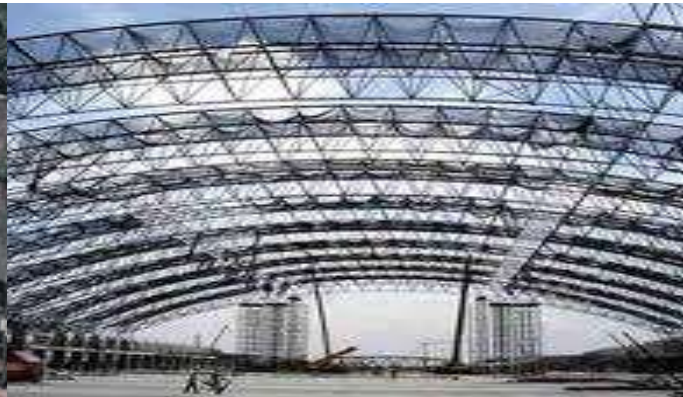


APL APOLLO TUBES LIMITED

Q2'FY14 INVESTOR PRESENTATION

NOVEMBER 2013



Q2&H1 'FY14 performance

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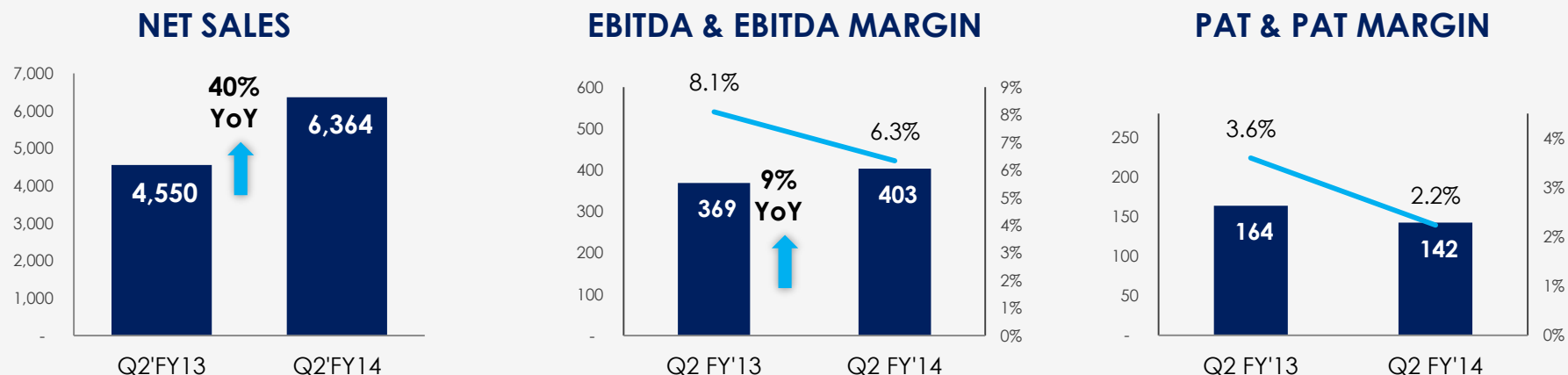
ACCELERATED GROWTH @ INDIA'S LARGEST ERW TUBES COMPANY

Key highlights for the quarter:

- ▶ Sales volumes up 35% YoY to reach ~146,000 tonnes in Q2'FY14
 - Driven by strong demand across diversified industries, including replacement demand
 - Continued supply to prestigious clients like BHEL, L&T, Adani, Ashok Leyland, Jain Irrigation, Bangalore Metro, Goa Airport, Nashik Airport, Bharti Airtel Infra and Sterling Willson (a Shapoorji Pallonji Group Company) among others
- ▶ Exports cross Rs 500mn milestone, up 33% YoY
 - Key locations include Asia, West Africa, Europe and Middle East
- ▶ Capacity utilization above 85%, one of the best in the industry
- ▶ Vision 2015 - 1MTPA: On-going capacity expansion across all 5 units as per schedule
- ▶ Chairman, Mr. Sanjay Gupta, awarded 'Entrepreneur of the year' award in the prestigious Manufacturing Today Awards 2013

