transportation
- Wind Mills
- Fire-fighting
- Pre-fabricatation

Architecture and construction

- Walkways
- Hotels
- Malls
- Greenhouses
- Metro rail stations
- Bus terminals
- Ports
- Bridges
- Airport terminals

WE OFFER A WIDE PRODUCT PORTFOLIO

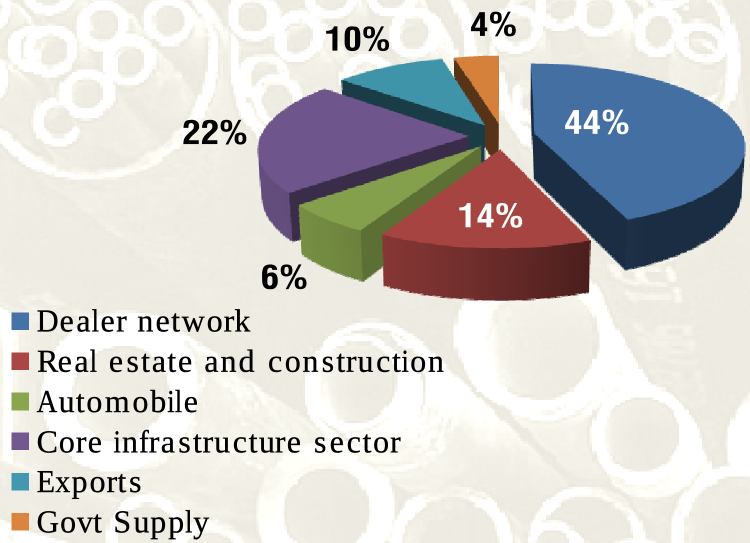
PRODUCT	RANGE	END USER / USE
Hot dipped Galvanized	21.03 mm to 273 mm Outer Diameter	Water, Gas, Oil transportation & Fire Fighting
Pre Galvanized	19 mm to 114.3 mm Outside Diameter	Fencing, Cabling and Ducting, Automotive (Bus body) & Greenhouses
ERW Black	21.03 mm to 355 mm Outer Diameter	Fire fighting, conveyor systems, scaffolding, transmission towers, power projects and industrial uses
Hollow Section	19X19 - 250X250 mm Square 40X20 - 300X200 mm rectangular	Infrastructure, Metro, Airports, Stadiums, Prefab, Walkways, Malls and industrial applications

- We manufacture 300 + varieties of steel tubes in the size range of ½" to 14" outer diameter
- Over 13 production lines; ability to produce the largest range of hollow sections in all variants (black, galavanised and pre-galvanised), in a shorter time for specialised needs

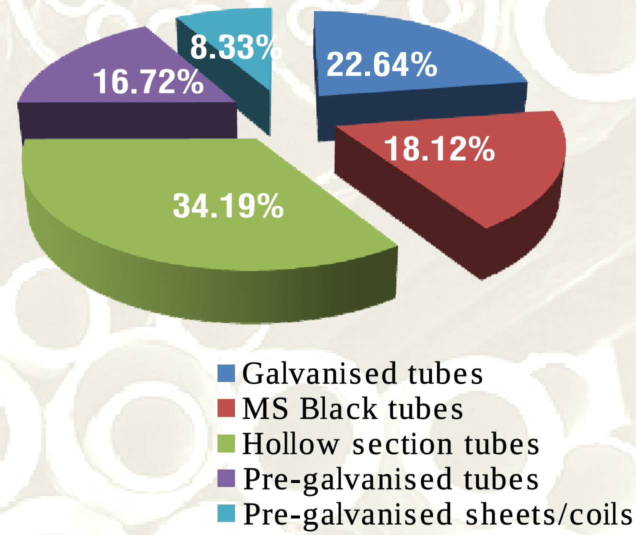
COMMAND PRESENCE ACROSS INDUSTRIES

1.

