



APL Apollo Tubes Limited

H1FY12 Investors' Update

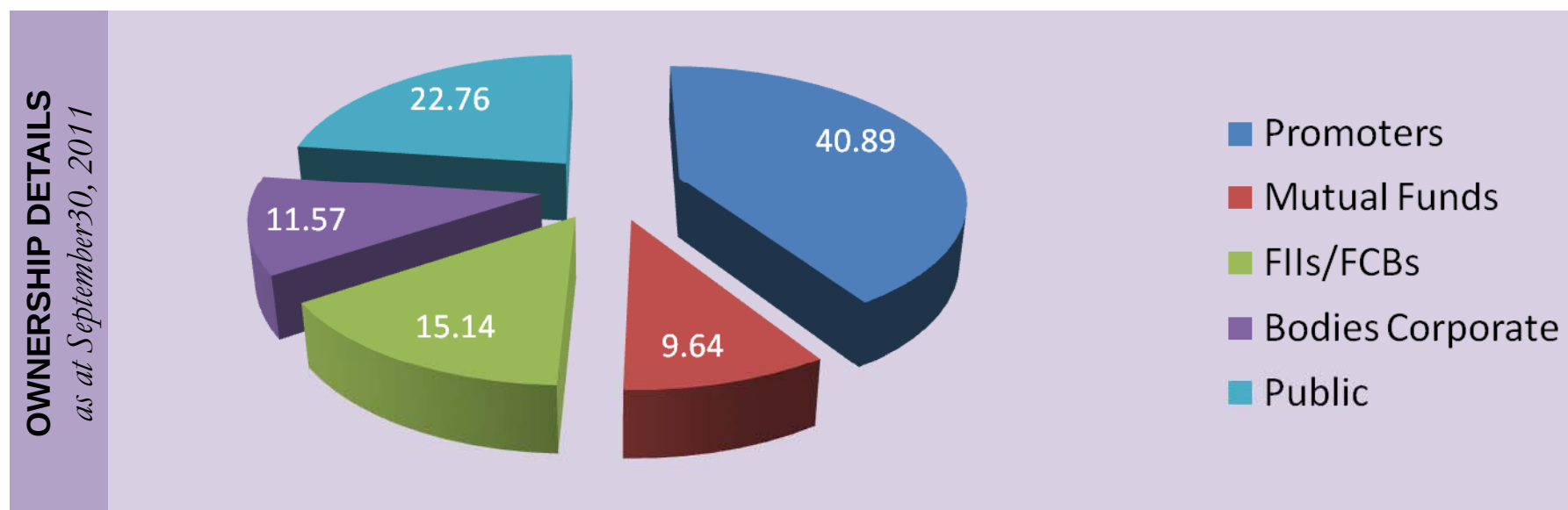
November 18, 2011

BSE Code: 590059



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

- Established player in hollow sections and pioneer in pre-galvanised steel tubes.
- Headquartered in NCR Delhi and having 5 manufacturing locations in four states
- Total manufacturing capacity of 490,000 TPA
- 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



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 & 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	Infrastructure, Metro, Airports, Stadiums, Prefab, Walkways, Malls and industrial applications
	40X20 - 300X200 mm rectangular	

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

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.

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

Traditional uses

New age uses

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

Manufacturing

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

Architecture and construction



H1FY12 Review

	H1			Q2			(Rs.mn)
	FY12	FY11	% growth	FY12	FY11	% growth	FY11
Net Sales	6197.66	3793.79	63.4%	3130.94	2224.18	40.8%	9051.95
EBIDTA	504.93	355.46	42.0%	226.64	208.75	8.6%	892.73
EBIDTA (%)	8.1%	9.4%		7.2%	9.4%		9.9%
Interest	146.57	74.84	95.8%	81.89	45.50	80.0%	209.34
Depreciation	41.00	24.05	70.5%	20.50	13.50	51.9%	57.30
Profit Before Tax	317.36	256.57	23.7%	124.25	149.75	-17.0%	626.09
Tax	103.00	84.48	21.9%	40.00	49.38	-19.0%	195.15
Profit After Tax	214.36	172.09	24.6%	84.25	100.36	-16.1%	430.94
Net Profit margin (%)	3.5%	4.5%		2.7%	4.5%		4.8%
Equity	202.97	202.97		202.97	202.97		202.97
Basic EPS (not annualised) (Rs.)	10.56	8.48		4.15	4.94		21.32

- Net sales during the first half is up by 63% at Rs 6197.66 mn as compared to Rs 3793.79 mn in the corresponding period last year.
- EBIDTA is up 42% at Rs 504.93 mn as against Rs 355.46 mn in the corresponding first half ended September 30, 2010
- Net profit for the first half has risen by 24.6% at Rs 214.36 mn as against Rs 172.09 mn during the same period under review and EPS (not annualised) for the period ended September 30, 2011 stood at Rs. 10.56.
- Volume of steel pipes and tubes during the period has risen by 47% to ~142000 MT as compared to corresponding first half of last year.
- Growth in volume is on back of higher contribution from Greenfield facility at Hosur, additional capacity from recently acquired Lloyds Line Pipes and better offtake from urban infrastructure projects.