Q2 FY14: RECORD HIGH QUARTERLY REVENUES OF RS 6,364MN

Figures in Rs Million, Consolidated

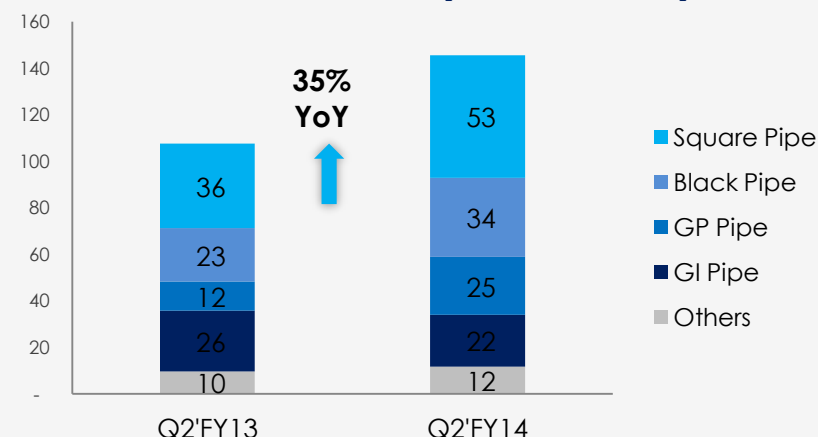


- ▶ Net sales up 40% YoY to reach record quarterly revenues of Rs 6,364mn in Q2'FY14 driven by robust volume growth and improvement in realizations
 - Volumes up 35% YoY to reach ~146,000 tonnes with broad-based supply to diverse end-consumers
- ▶ EBITDA for the quarter at Rs 403mn, up 9% YoY. EBITDA margin at 6.3%
 - Raw material cost as % of sales up from 83.6% in Q2'FY13 to 85.8% in Q2'FY14 with increased HR Coil prices
 - Decline in staff costs and other expenses as % of sales with increased economies of scale helped maintain EBITDA above 6%
- ▶ PAT at Rs 142mn, PAT margin at 2.2%
 - Impacted by decline in EBITDA margin, increase in depreciation with enhanced capacity
 - Interest costs increase with interest on term loan for capacity addition now being expensed

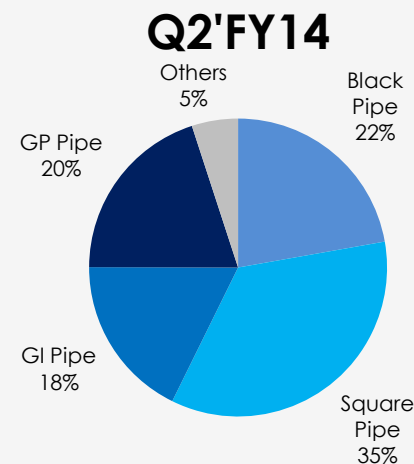
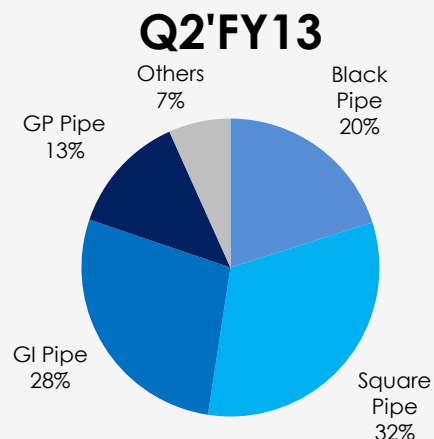
GP PIPES GROWING FASTEST IN WELL-DIVERSIFIED PORTFOLIO

- ▶ Total Galvanized share in revenues at 38% in Q2'FY14
- ▶ Higher-value Pre-Galvanised Pipes (GP Pipes) grow 100%YoY with expansion of in-house coil galvanization
- ▶ Square pipes with applications in structurals, is the largest segment (35% share in revenues)

SALES VOLUMES ('000 TONNES)