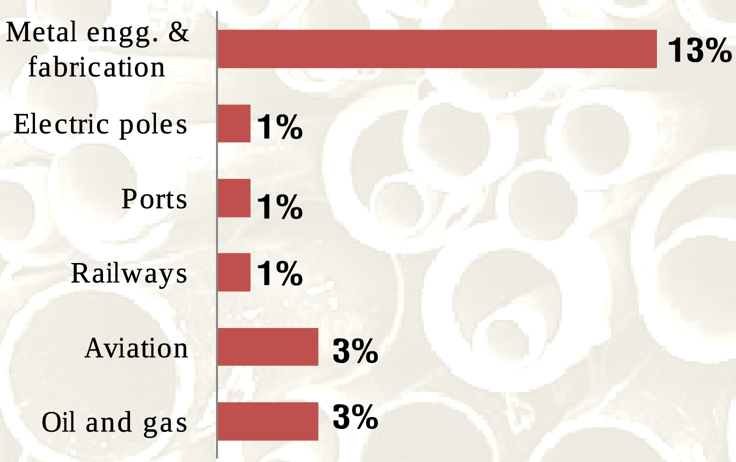
Industrywise revenue break-up



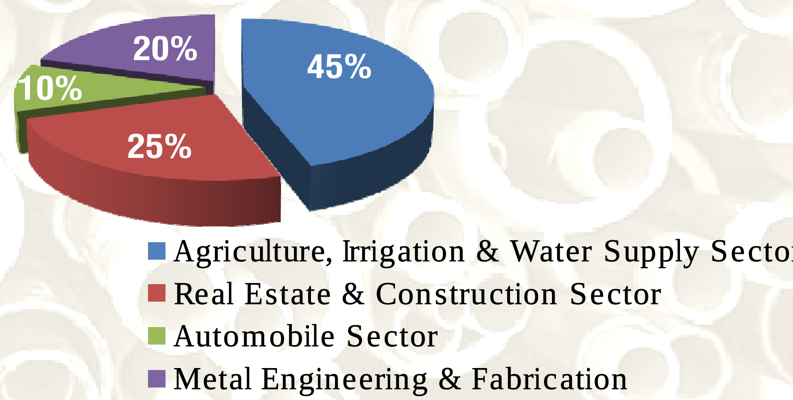
Productwise revenue break-up



Core industries' break-up



Dealer network's break-up



APLAPOLLO

CONFORMING TO GLOBAL QUALITY STANDARDS

1.

PRODUCT CERTIFICATIONS

- IS 1239 : Water, Oil and Gas Lines
- IS 1161 : Construction
- IS 3601 : General Engineering
- IS 3589 : Casing Pipes, Boring applications
- IS 4270 : Deep Boring Belt Systems
- IS 4923 : Structural Tubes for Infra purpose
- IS 9295 : Idlers Conveyors

ISO 9001 : 2008

Quality Management System

ISO 14001 : 2004

Environmental. Management System

OHSAS 18001 : 2007

Occupational Health & Safety Standards

INTERNATIONAL CERTIFYING AGENCIES

Underwriters Laboratories Inc.

WHEN YOU NEED TO BE SURE SGS

CE

CONSULTANTS' CERTIFICATIONS

इंजीनियर्स इंडिया लिमिटेड ENGINEERS INDIA LIMITED (A Govt. of India Undertaking)

Delivering Excellence through People

MECON

BUYERS' APPROVALS

Airports Authority of India

BHEL

Bharat Petroleum

एनटीपीसी NTPC

LARSEN & TOUBRO It's all about Imagineering

APLAPOLLO

A PREFERRED PARTNER TO OUR CLIENTS

1.

CONCLUSION

1.

our ability to extend value-added products and solutions would not only strengthen our realizations but also would result in higher margins going forward.

WE HAVE ALREADY BUILT CAPACITIES

2.

CONSISTENT INVESTMENTS INTO CAPACITIES

2006: Total capacity of **53,000 TPA**

2011: Total capacity of **490,000 TPA**

- In the last five years, we have increased our capacities by ~ ten times
- We added 165,000 TPA capacity through inorganic expansion and the remaining capacity through organic initiatives
- During 2010, we commissioned operations at the state-of-the-art Hosur plant and doubled our installed capacity and thereafter acquired ready to use API Certified manufacturing facilities at Murbad (Maharashtra)
- The capacities would enable us to cater to robust demand across key sectors and enable us to improve margins due to economies of scale