- Concerted efforts in terms of regional fortification of marketing has started paying off. During the first half, sales volume in South India has risen by 69% as compared to last year.
- Demand growth for pregalvanised steel tubes is robust in urban infra in city clusters of Bengaluru, Chennai, etc.
- Locational advantage has played a greater role in improving sales through short transport distance and wider range of product offerings.

Update on Expansion & Acquisition

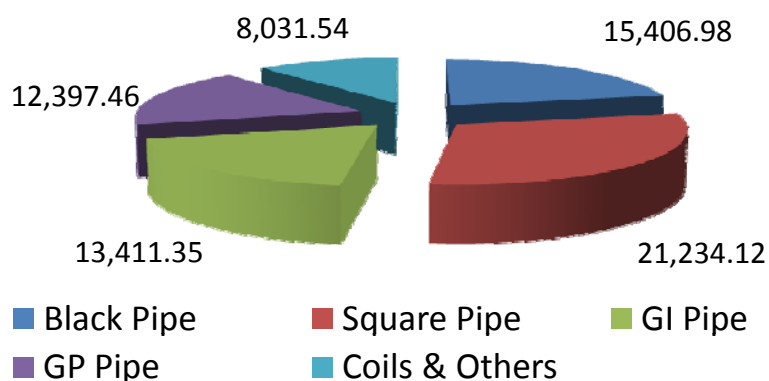
- APL Apollo is in the midst of consolidating its operations. The new facility at Hosur is fully stabilised, introduced Rotary Sizing Mill technology first time in India, new pre-galvanised facility commissioned in southern location, acquisition of Lloyds Line Pipes of 90,000 TPA completed, modernisation and enhancement of capacity is underway.
- The Hosur plant was set up based on Japan's Kusakabe technology, and is the largest facility in South India with a capacity of 200,000 TPA. Hosur facility produces widest range of steel tubes and hollow sections in galvanised and pre-galvanised.

- Net sales has risen by 41% to Rs 3130.94 mn as compared to Rs 2224.18 mn in the corresponding quarter ended September 30, 2010 on back of higher volume growth.
- EBIDTA is Rs. 226.64 mn as compared to Rs. 208.75 mn in Q2FY11
- Higher prices of steel HR coils and interest charges limited the growth in EBIDTA and net profit.
- Operational expenses also rose due to streamlining of newly acquired Lloyds Line Pipes and other inflationary pressures
- EBITDA for the quarter grew by 8.6% to Rs 226.64 mn, due to higher prices of steel HR coils.
- Interest charges during the quarter has risen by 80%, depreciation up by 50% leading to an impact on the net profit. However, company had a tight leash on working capital management thereby saving one percentage point in interest. This is on back of higher volume sales and consecutive revision of PLR by banks.
- Net profit for the quarter ended September 30, 2011 stood at Rs 84.25 mn

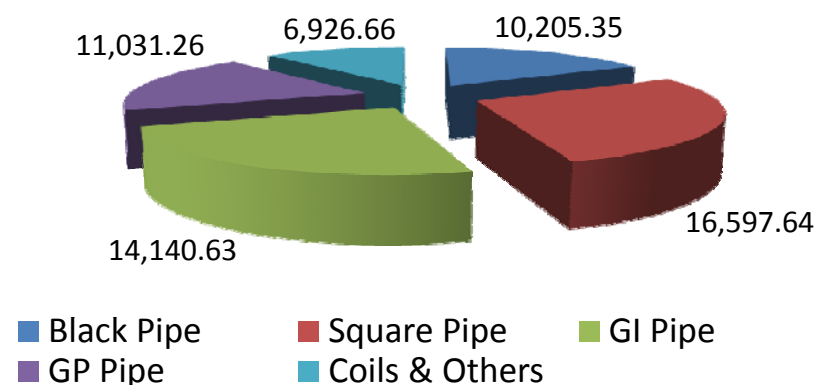
Products	H1 FY12		H1FY11	
	QTY (MT)	Avg. Price (INR)	QTY (MT)	Avg. Price (INR)
Black Pipe	31,799.80	40,800.00	16,464.54	36,500.00
Square Pipe	40,326.92	41,600.00	28,667.22	37,300.00
GI Pipe	27,577.39	47,850.00	25,794.23	43,200.00
GP Pipe	26,075.07	48,000.00	15,457.80	43,500.00
Coils & Others	16,370.35	36,500.00	10,541.75	30,200.00
Total	1,42,149.52		96,925.53	

