


APOLLO TYRES LTD.
unstoppable

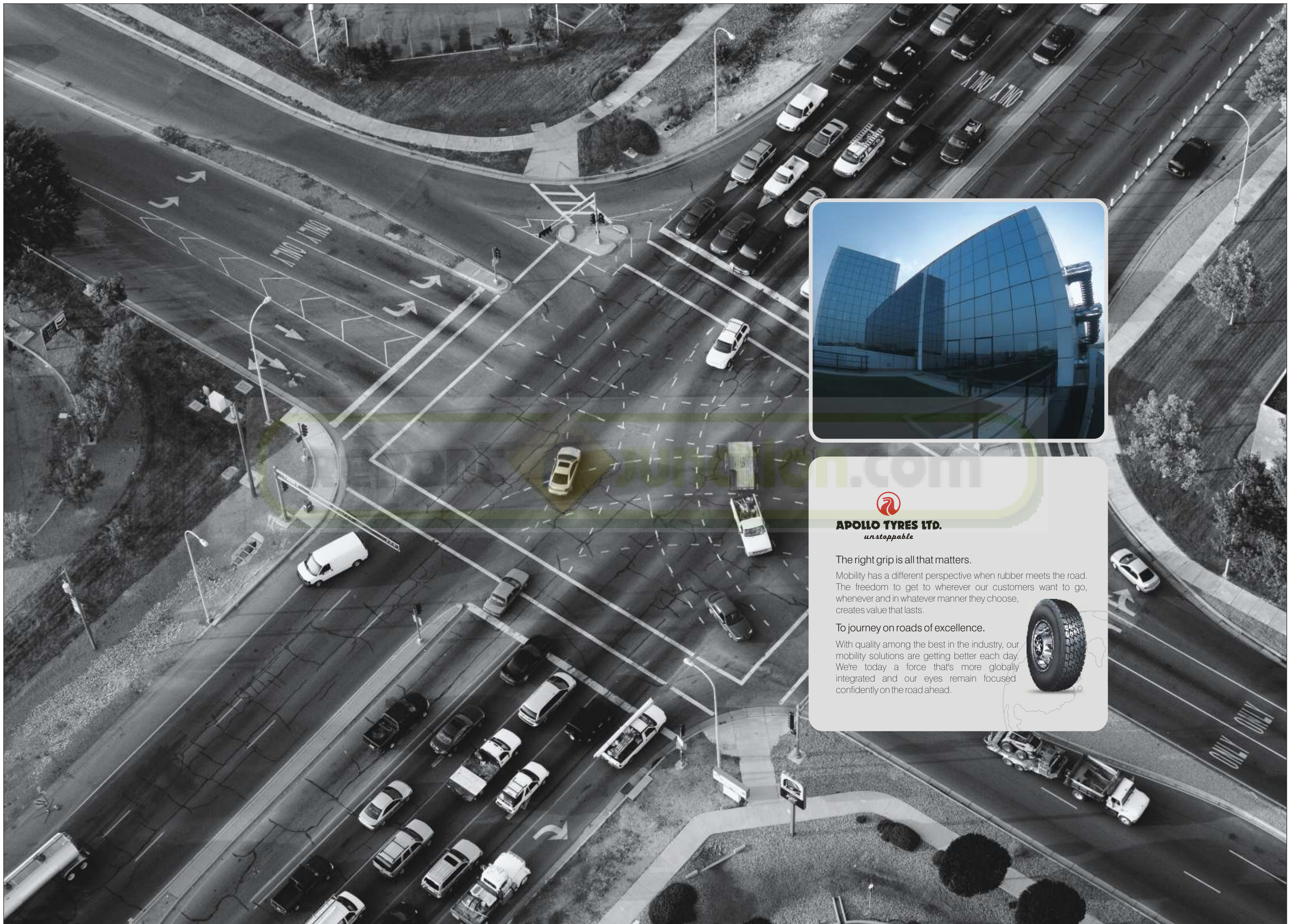
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Sector 32
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APOLLO TYRES LTD.
unstoppable



ON THE GLOBAL **PATH**

■ A N N U A L R E V I E W 2 0 0 6 - 0 7 ■



APOLLO TYRES LTD.
unstoppable

The right grip is all that matters.