LARGE CAPACITIES OFFER GREATER FLEXIBILITY

APL Apollo Tubes

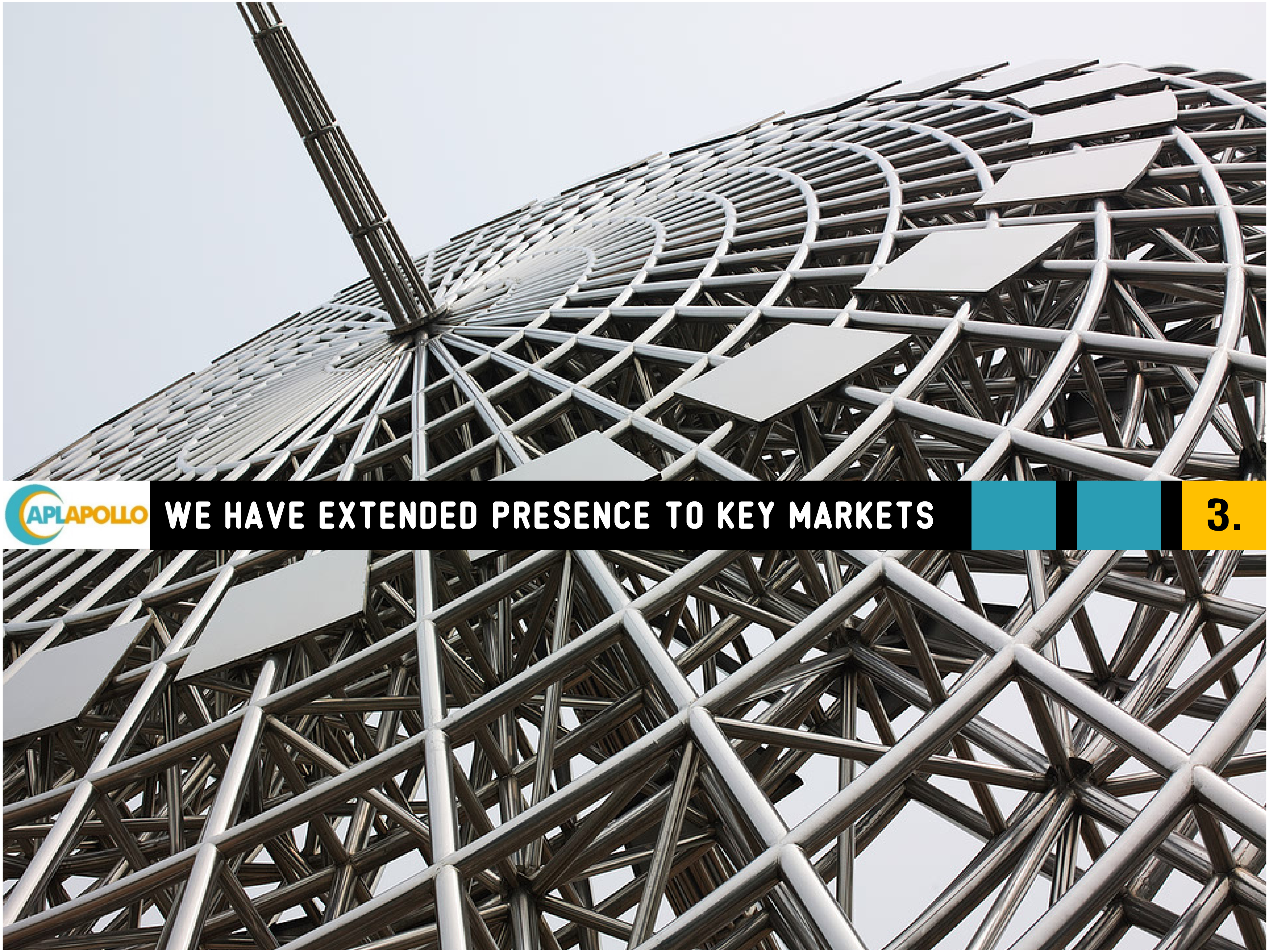
Unit 1	Unit 2	Apollo Metalex	SLMUL	Lloyds Linepipes
Sikandarabad Utter Pradesh	Hosur Tamil Nadu	Sikandarabad Utter Pradesh	Bangaluru, Karnataka	Murbad Maharashtra
125,000 MTPA	**200,000 MTPA**	**25,000 MTPA**	**50,000 MTPA**	**90,000 MTPA**
ERW Black, Hot-dipped Galvanized, Pre Galvanized Tubes and Hollow Sections	ERW Black, Hot-dipped Galvanized, Pre Galvanized Tubes and Hollow Sections	Coil Galvanizing Facility, Pre Galvanized Tubes and Pre Galvanized Hollow Sections	Coil Galvanizing Facility, Pre Galvanized, Hot -dipped Galvanized & ERW Black Tubes and HollowSections	ERW Black, Hot-dipped Galvanized, API Certified Line Pipes

Manufacturing units (Unit 1, Unit 2)