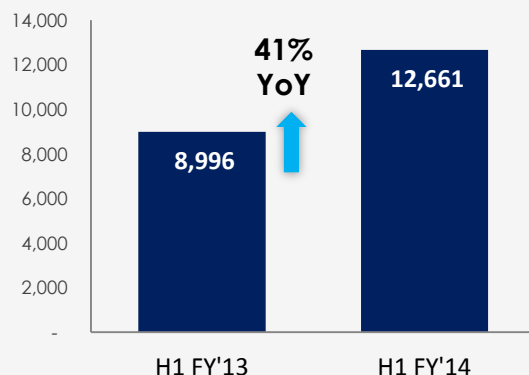
SALES VALUE BREAK-UP



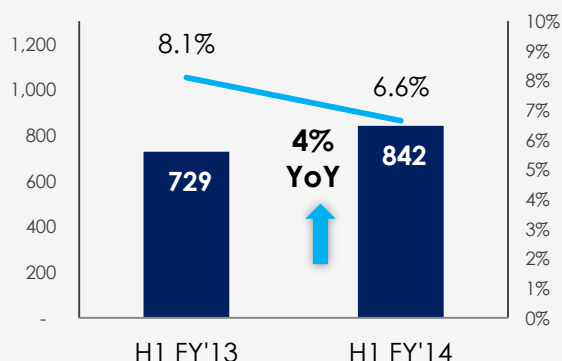
H1 'FY14: ROBUST GROWTH IN REVENUES

Figures in Rs Million, Consolidated

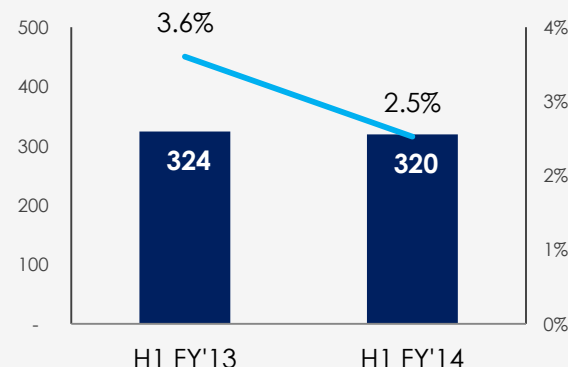
NET SALES



EBITDA & EBITDA MARGIN



PAT & PAT MARGIN



- ▶ Net sales up 41% YoY to reach Rs 12,661mn in H1 'FY14 with robust volume growth (41% YoY to reach 290,000 tonnes in H1 'FY14)
 - Driven by demand across diversified industries
- ▶ EBITDA for the half-year at Rs 842mn, up 16% YoY. EBITDA margin of 6.6%
 - Margins impacted by increase in prices of HR coil, however partly cushioned by decline in other expenses and staff costs with increased economies of scale
- ▶ PAT at Rs 320mn, PAT margin maintained at 2.5%

Q2 & H1 'FY14 performance

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CHAIRMAN'S MESSAGE

“We are pleased to report another quarter of accelerated growth which has resulted in record revenues for the company. This is an outcome of our continuous investments to make high-quality steel tubes, our strong and experienced team, industry's most extensive distribution network and pan-India manufacturing.

We are hopeful of a stronger second half with expected improvement in economic environment supported by a good monsoon and Government initiatives. The organization is working towards expanding our market-share into double-digits as the market consolidates, with our strong products manufacturing and distribution network.

We are confident of sustaining our growth above 30% as we move towards 1MTPA and making APL Apollo a global brand.

Mr. Sanjay Gupta
Chairman

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STRONG COMPETITIVE ADVANTAGES

► Superior product portfolio

- First ERW steel tube company to be present in all four segments
- Pioneered Pre-Galvanized segment in India
- Largest production in Hollow sections
- Widest variety of ERW tubes with over 300 variants

► Extensive Pan-India distribution

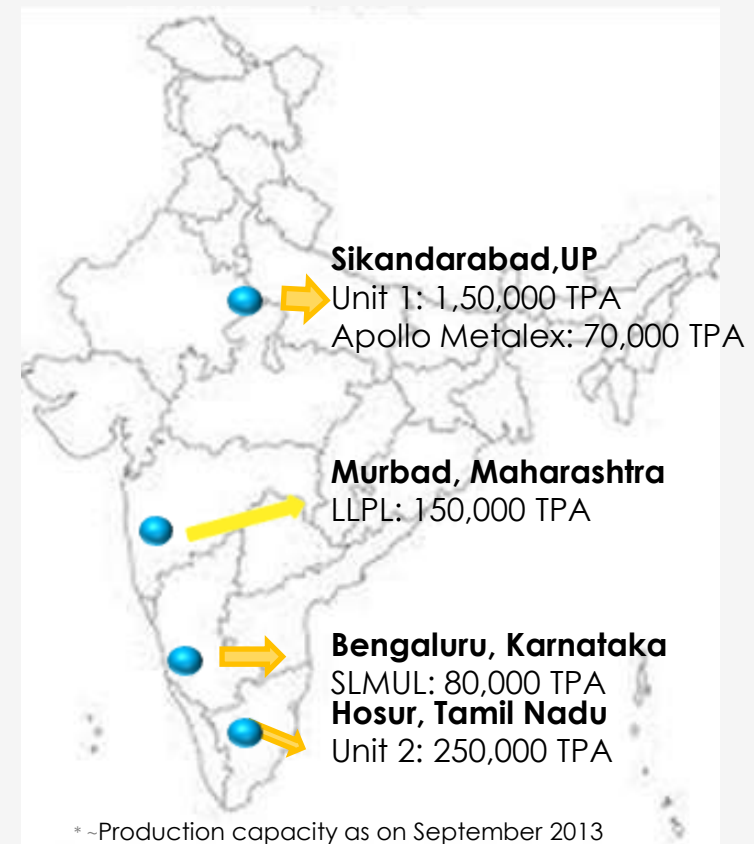
- Wide-spread dealer network across India
- 23 warehouse cum branches present in ~17 states in North, West and Southern India