Mobility has a different perspective when rubber meets the road. The freedom to get to wherever our customers want to go, whenever and in whatever manner they choose, creates value that lasts.

To journey on roads of excellence.

With quality among the best in the industry, our mobility solutions are getting better each day. We're today a force that's more globally integrated and our eyes remain focused confidently on the road ahead.



CONTENTS

The Road Ahead

- Corporate Profile 05
- Vision - Values 06
- CMD's Message 08
- Board of Directors 10

MDA - Management, Discussion & Analysis 17

CREATE

CARE FOR CUSTOMERS

- The Great Customer Connect 30
- The World Takes Note 31

RESPECT FOR ASSOCIATES

- Cultural Integration 34
- Business Partnerships 36

EXCELLENCE THROUGH TEAMWORK

- Our Workforce - One Big Family 40
- Awards 42
- Quality Edge 44

ALWAYS LEARNING

- Treading New Paths 48

TRUST MUTUALLY

- Technology That Builds Trust 52

ETHICAL PRACTICES

- Touching Lives 56

Financials 60



THE ROAD AHEAD

CORPORATE PROFILE

Apollo Tyres is on a journey that is rife with possibilities. We're driving hard to reach our goal of becoming the best tyre manufacturer in the world. What started as a journey on a rough road 32 years back, has today reached a level where we are creating our own paths.

At ATL, creating new benchmarks in manufacturing, quality, profits or sales is but a way of life. In a little over three decades we have risen to being a major force to reckon with in the tyre arena. Our modern manufacturing facilities in Perambara, Pune, Kalamassery and Limda, have been consistently rolling out innovative products and delivering top performance in all key markets. Our acquisition of

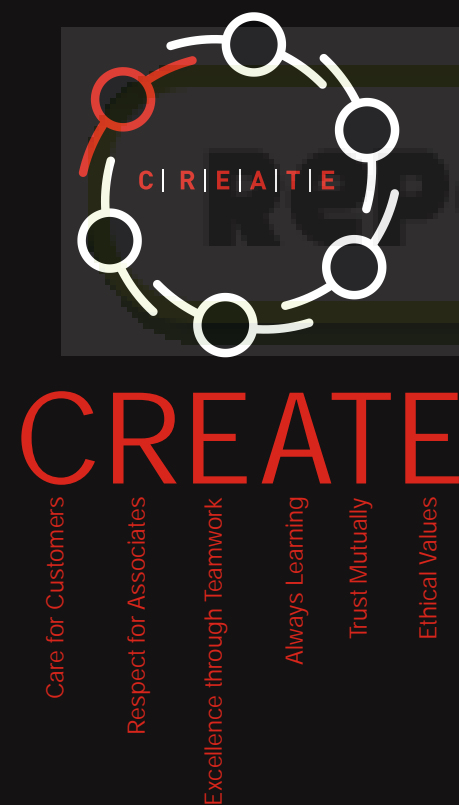
Dunlop Tyres, South Africa will act as a springboard and has ensured that our reach extends to a global platform including the key markets of Europe and USA. Apollo Tyres just hasn't acquired Dunlop as a brand in South Africa, what it has acquired is more than 100 years of history. With \$240 million of net sales from South Africa & Zimbabwe and across the African continent, Apollo is now uniquely positioned across two of the most exciting continents. The company feels that this strategic acquisition would not only result in synergies on cost and manufacturing capabilities but will also add significantly to our exports & substantially increase our customer base worldwide.