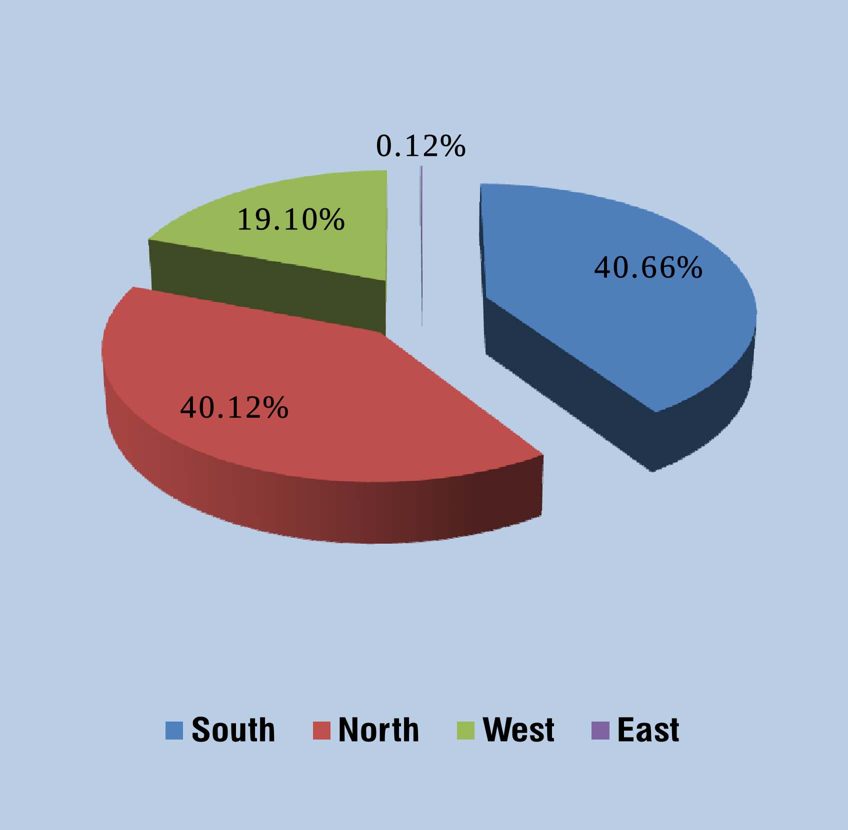
100% subsidiaries (Apollo Metalex, SLMUL, Lloyds Linepipes)

leveraging our economies of scale and efficient utilisation of the present capacities would easily enable us exceed topline of Rs. 15 bn by FY12, without incurring any additional capex

WE HAVE EXTENDED PRESENCE TO KEY MARKETS 3.



We are the only steel tubes manufacturer with manufacturing bases, in north, south and west India.

