



GROWING TOGETHER



Investor Presentation

May 2011

Safe Harbor



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Management



Off-highway tyre Solutions

Siyaram - Poddar Group

Flagship Company of the Group



Group Revenue
INR 3,572 Crs



Balkrishna Industries

INR 2,211 Crs

Off-Highway
Tires

Paper &
Textile Processing

Siyaram Silk

INR 1,012 Crs

Textiles

Garments

Govind Rubber

INR 349 Crs

Bicycle
Tires

* FY2011 Revenue

Balkrishna Industries...

- ⦿ India's leading exporter of "Off-Highway Tires"
- ⦿ Widest and comprehensive product portfolio of over 1900 SKUs
- ⦿ 126,000 MTPA current achievable production capacity
 - Debottlenecking to further enhance capacity to 140,000 MTPA by Q2FY12
- ⦿ Market presence in more than 120 countries
 - Europe, America, Asia Pacific, Middle-East, ANZ etc
- ⦿ Exponential Revenue & Earning growth

Under the able leadership of ...

Mr. Arvind Poddar - Vice Chairman & Managing Director

- Promoter of the Company
- In last 5 years, Company grew exponentially with around 30% CAGR
- Fuelling growth : Capacity creation of over 60% underway
- Moving towards USD 1 billion revenue by 2015

The Core Team Executing the Vision

Mr. Anurag Poddar

Executive Director

Mr. B K Bansal

Director - Finance

Mr. Rajiv Poddar

Executive Director

Mr. D M Vaidya

Director - Technical

Mr. M S Bajaj

Sr. V P - Commercial

Consistently growing in all areas of business

	Parameter	FY06	FY11
Finance*	Revenue (Rs. Crs)	620	2,211
	Net Profit (Rs. Crs)	69	195
	Net Worth (Rs. Crs)	288	861
Production	No. of plants	2	3
	Achievable Production Capacity (MT)	48,750	1,26,000
	Production (MT)	42,500	111,545
Marketing	Markets being Serviced	75	120
	No. of Distributors	~ 120	> 200
	No. of Sales Office	1	4

* Consolidated

Global Markets - Local Production

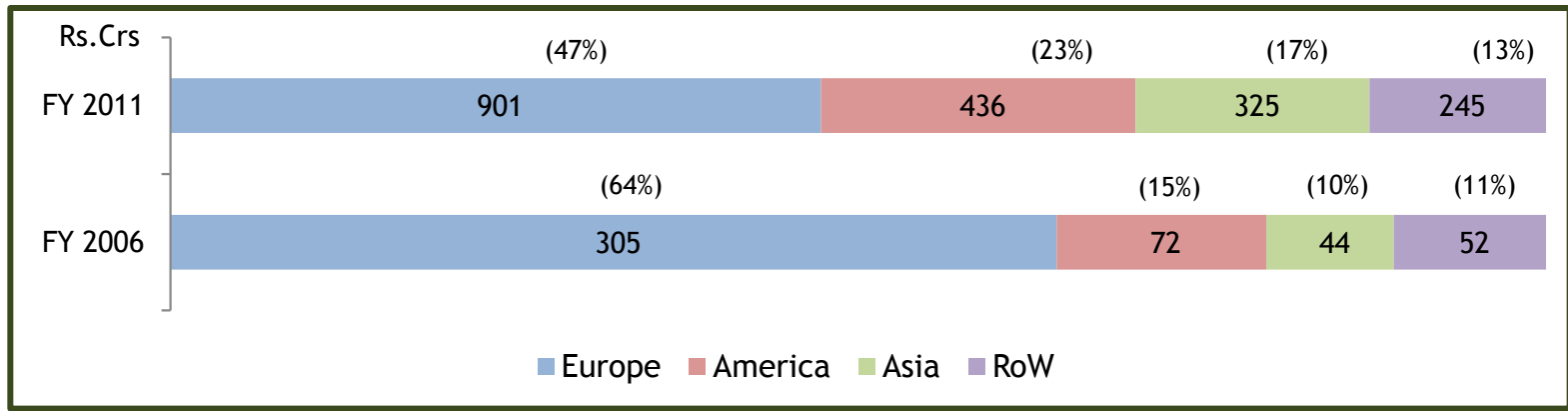


Off-highway tyre Solutions

Presence in over 120 countries...

Demand drivers in Key Continents

Europe	Americas	Asia Pacific
<ul style="list-style-type: none"> Large & Mechanized farms Large replacement market 	<ul style="list-style-type: none"> Agriculture & Mining sector growing Large Farm-Equipments trends Fast growing economies such as Brazil, Argentina, Colombia, Costa Rica etc 	<ul style="list-style-type: none"> Agriculture & Infrastructure booming Moving from traditional to larger sized equipments



Expanding by higher penetration & geographical diversification

With various “Off-Highway Tires (OHT)”...

