



Press Release

CEAT - Q 3 Net Profit soars

Mumbai, January 31, 2008

CEAT Ltd., flagship company of the Rs. 11,500 crore RPG Group and one of India's leading tyre manufacturers, has reported improved performance for the quarter October – December 07 of FY 08. The net profit for the quarter stood at **Rs. 19.22 crs. up by about 63% compared to Rs. 11.78 crs.** for the same period last year. The Company's Gross sale for the quarter stood at **Rs. 630 crs.** as against Rs. 600 crs., up by 5% . **EBITDA margin to Net Sales** surged by **110 basis points during the quarter to 8.9% compared to 7.8%** for the same period in the previous year.

The net profit for the first three quarters stood at **Rs. 71.67 crs. up by about 3.5 times compared to Rs. 15.84 crs.** for the same period last year. The Company's Gross sale for the three quarters stood at **Rs. 1881 crs.** as against Rs. 1760 crs., up by 7% . **EBITDA margin to Net Sales** surged by **340 basis points during the three quarters to 9.6% compared to 6.2%** for the same period in the previous year.

Announcing the results, Mr. Paras K. Chowdhary, Managing Director of CEAT said “the increase in operating margins is mainly attributed to better Product Mix, strategic buying of Raw Materials and sustained efforts towards cost optimization and lower interest burden despite increase in interest rates and growth in business.”

The Company is now charting out an accelerated growth plan, with key thrust in Exports. With a global footprint spread over 100 countries, the Company expects to further enhance its' already significant presence in Europe. Our thrust on Exports would continue despite Rupee appreciation.

The Scheme of restructuring involving de-merger of investment in a separate Company has been implemented and consequently the paid up equity of the Company stands reduced to Rs.34.24 crores (from Rs.45.68 crores). The EPS for the quarter stood at Rs.5.61 and for the 3 quarters in aggregate, at Rs.20.93 against Rs.8.60 for last full year.

The Company is also aggressively revitalizing it's existing product portfolio and expects to garner market share by delivering superior value to customers through new products which are geared to address current and emerging market needs especially in profitable niche markets.

For further information please contact:

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