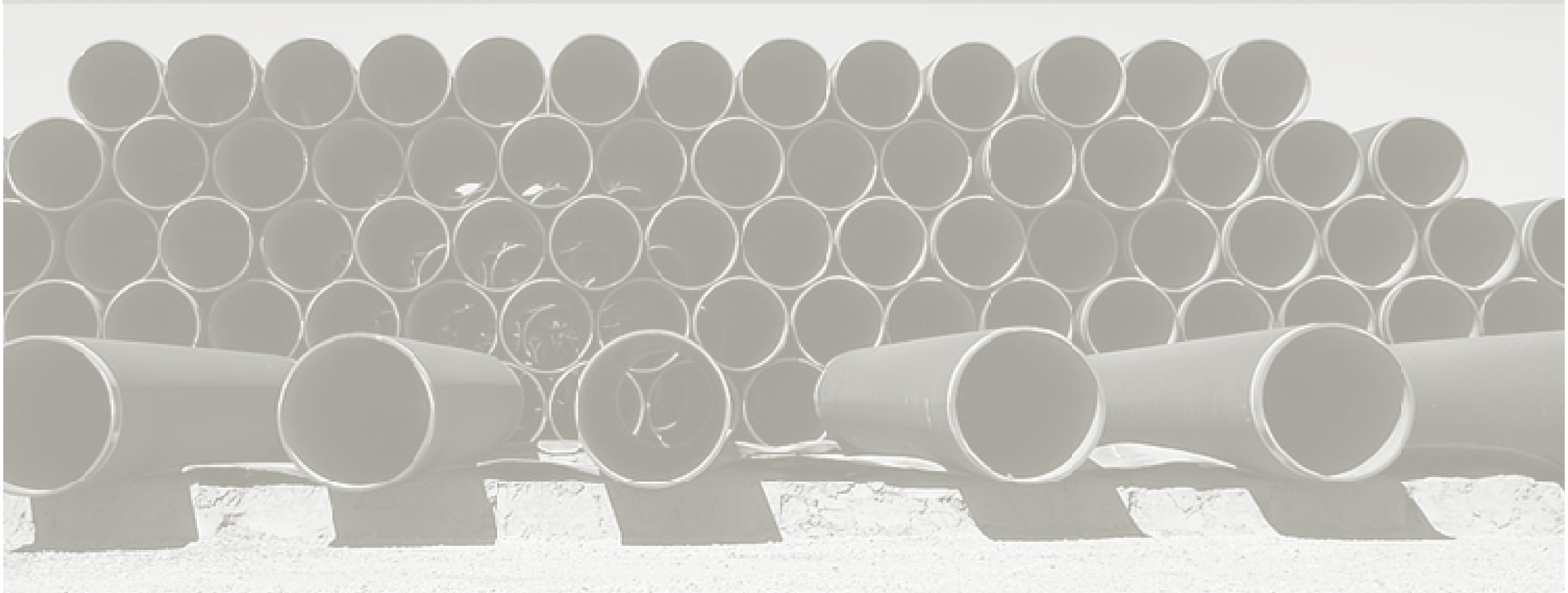


- Geographical reach offers advantage over competitors
- Proximity to the key raw material procurement and consumption markets
- Wider geographical reach at lower logistics cost and lead time
- Ability to fulfill orders and replenish the stocks at a much faster pace
- Proximity to the client’s base ensures quicker delivery and lower risk of transit damage

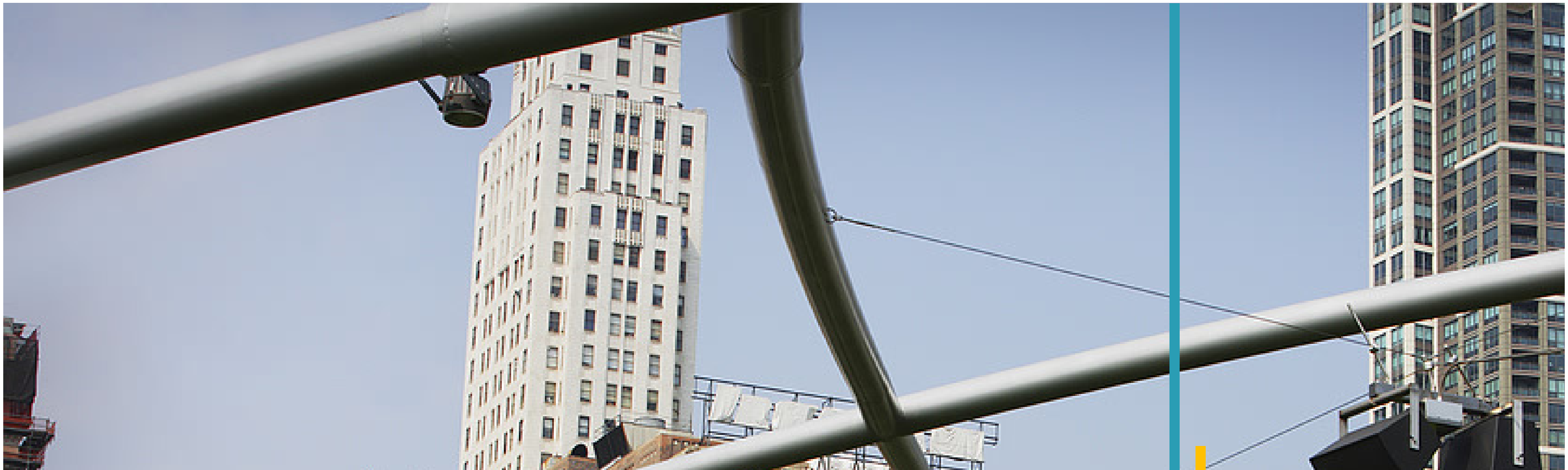
FOCUSSED ON RETAIL PENETRATION

3.