Agriculture
(65%)



- Tires for Tractors, Trailers, Farm Equipment, Forestry
- Specifically designed as per farm requirement
- Tractor Radial Tires under brand “Agrimax”

OTR
(29%)



- Industrial, Construction & Earth Mover tires
- Tires for articulate dump trucks, loaders, underground mines, port application
- Steel Radial OTR tire under brand “Earthmax”

Others
(6%)

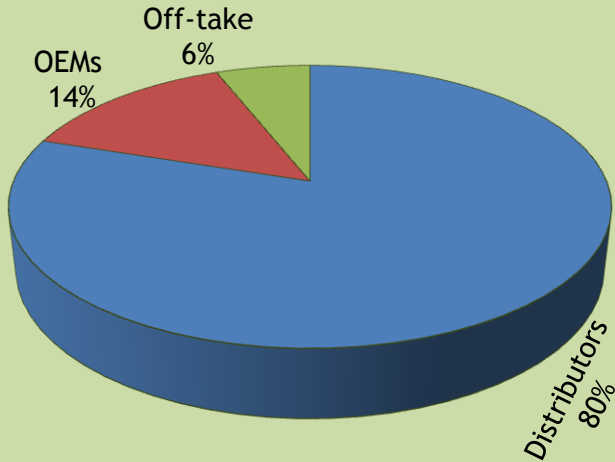


- Tires for Sports, Utility vehicles such as Golf-cart, Lawn & Garden tires
- Tires for All Terrain Vehicles (ATV) with puncture resistance

One Stop -Shop for all off highway tires solution

Through various sales channels

94% Sales under 'BKT' brand



Distributors

- Caters Replacement Market
- Strong Global Network
 - Over 200 Distributors in 120 countries
- Expanding market reach by
 - Increasing penetration of existing distributors
 - Adding new distributors

OEMs

- Supplier to leading OEMs such as,

▪ Volvo	▪ BOMAG
▪ John Deere	▪ SAME
▪ CNH	▪ Ferrari
▪ Class	▪ JCB

Off-Take

- Supplier to leading Global Tire manufacturers - labeled under their brand
 - Reaffirms Global Quality Standards

Replacement Market lends stability in turbulent times

Existing manufacturing facilities...

- State of the art tire manufacturing plants at
 - Bhiwadi & Chopanki in Rajasthan
 - Aurangabad, Maharashtra
 - In-house Mould Plant, Dombivali, Maharashtra
- Achievable Production Capacity at 126,000 MTPA
 - Wide product range of over 1900 SKUs
 - Frequent change over in production cycle
 - Large Variety - low volume restricts optimal capacity utilization
- Debottlenecking exercise led to Capacity enhancement
 - From 120,000 to 126,000 MTPA in FY11
 - ~ Rs. 50 cr spent for capacity debottlenecking and rest for upgrading business infrastructure
 - Enhance capacity of premium products like Agri-Radial & OTR Radial
 - Enhancing mould plant capacity
 - To be funded from Internal Accruals
- Debottlenecking nearing completion by Q2FY12
 - To further enhance capacity to 140,000 MTPA



Nearing Optimum Utilizationneed for further capacity creation

Greenfield expansion underway

- Greenfield Expansion of 90,000 MTPA of achievable production capacity
- Location: Bhuj, Gujarat
- Total estimated Capital Outlay of Rs. 1,200 Crs

Year	Capex Estimated
FY 2012	Rs. 700 Crs
FY 2013	Rs. 400 Crs

* Spent in FY11 :Rs.100 crs

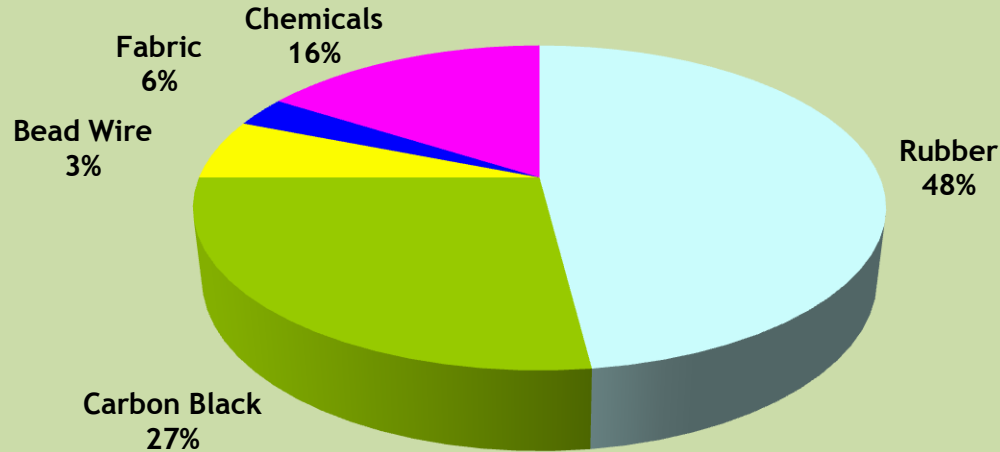
- **Funding: Debt & Internal Accruals**
 - ECBs of USD 175 Mn -Tied-Up
- **Status of Project**
 - Appointed Tata Consulting Engineers as Project Consultants for Civil, Utilities & Co-generation plant
 - Construction started, major equipment order placed
- **Project Completion expected by Q2FY13**