"Our strategy has the goal of increasing corporate value through profitable growth"



VISION - VALUES

A leader in the Indian tyre industry and a significant global player, providing customer delight and enhancing shareholder value.



CORPORATE OBJECTIVES

Employee Satisfaction, Customer Delight, Revenue Growth, Operating Margin Improvements

MANY FIRSTS

First tyre company to launch exclusive shoppes "Apollo Tyre World" for truck tyres. First to segment the market on the basis of load and mileage requirements. First to introduce packaging for passenger car tyres and tubes. First to run a customer loyalty programme. First to introduce radial tyres for the farm category. First tyre company in India to obtain ISO Certification for all its operations. First to produce H- and V-speed rated tubeless tyres indigenously. First to launch exclusive retail outlets catering to the farm tyre market. First to run HIV-AIDS awareness and prevention clinics for the trucking community in tyre industry. First in the tyre industry to support the creation of an Emergency Medical Service in an Indian city. First tyre distribution depot started in Cape Town (by Dunlop Pneumatic Tyre Company (SA) Limited) for tyres manufactured in the United Kingdom. First tyre factory (Dunlop) officially opened in Durban. First manufacturer in South Africa (Sarmcol) to produce 100% polyester reinforced rubber conveyor belting for use in mining and other industries.

MILESTONES

1975 Inception | 1976 Registered as a company | 1977 First plant commissioned (Perambra, Kerala) | 1986 The merger of Dunlop South Africa Limited with BTR South Africa Limited came into effect from 1 January 1986 and the name of the merged company was changed to BTR Dunlop Limited | 1991 Second plant commissioned (Baroda, Gujarat) | 1995 Acquired Premier Tyres, a third plant (Kalamassery, Kerala) | 1996 Exclusive tubes plant commissioned (Pune, Maharashtra) | 1996 In August, the Dunlop

Slazenger Sports division was sold to Dunlop Slazenger International Limited | 1998 In March, BTR plc sold its 56.45% share of BTR Dunlop Limited to Dunlop Africa Holdings (Pty) Limited and in May, BTR Dunlop Limited changed its name to Dunlop Africa Limited | 1999 In June, the Dunlopillo consumer bedding business was sold | 2000 Exclusive radial capacity established in Limda (Baroda, Gujarat) | 2000 Apollo Tyres Health Care Clinic for awareness and prevention of HIV-AIDS amongst truckers in Sanjay Gandhi Transport Nagar, New Delhi | 2002 On 16 August, Grant van Schalkwyk powered the Dunlop commissioned V8 racer, the Spirit of Dunlop, to a new world and South African land speed record for standard production tyres of 388,538 km/hr - a car fitted with Dunlop's SP Sport 7000 DW-rated passenger tyres | 2003 Expansion of PCR capacity to 6,600 tyres/day | 2003 On 3 May the South African operation was awarded the ISO 14001 Environmental Management System Accreditation | 2004 Production of H-rated tubeless PCR tyres (India's first) | 2004 Support towards setting up India's first Emergency Medical Service in Baroda, Gujarat | 2005 Apollo Tyres Health Care Clinics in Udaipur, Rajasthan and Kanpur, Uttar Pradesh | 2006 Expansion of PCR capacity to 10,000 tyres/day | 2006 Production of India's first V-rated tubeless PCR tyres | 2006 On 21 April Apollo Tyres, a listed India based multinational acquired 100% of the ordinary shares in Dunlop Tyres International (Pty) Limited



CMD's MESSAGE

Dear Member,

The Indian Auto industry has finally come of age and recognition. With all major global automobile manufacturers as part of India's manufacturing arena, it is the tyre, that is driving India towards its global destiny. Today India is riding in the fast lane on the global highway. With an economy that is growing at a rate of more than 9%, we are a nation that is racing towards our rightful place in the sun. Your Company Apollo Tyres, I am glad to say, is well poised to take advantage of the current growth and in fact is contributing significantly to India's image.