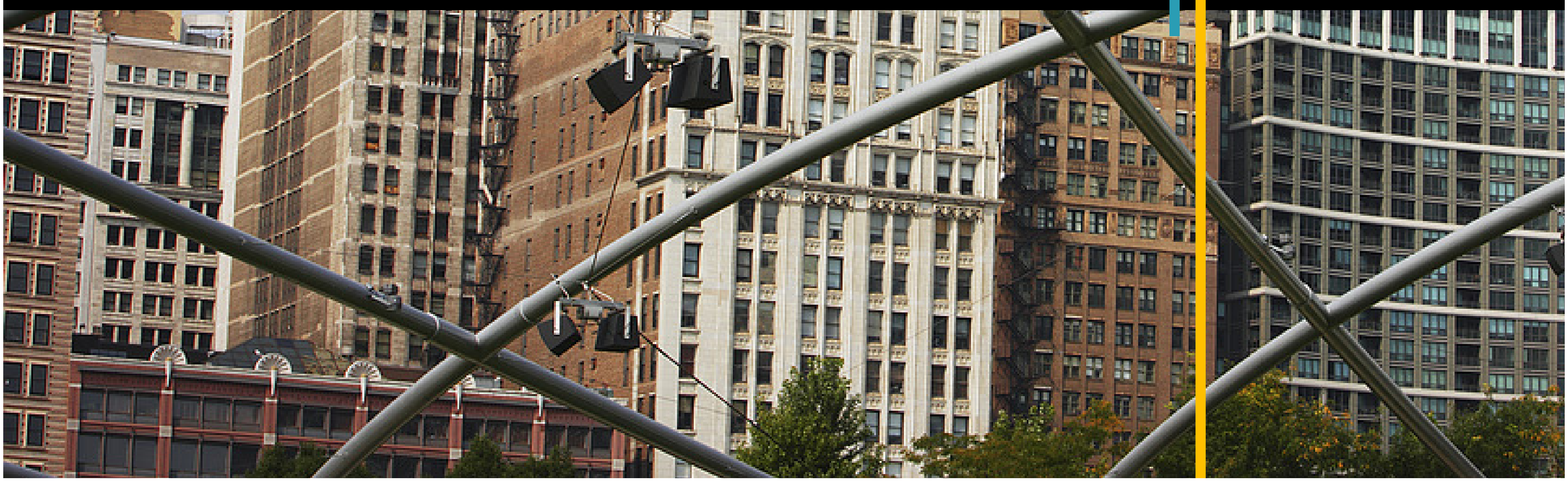
- We ventured into direct retailing during the year with ‘APL Apollo Steel World’ outlets
- Transformed our five existing branches at Ghaziabad, Gurgaon, Jaipur, Ludhiana and Pune into retail outlets. Opened new outlets at Bengaluru, Hyderabad, Kochi, Goa, Ahmedabad, Mumbai, Nagpur, Faridabad
- Further planning to open outlets at Pant Nagar, Baroda , Surat, Chennai.
- Will enable capture of market intelligence and further deepen market reach



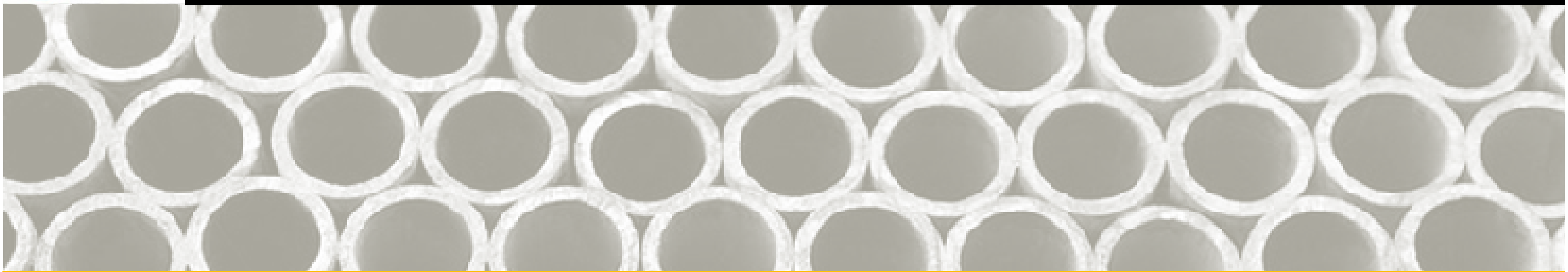
Proximity of our units to key markets coupled with our initiatives to expand retail share would result in lower inventory cycle and higher market share.