Post expansion - Achievable Production Capacity of ~230,000 MTPA

Key Raw materials

Raw material composition



In Volume

- Rubber sourced from
 - India, Indonesia, Malaysia & Thailand - Major Rubber Producing countries
- Closer to Rubber producing countries gives edge over global peers
 - Lower logistic expenses
- Flexibility in sourcing from India or Import
 - No impact of Import Duty being major exporter
- Other materials - Synthetic Rubber, Carbon Black, Fabric & Chemicals
 - Derivatives of Crude Oil

Key Competitive Advantages



Off-highway tyre Solutions

Key Competitive Advantages

Low Operating Cost ... v/s ... Global Peers

- Labor intensive business, however India manufacturing leads to 1/5th labor cost compared to global peers
- Lower selling & distributing expenses due to sales by **distributor network**

Faster Mind to Market Product Roll-out

- Strong R&D Team for product development
- In-house mould facility leads to faster conversion

Flexible Plant Operation

- Maximize utilization of entire basket of 1900 SKUs
- Ensures timely execution of customer's order

Inter- Changeability of production amongst various plants

- Helps production planning to achieve optimum output
- Facilitates container dispatch of varied tires

The Radial Advantage

- Largest manufacturer of full range of Radial Tractor Tires located in a low-cost region
- Globally few manufacturers with concentration in USA & Europe
- Addition of capacity makes it a preferred global partner for radial tires

Growth Strategies



Off-highway tyre Solutions

Sales strategy to back capacity creation

A

Increase penetration in current markets

- Increasing coverage through current distributors
- Appointment of new distributors to cater all segments

B

Increase exposure with OEMs

- Developing newer products for OEMs
- Expanding the OEMs base

C

Development of new emerging markets viz. Russia & CIS

- Demand drivers are stable economy growth & major infrastructure developments in highway, ports, mining sector
- Establishing distributor network

D

Enhancing Product Portfolio

- All Steel Radial Mining Tires
- Agri-Radial Tires
- Special Puncture-Proof Defense Tires

India business opportunity unfolding ...

- ◎ **Presently, ~ 11% of Revenue from India**
 - Mainly from OTR Segment
 - Tie-up with OEMs like JCB, Escorts, L&T Case, SDF, John Deere, CNH
- ◎ **Investment in Indian Infrastructure growing rapidly**
 - Earthmoving & Construction equipment (ECE) industry to grow five fold from USD 2.3 billion to USD 12 - 13 billion by 2015
- ◎ **Agriculture Sector in India witnessing transformation**
 - India moving towards mechanized farming which improves productivity
- ◎ **Well positioned to capture growing India market**
 - Tying-up with new OEMs
 - Establishing distribution network

Financial Highlights



Off-highway tyre Solutions

Standalone - Tire Business : Quarterly Financial Highlights



Rs. Crs	Q4 FY11	Q4 FY10	FY 2011	FY 2010
Revenue	582	443	2,012	1,395
Raw Material	340	244	1213	685
Employee Expenses	17	11	55	42
Other Expenses	127	77	375	287
EBITDA	99	111	369	380
<i>EBITDA Margin</i>	16.94%	25.06%	18.36%	27.00%
Exchange (Gain)/Loss	0	4	1	18
Interest & Finance Charges	4	4	21*	19
Depreciation	19	18	74	66
PBT	76	94	275	314
Tax	24	30	89	105
PAT	52	64	186	209
<i>PAT Margin</i>	8.97%	14.30%	9.23%	15.00%

* Includes Rs.8 Cr Redemption Premium on FCCB

Standalone - Tire Business : Balance-Sheet



Rs. Crs	31-Mar-11	31-Mar-10
Net Worth	832	661
Long Term Debt	34	135
Working Capital	573	329
Deferred Tax Liabilities	57	55
Total Liabilities	1,496	1,180
Net Assets	687	615
Investment	32	81
Current Assets		
Inventory	410	203
Receivables	325	240
Cash & Bank Balance	11	4
Loans & Advances *	485 *	370
Current Liabilities		
Creditors	215	84
Others	387	308
Net Current Assets	630	425
Total Assets	1,496	1,180

* Includes Rs.352 cr Advance Tax and TDS

Annual Financial Highlights : Tire Business

	Rs. Crs.	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Profitability	Revenue	749	1,006	1,257	1,413	2,012
	YoY Growth	46%	34%	25%	12%	42%
	EBITDA	176	232	202	396	369
	EBITDA Margin	23.5%	23.1%	16.1%	28.0%	18.3%

- Continuous Revenue Growth despite global credit crisis
- Margin declined mainly due to
 - Sudden & Exponential price hike in input costs
 - Forex impact

- Exceptional year for higher earning margins mainly due to
 - Reversal in input costs

Guidance for FY 2012 : Sales of Tires ~ 130,000 - 135,000 MT

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