As with all businesses, we too have our share of external factors influencing our journey during the year. High oil prices leading to higher input prices, foreign currency risks, competition from global manufacturers are but just some of the few issues that could have slowed our growth curve. However your management team has taken adequate measures to ensure that our trajectory is maintained. Our acquisition of Dunlop Tyres, South Africa is a step in this direction, for it not only gives us a global launch pad for our products but also leads to synergies in tapping new technologies and customers.

As we move forward, it is useful to pause and look back on the road that we have travelled. For

everyone connected with the Company, it is indeed a moment of pride and joy at the success we have achieved. Success not only in achieving record sales or profits but also success in contributing to society – giving back to the people, who make us what we are. As a commitment towards this cause your company has spent considerable energies in educating people especially truckers on the prevention and treatment of AIDS. I am sure, in time our efforts will make a tangible difference to the lives of people around us.

On behalf of the Board Of Directors of Apollo Tyres, I wish to thank all our customers, investors and other stakeholders for the unstinting support and loyalty to the Apollo Brand.

Best Regards

Onkar S. Kanwar
Chairman & Managing Director





BOARD OF DIRECTORS



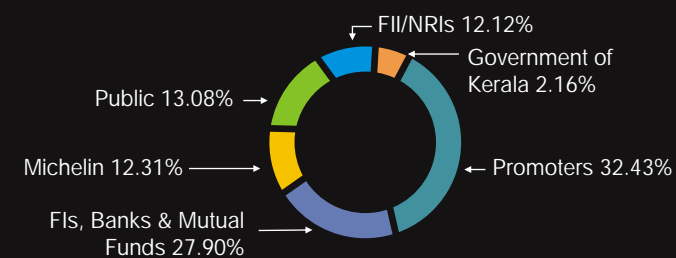
Names In Order From Left To Right Sitting

M. J. Hankinson
M. R. B. Punja
Onkar S. Kanwar
Chairman & Managing Director
Dr. S. Narayan
K. Jacob Thomas

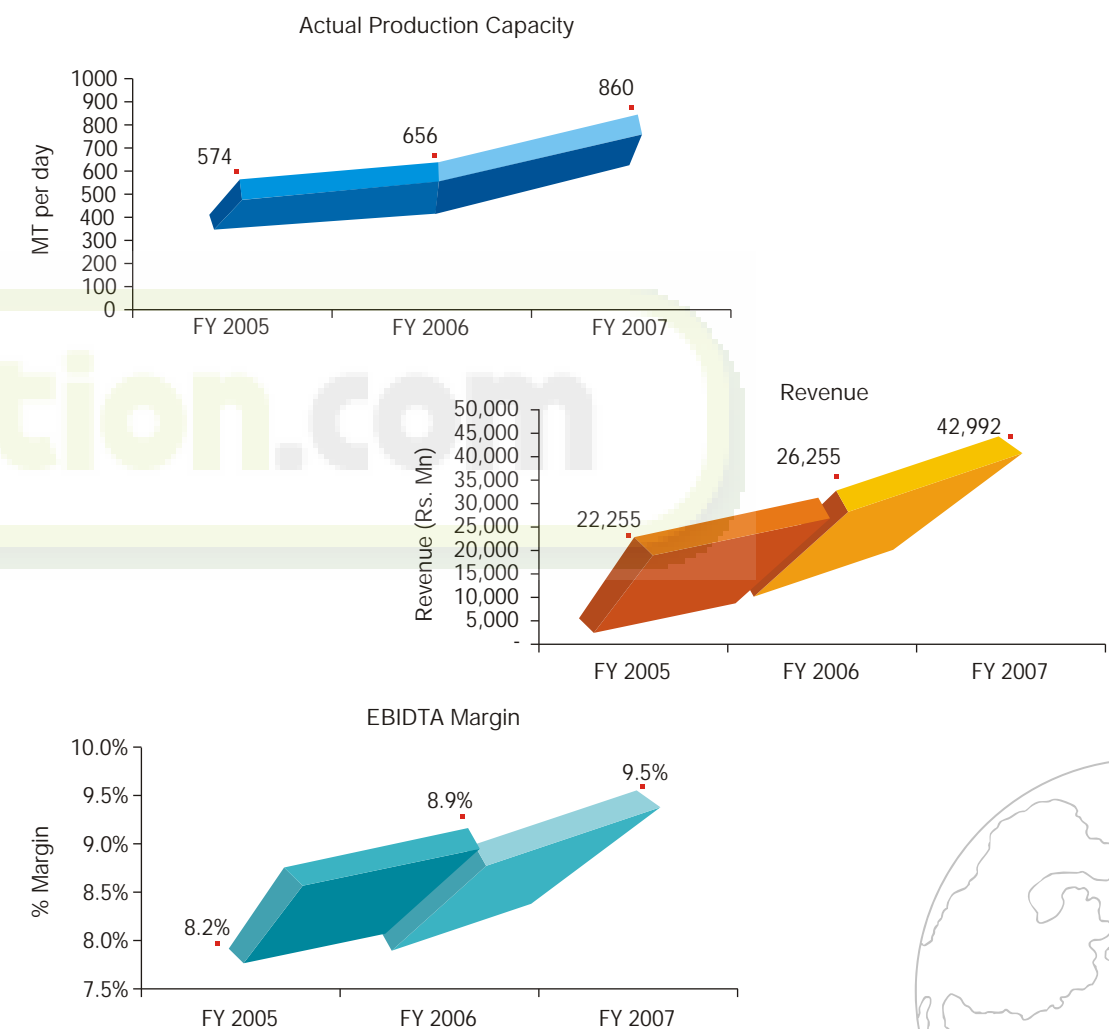
Names In Order From Left To Right Standing