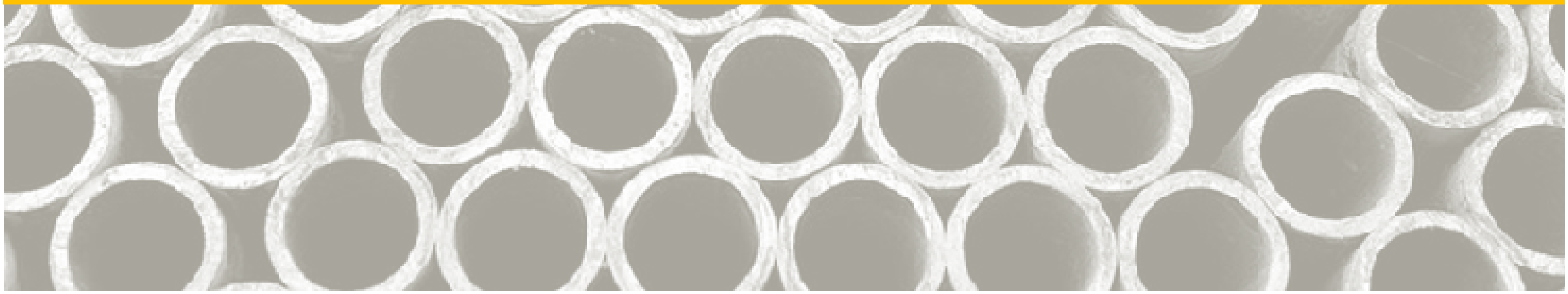
The future is promising



BUILDING A SUSTAINABLE FUTURE

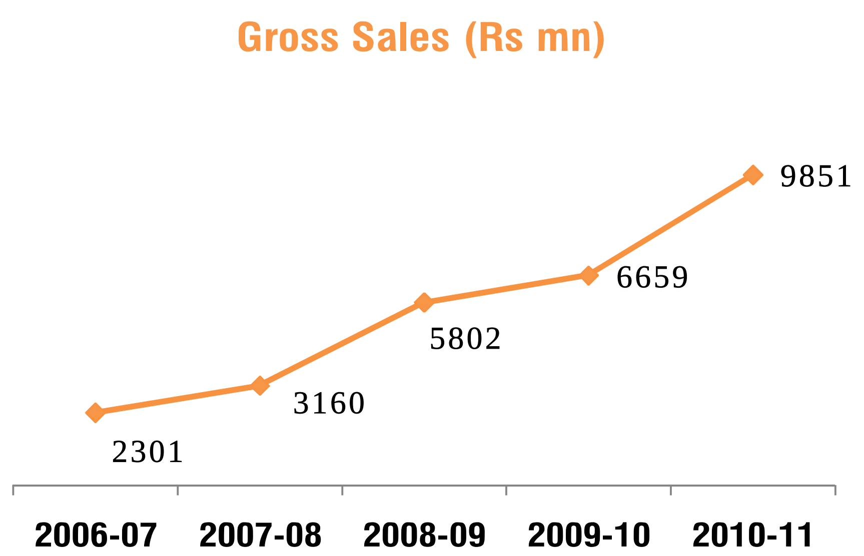


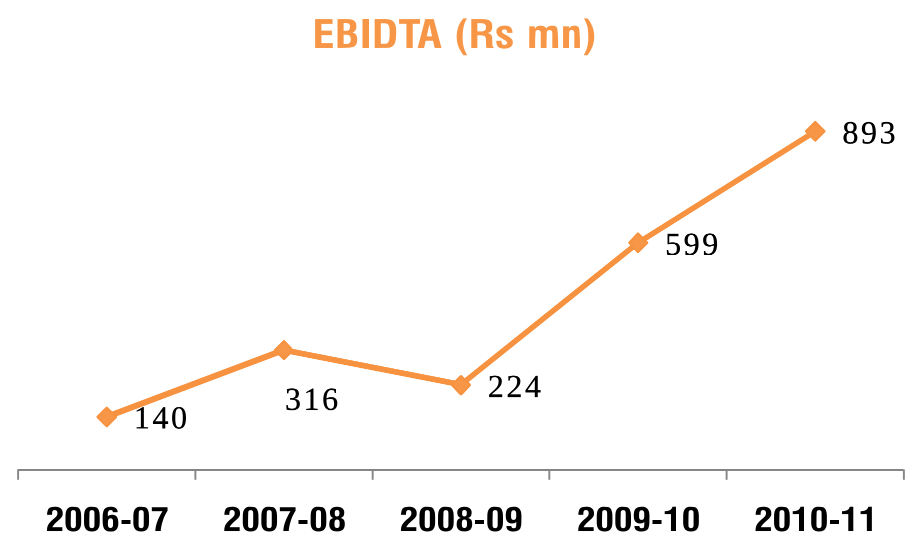
- The Hosur plant commisioned successfully; work on GI, GP lines are under progress
- De-bottlenecking of unit at Murbad, Maharashtra completed
- Installed Rotary Sizing Mill from Kusakabe at Hosur plant for manufacturing high end tubes for precision pre-fabricated rolls used in conveyor belts at airports and tubes for propeller shafts
- In the process of procuring high capacity 14" mill from Italy
- We also plan to venture into production of lower dia- high thickness tubes
- We are also proposing a new unit for 100,000 MTPA in Maharashtra to cater to the market demand in western India