► Highly efficient operations

- World-leading Japanese mill technology from Kusakabe
- Plants running at over 85% utilization
- Over 95% input-output ratio
- Low operational costs
- Product-quality at par with global standards
- Ability to quickly turnaround acquired units
- Largest buyer of HR Coils in ERW segment

► Manufacturing competitiveness

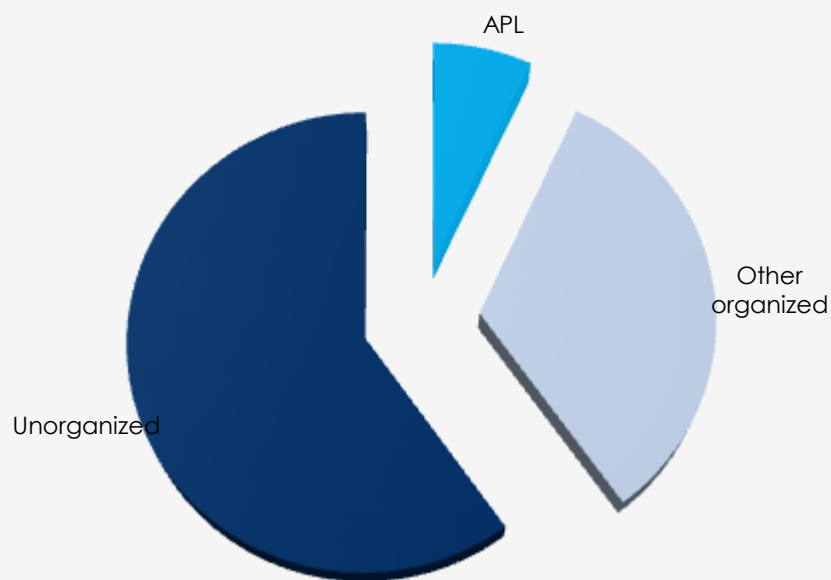
- Only player with plants across North, West and South India



WELL-POSITIONED TO GAIN FROM UNORGANIZED SECTOR

Pulling market share from vast unorganized segment backed by comprehensive product portfolio

ERW MARKET SHARE ESTIMATES



~60% to 70%. Local or regional manufacturers
•Capacity < 1lakh MTPA

PRESENT ACROSS ALL 4 ERW SEGMENTS



MS Black



GI Pipes



Hollow Sections



GP Pipes

Unorganized sector has limited product breadth with presence in only 1 or 2 segments

POISED TO GROW ABOVE 30%, 1MTPA BY 2015

► 1MTPA by 2015

- Brownfield additions at all existing units along-with capacity enhancement of existing mills
- Hollow sections will continue to be the company's forte
- Focus on higher-value galvanized tubes with plans to double in-house sheet galvanizing capacity
- To be funded mainly by internal accruals, D/E to be maintained close to 1x

► To be supported by distribution expansion

- Expansion of product-portfolio to capture gaps, and niche applications
- Doubling of dealer network from a base of 300+ dealers in FY13
- Increase warehouse-cum-branches from 23 at present to 45 in tier2, tier3 cities