Shardul S. Shroff
T. Balakrishnan
K. Jose Cyriac
Robert Steinmetz
U. S. Oberoi
Chief, Corporate Affairs and Wholetime Director
Nimesh N. Kampani
Neeraj Kanwar
Joint Managing Director
Sunam Sarkar
Chief, Corporate Strategy & Marketing and Wholetime Director
Raaja Kanwar

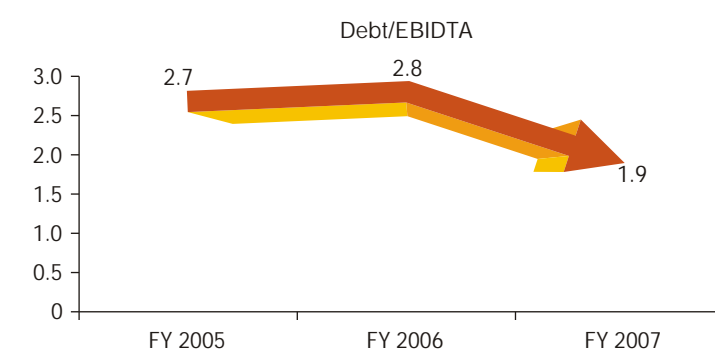
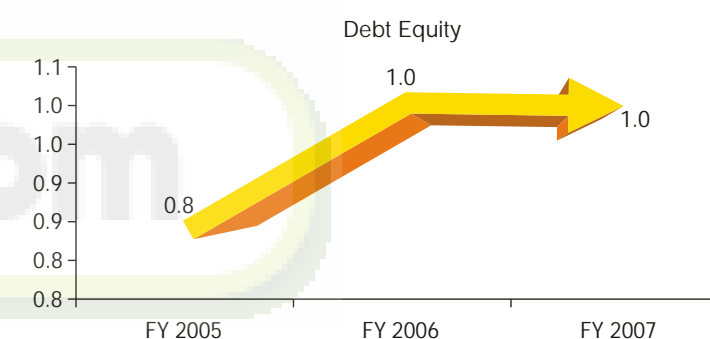
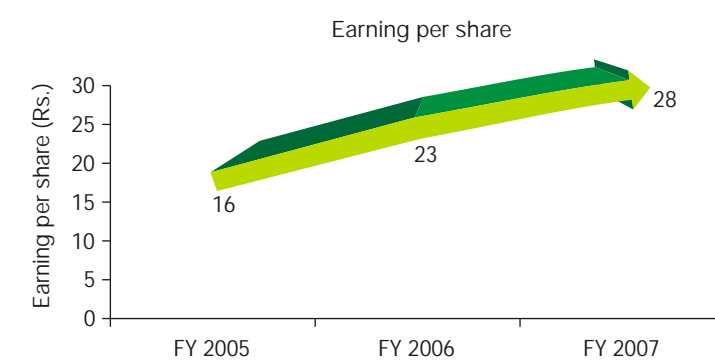
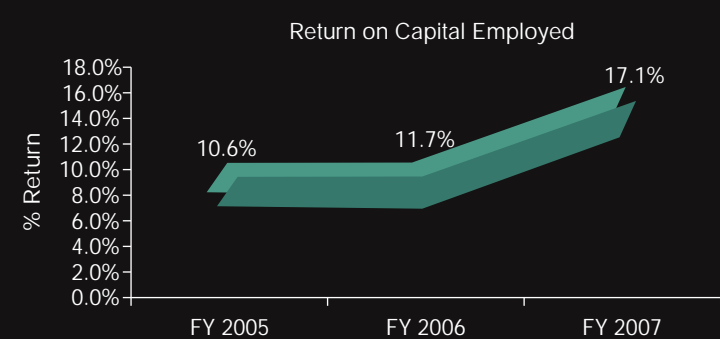