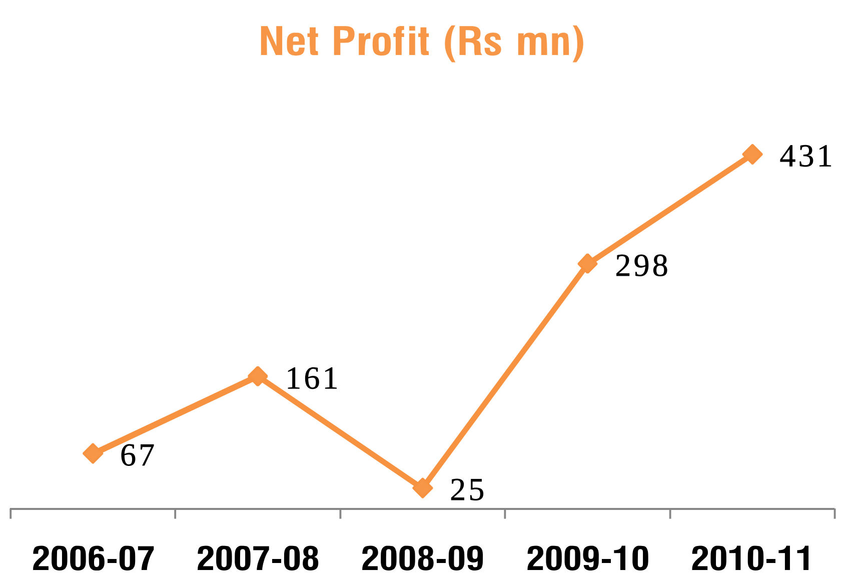


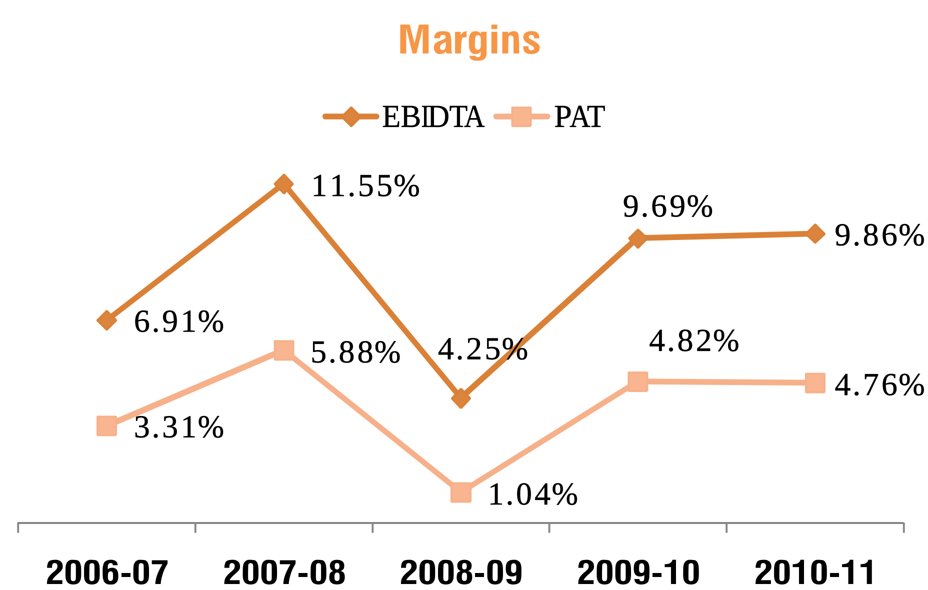
Detailed financials

KEY FINANCIAL TRENDS









LATEST FINANCIAL PERFORMANCE

Rs. mn

	9MFY12 Unaudited	9MFY11 Unaudited	Growth (%)	FY2011 Audited	FY2010 Audited	Growth (%)
Gross Sales	10550.94	6876.23	**53.44%**	9851.48	6659.48	**47.93%**
Net Sales	9708.98	6296.97	**54.18%**	9051.95	6180.08	**46.47%**
EBIDTA	**765.49**	**597.89**	**28.03%**	**892.73**	**598.97**	**49.04%**
EBIDTA %	**7.88%**	**9.49%**		**9.86%**	**9.69%**	
Interest	233.03	125.28		209.34	108.31	
Depreciation	65.50	44.03		57.30	36.13	
Profit Before Tax	466.96	428.59	**8.95%**	626.09	454.53	**37.74%**
Income Tax	62.85	96.90		137.16	104.49	
Deferred Tax	89.65	44.48		57.99	52.29	
Profit after Tax	**314.46**	**287.21**	**9.49%**	**430.94**	**297.75**	**44.73%**
Net Profit Margin %	**3.24%**	**4.56%**		**4.76%**	**4.82%**	
Equity	202.97	202.97		202.97	202.97	
EPS not annualized (Rs.)	15.49	14.15	**9.47%**	21.32	13.61	**56.65%**

THANK YOU.

www.aplapollo.com