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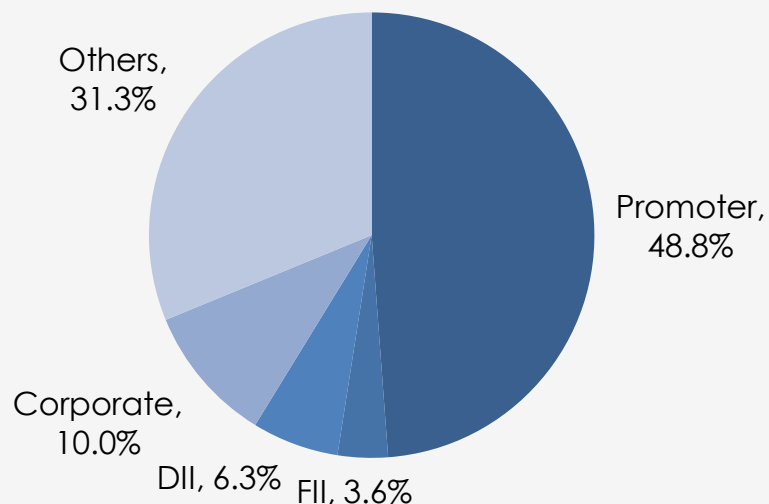
Shareholding pattern

Annexure

SHAREHOLDING PATTERN

Outstanding shares: **2,34,38,636 shares**

Shareholding pattern as on **September 30, 2013**



Key shareholders as on September 30, 2013

% Share Holding

Kitara PIIN	12.80
Vallabh Bhansali & family	6.04
L&T Mutual Fund Trustee Ltd	3.78
Kotak Mahindra International	3.64
DSP Blackrock Micro Cap Fund	1.54

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CONSOLIDATED PROFIT AND LOSS STATEMENT

Particulars (₹ mn)	Q2 FY'14	Q2 FY'13	% YoY	Q1 FY'14	% QoQ	H1 FY'14	H1 FY'13	% YoY	FY'13
Gross sales	7,154	5,101	40%	7,010	2%	14,164	10,105	40%	22,471
Less excise	791	551	44%	712	11%	1,503	1,109	36%	2,388
Net sales	6,364	4,550	40%	6,298	1%	12,661	8,996	41%	20,083
Total Expenditure	5,961	4,182	43%	5,859	2%	11,819	8,268	43%	18,488
(Increase) / Decrease In Stock In Trade & WIP	86	(151)	NA	(254)	NA	(168)	(372)	NA	(540)
Consumption of Raw Materials	5,282	3,937	34%	5,696	-7%	10,978	7,851	40%	17,077
Purchase of Traded Goods	95	15	NA	2	NA	97	20	NA	352
Employees Cost	85	69	23%	76	11%	161	126	28%	279
Other Expenditure	413	311	33%	338	22%	751	643	17%	1,321
EBITDA	403	369	9%	439	-8%	842	729	16%	1,595
Depreciation	43	28	54%	39	12%	82	52	57%	125
EBIT	360	341	6%	400	-10%	760	677	12%	1,470
Interest & Finance charges	160	95	68%	136	17%	296	191	55%	429
Other Income	2	-	NM	7	-69%	9	-	NM	17
PBT before exceptional items	202	246	-18%	271	-25%	473	486	-3%	1,058
Exceptional items	-	-	NA	-	NA	-	-	NA	8
PBT	202	246	-18%	271	-25%	473	486	-3%	1,050
Tax Expense	60	82	-27%	94	-36%	153	162	-5%	364
PAT	142	164	-13%	177	-20%	320	324	-1%	686
Basic EPS (Rs.)	6.29	7.46	-16%	7.95	-21%	14.14	14.79	-4%	30.75
Diluted EPS (Rs.)	6.29	6.99	-10%	7.57	-17%	14.14	13.84	2%	29.29

Key Ratios	Q2 FY'14	Q1 FY'13	Q1 FY'14	H1 FY'14	H1 FY'13	FY'13
EBITDA Margin	6.3%	8.1%	7.0%	6.6%	8.1%	7.9%
Net Margin	2.2%	3.6%	2.8%	2.5%	3.6%	3.4%
Total Expenditure/ Total Operating Income	93.7%	91.9%	93.0%	93.4%	91.9%	92.1%
Raw Material Cost/ Total Operating Income	85.8%	83.6%	86.4%	86.1%	83.4%	84.1%
Staff Cost/ Total Operating Income	1.3%	1.5%	1.2%	1.3%	1.4%	1.4%
Other Expenditure/ Total Operating Income	6.5%	6.8%	5.4%	5.9%	7.1%	6.6%