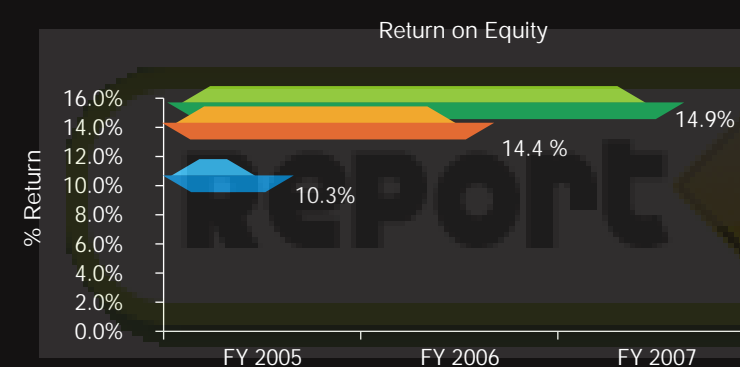
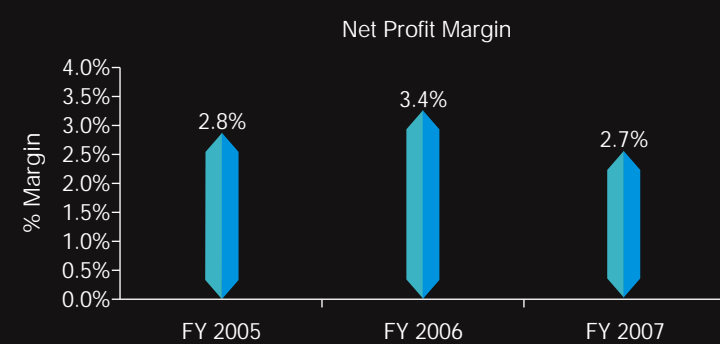
SHAREHOLDING PATTERN



OPERATING & FINANCIAL HIGHLIGHTS*



*Based on Consolidated Accounts





Report



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MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

Global Tyre Industry

Industry Structure &
Development

Opportunities & Threats

Outlook

Risks & Concerns

Performance