Products	Q2 FY 12		Q2FY11	
	QTY (MT)	Avg. Price (INR)	QTY (MT)	Avg. Price (INR)
Black Pipe	15,406.98	41,500.00	10,205.35	35,200.00
Square Pipe	21,234.12	42,350.00	16,597.64	35,600.00
GI Pipe	13,411.35	48,800.00	14,140.63	41,500.00
GP Pipe	12,397.46	49,000.00	11,031.26	42,200.00
Coils & Others	8,031.54	37,850.00	6,926.66	30,000.00
Total	70,481.44		58,901.54	

Product-wise break-up of quantity sold (consolidated) (MT)

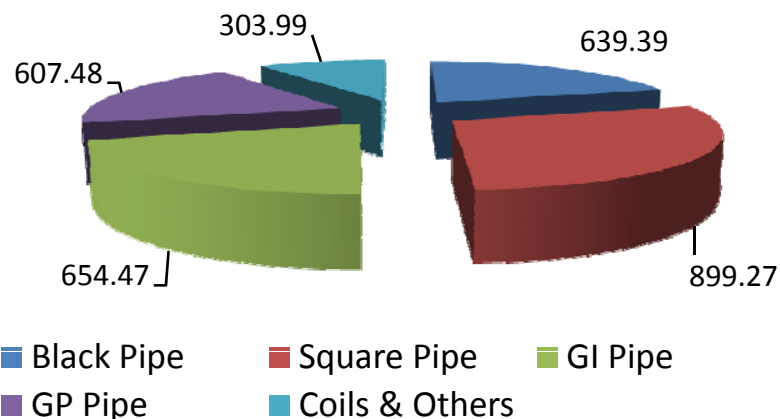


Q2 FY2012

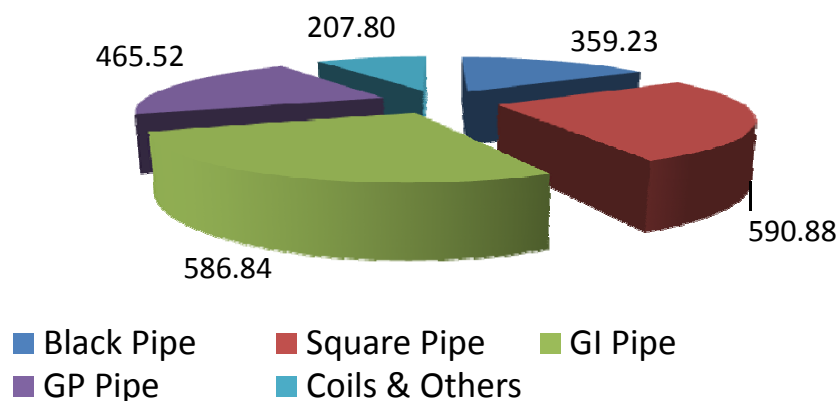


Q2 FY2011

Product-wise break-up of revenues (consolidated) (Rs.mn)



Q2 FY2012



Q2 FY2011

- The company remains on track to achieve growth in-line with previous quarters.
- Volume growth of 40% for FY12
- Regional focus to remain in South
- Higher contribution from Lloyds Line Pipes after successful streamlining expected during rest of the year.
- Flexibility of supplying valued added products in quantity and sizes from South facilities to enhance market penetration
- Higher sales from own warehouses and locational advantage to drive expense rationalization

We offer value-added products

- Pioneer in Pre Galvanised tubes & hollow sections.
- Only player offering all varieties of ERW Black, Pre Galvanised, Hot Dipped Galvanised Tubes, Pipes and Hollow Sections
- We manufacture 300+ varieties of steel tubes in the size range of ½" to 14" outer diameter;
- Added production capability for 14" tubes with acquisition of Lloyds Line Pipes; API Certified facility
- Catering to traditional uses as well as new-age user segments

We have already built capacities

- In the last five years, we have increased our capacities tenfold from 53,000 TPA in 2006 to presently 490,000 TPA
- Added 165,000 TPA capacity through inorganic expansion and the remaining capacity through organic initiatives
- Enhanced utilisation of the present capacities would easily enable us to increase production by 50%, without incurring any additional capex

We have extended presence to key markets

- The only steel tubes manufacturer with manufacturing bases, in north, south and west India
- Wider geographical reach at lower logistics cost and lead time
- Own retail chain established; focus on Branding

For further information, contact:

Pankaj Gupta, CFO

APL Apollo Tubes Limited

+91 0120-4041400

Email: k.pankaj@aplapollo.com

Rohit Yagnik/ K Srinivas Reddy

Mutual PR

+91 22 2657 0341

+91 98338 07272/ 9820100538

Email: rohit@mutualpr.com/

sreddy@mutualpr.com