

## **Goodyear earnings up, sales down**

AKRON (April 26, 2013) — Goodyear reported higher operating and net income for the quarter ended March 31 despite 12.3-percent lower sales. Based on these results and the firm's assessment of market conditions, Goodyear said it expects tire unit volumes to be unchanged from 2012 as a result of weak industry conditions, especially in Europe. The company expects global segment operating income for the fiscal year to be in the range of \$1.4 billion to \$1.5 billion, which would be a gain of more than 12 percent over 2012 and a record, Chairman and CEO Richard Kramer said. The North American consumer replacement market should likewise show no growth from 2012, Goodyear said, while OE demand should be up about 5 percent. Segment operating income rose 3.4 percent to \$302 million and net earnings of \$26 million were a stark contrast to an \$11 million loss a year ago. Sales fell to \$4.85 billion on lower unit volumes, lower chemical sales and unfavorable currency translations. Mr. Kramer said the firm's first quarter earnings performance demonstrates that Goodyear's strategic focus on "improving productivity and selling innovative products in targeted market segments where our brands add value is working, especially in North America, where our business continues to outperform expectations." Goodyear's North American Tire unit reported 58.8-percent higher operating income for the quarter of \$127 million on 13.3-percent lower sales of \$2.17 billion. Unit sales during the period fell 6.3 percent to 14.8 million. Replacement market unit shipments fell 9 percent, Goodyear, reflecting weak industry demand and lower sales of lower-value tires. OE tire demand was flat with the 2012 period. Goodyear's Asia Pacific and Latin American business units posted operating income gains while the Europe, Middle East and Africa unit suffered a 66-percent drop in operating income. "In Europe, we are taking steps to address weak industry demand brought about by recessionary conditions that continue to impact the auto and tire industries. We are executing a three-point plan to address profitability in this region," Mr. Kramer added. [tirebusiness.com](http://tirebusiness.com)