CONSOLIDATED INTERIM BALANCE SHEET

Particulars (₹ mn)	Sep-13	Mar-13	Key Ratios	Sep-13	Mar-13
Networth	4,119	3,678	Long-term D/E	0.19	0.23
Long term Borrowings	802	842	Total D/E	1.15	1.15
Deferred Tax Liabilities	449	400	FA Turnover	8.60	7.94
Other LT liabilities and provisions	18	16	ROE	18%	21%
Short-term Borrowings	3,953	3,403	ROCE	21%	22%
Trade Payables	1,100	974	Debtor days	31	32
Other Short Term Liabilities and Provisions	486	659	Inventory days	42	45
Total Liabilities	10,926	9,974			
Net Fixed Assets	3,488	3,181			
Goodwill on consolidation	199	199			
Long term Loans and Advances	790	634			
Non-current investments	76	12			
Other non-current assets	143	57			
Inventories	2,973	2,882			
Trade receivables	2,555	2,194			
Cash and cash equivalents	119	142			
Short-term loans and advances	507	611			
Other current assets	76	63			
Total Assets	10,926	9,974			

PRODUCT-WISE DETAILS

Product-wise Revenue Break-Up (Rs mn)	Q2 FY'14	Q2 FY'13	% YoY	Q1 FY'14	% QoQ	H1 FY'14	H1 FY'13	% YoY	FY'13
Black Pipe	1,403	914	54%	1,451	-3%	2,854	2,048	39%	4,670
Square Pipe	2,216	1,469	51%	2,257	-2%	4,473	2,827	58%	6,524
GI Pipe	1,122	1,264	-11%	1,091	3%	2,213	2,194	1%	3,195
GP Pipe	1,260	594	112%	1,185	6%	2,445	1,372	78%	4,484
Coils & Others	317	305	4%	290	9%	607	536	13%	1,148
Total	6,318	4,545	39%	6,275	1%	12,592	8,978	40%	20,021

% Break Up by value	Q2 FY'14	Q2 FY'13	Q1 FY'14	H1 FY'14	H1 FY'13	FY'13
Black Pipe	22%	20%	23%	23%	23%	23%
Square Pipe	35%	32%	36%	36%	31%	33%
GI Pipe	18%	28%	17%	18%	24%	16%
GP Pipe	20%	13%	19%	19%	15%	22%
Coils & Others	5%	7%	5%	5%	6%	6%
Total	100%	100%	100%	100%	100%	100%

Sales Volume Break Up (In '000s)	Q2 FY'14	Q2 FY'13	% YoY	Q1 FY'14	% QoQ	H1 FY'14	H1 FY'13	% YoY	FY'13
Black Pipe	34	23	48%	36	-4%	70	50	40%	115
Square Pipe	53	36	45%	55	-3%	107	67	60%	157
GI Pipe	22	26	-15%	22	2%	44	44	-1%	64
GP Pipe	25	12	100%	23	6%	48	28	72%	89
Coils & Others	12	10	21%	9	24%	21	16	30%	39
Total	146	108	35%	145	1%	290	206	41%	464

% Break Up by volume	Q2 FY'14	Q2 FY'13	Q1 FY'14	H1 FY'14	H1 FY'13	FY'13
Black Pipe	23%	21%	25%	24%	24%	25%
Square Pipe	36%	34%	38%	37%	33%	34%
GI Pipe	15%	24%	15%	15%	22%	14%
GP Pipe	17%	12%	16%	17%	14%	19%
Coils & Others	8%	9%	7%	7%	8%	8%
Total	100%	100%	100%	100%	100%	100%

CONTACT US

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About APL Apollo Tubes Limited

Incorporated in 1986, APL Apollo is the largest ERW Pipes manufacturer in India with a production capacity of 700,000TPA. From 5 manufacturing locations in North, South and West India, it produces the largest range of Hollow Sections and Mild Steel Tubes in 300+ variants (Black, Galvanised and Pre-galvanised), in outer diameter range of ½" to 14". ERW tubes and pipes are used in diversified industries with wide-spread applications including in greenhouses, solar power, airport, metros, fencing, roofing, fire-fighting, scaffolding, city gas distribution, irrigation, plumbing, automotive, and other industrial uses. The Company has certifications like ISO 9001-2008, OHSAS 18001-2007 & ISO 14001-2004 and safety certifications like 'CE' & 'UL' for Europe and USA. For more information visit www.aplapollo.com

Safe Harbor:

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labor relations.

APL Apollo Tubes Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances