

Oct 24, 2013

Press Release

JK TYRE Q2 PROFIT SOARS 78 %; ANNOUNCES OVER 1400 CR EXPANSION PLAN

Consolidated Financial Performance for Q2:

Operating Profit at Rs.215 Crores, an increase of 46% over the corresponding Qtr.

Turnover Rs.1956 Crores for the Qtr.

Profit Before Tax (before exceptional items) Rs.107 Crores against Rs.60 Crores for corresponding Qtr.

JK Tyre & Industries Ltd. (JKTIL) announced its results for Q2 of FY 2013-14, declaring an Operating Profit of Rs.215 Crores, an increase of 46% over the corresponding Qtr. of the last year.

During the quarter ended 30th September 2013, the global tyre major known for its JK TYRE brand; reported a consolidated turnover of Rs.1956 Crores. Profit Before Tax (before exceptional items) was Rs.107 Crores compared to Rs.60 Crores of the corresponding Qtr., thus recording an increase of 78 %.

The Board of JK Tyre, after their visit to the Chennai Tyre Plant, convened today and approved its major expansion involving capex of Rs.1430 Crores. The expansion will be in Truck/Bus and Passenger Line Radials.

Dr. Raghupati Singhania, Chairman & Managing Director of the Company said, “The long term prospects of the Indian economy and particularly automotive industry remain strong. It is expected that despite current slowdown, demand and growth are likely to bounce back in the next couple of quarters. The Company, keeping in view the long term demand growth, is undertaking expansion of its Chennai facility for both Truck/Bus and Passenger Car Radials”.

“The slowdown in automotive industry continued during Q2 as well. All vehicle manufacturers faced slower demand in view of lower economic activity and higher interest costs for Auto financing” **Dr. Singhania** added sharing insights on the financial results.

He further said, “JK Tyre has weathered these difficult conditions by re-enforcing its leadership in Truck/Bus radials and introduction of several new tyres across all categories offering customers a much larger basket”.

Commenting on the export performance and Company’s international operations, Dr. Singhania further said, “JK Tyre achieved highest ever export of nearly Rs. 450 crores in this Qtr. The Mexican operations continue to perform well and have added to the profitability of the Company. Expansion of Passenger Car Radials would enhance its capacity by 25% which is currently under way at JK Tornel”.

He further accentuated on the steep rupee depreciation, though of late it has abated to some extent, but still it continues to be a major concern with its cascading effect on input cost.

About JK Tyre & Industries Limited:

JK Tyre & Industries Ltd is a part of JK Organization which is one of the leading Private Sector Groups with multi-business, multi-product and multi-location business operations in India founded over 100 years ago. JK Tyre is a leading four-wheeler tyre manufacturer in India and 19th largest manufacturer in the world with a wide range of products catering to diverse business segments in the four wheeler automobile industry.

JK Tyre has a global presence in 80 countries across six continents with eight plants in India and Mexico. With the commissioning of the Greenfield Project in Chennai, the capacity across 9 plants has crossed the 20 million tyres per annum milestone in India and Mexico with firm plans for enhancement of TBR and Passenger Car radial capacity planned to meet the growing demand for its products.

JK Tyre pioneered radial technology in India way back in 1977, and is the Radial Leader in the country. Riding on more than three decades of technological innovation, JK Tyre offers a wide

range of four wheeler tyres for the entire range - Truck/Bus, LCV, Passenger Cars, MUV and Tractors. The company is the manufacturer of India's largest OTR Tyre VEM 045 40.00-57 60 PRE 4T/L weighing 3.7 tons and 12 feet high. JK Tyre is a preferred supplier to the automotive Original Equipment Manufacturers and is a partner to some of the biggest names in the Indian automobile industry including Maruti Suzuki, Tata Motors, Ashok Leyland, Mahindra & Mahindra, Volvo Eicher, General Motors, Volkswagen, Fiat, Nissan, and TAFE.

JK Tyre is the leading Truck Bus Radial Manufacturer. The company lays special emphasis on establishing a wide distribution network. In India, its nationwide network consists of 138 Selling Locations, 4,000 dealers and over 125 strong nationwide network of retail outlets branded as 'JK Tyre Steel Wheels' which are equipped with the state-of-the-art wheel servicing equipment. It has also established 18 Truck Radial Tyre Care Centres which operate along all major National Highways on 365 days/24 hours basis.