

Notes:

1. The Company's profitability during the quarter has been severely impacted due to a sharp increase in cost of all key inputs, particularly natural rubber, synthetic rubber and carbon black. The raw material cost is since showing a sharp decline the benefit of which will be reflected in Q 3 and Q 4.
2. Considering the organization structure, nature of products and risk & return profile based on geographical distribution, the tyre business is considered as the only reportable business segment in accordance with the Accounting Standard (AS 17) "Segment Reporting".
3. Tax Expense for the quarter and half year ended 30<sup>th</sup> September, 2008 includes reversal of excess provision of Income Tax of Rs.1,208 lakhs for earlier years.
4. The net Foreign Exchange loss/(gain) represents Foreign Exchange differences determined as per Accounting Standard "AS-11" on "The Effect of Changes in Foreign Exchange Rates". The loss for the quarter is on account of difference in Spot rate versus Forward cover rate of Export Debtors, MTM of packing credit in Foreign Currency, forex fluctuation and forward cover charges for import payables including buyer's credit.
5. The depreciation for the quarter is after taking credit of Rs.443 Lakhs being amount drawn from Revaluation Reserve towards depreciation on revalued component of Fixed Assets for the period April - September 2008.
6.
  - a) The figures have been regrouped / rearranged wherever considered necessary to conform to current period / year's classification and grouping.
  - b) The results for the current quarter are not comparable with that of the previous periods due to the scheme of Arrangement for de-merger of investment undertaking of the Company with CHI Investments Limited w.e.f. 1<sup>st</sup> July, 2007., which became effective on 11<sup>th</sup> December, 2007.
7. The above result were reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 23<sup>rd</sup> October, 2008.
8. The Limited Review of the financial results for the quarter ended 30<sup>th</sup> September, 2008 pursuant to Clause 41 of the Listing Agreement, has been carried out by the Statutory Auditors.
9. There were two investor grievances pending at the beginning of the quarter. During the quarter one investor grievance was received. All the three grievances were resolved during the quarter and there were no investor grievances remaining unresolved as on 30<sup>th</sup> September, 2008.

**CEAT LIMITED**

Place : Mumbai  
Date : 23.10.2008

PARAS K. CHOWDHARY  
Managing Director