

The world: in the first half profit increase tire manufacturers are still worried about decline in sales

According to French media reports, the Japanese tire manufacturer Bridgestone (Bridgestone) at August 7, 2012, the company announced its financial data in the first half of the year. In the meantime, Bridgestone net profit of 750 million euros, an increase of 39%; turnover of 15 billion euros, an increase of 2%. The same period, the Group's net profit of the Group's competitors – France, Michelin (Michelin) from 667 million euros in the same period in 2011 increased to € 915 million; turnover of 10.7 billion euros, an increase of 6%. The first half of the year, excluding non-recurring gains and losses, Michelin's operating profit of 1.32 billion euros, an increase of 36%, profit margins rose to 12.3 percent from 9.6 percent in the same period in 2011. Italian tire manufacturer Pirelli (Pirelli) in the first half operating results for all the increase in its net profit to 222 million euros, an increase of 39%; turnover of 3.02 billion euros, an increase of 8.3%. Goodyear Tire & Rubber Company (Goodyear) increase in the second quarter of 2012 net profit doubled, but the amount is small, only 65 million euros. It is reported that Bridgestone profit increase was mainly due to the development of good local tire market in Japan. The company published a notice that the Japanese auto production rose in the domestic sales of new car tires has increased significantly. After a major earthquake in Japan in the spring of 2011, the country's auto industry in early 2012 began to show recovery in sight. Bridgestone in Japan made the profit to compensate for the losses suffered by the company in other areas, in addition to the Asia-Pacific region, the stagnation in the rest of the world's station wagon tires, light commercial vehicle tires and heavy-duty truck tire sales, or even decline. Michelin mainly through profits made in emerging countries to compensate for the loss in car sales by the French automobile production trademark caused Citroën (PSA) and Renault (Renault). Michelin CEO Jean-Dominique (Jean-Dominique Sève), Sheng Nader also pointed out that the current implementation of the global development strategy is sufficient to cope with the negative impact of economic crisis in Europe in the Group financial data in the first half of the end of July 2012. The Pirelli rely on higher margin luxury cars tires to achieve development. Despite the increase in first-half profit, but the manufacturer still cautious about the prospects for the future of the tire market, some manufacturers expressed concern that even this type of market prospects. However, Bridgestone is still improved earnings expectations for 2012 overall, the predictive value of the company's net profit increased to 1.74 billion euros, is expected to increase two-thirds. In 2012, Bridgestone's operating profit will likely for the 2.9 billion euros, an increase of 50%. However, elevated view of the yen exchange euro exchange rate, coupled with the slowdown in the pace of development in emerging countries, Bridgestone lowered its 2012 sales targets, turnover growth target of 3.5%. Before the sale of headquarters property in Paris, Michelin 2012 operational target is to achieve positive free cash flow. It is expected that, after deducting non-recurring gains and losses, Michelin in operating profit for the year on year will be a net increase. The Group considered that due to the tire sales were down in the first half of 2012 overall sales will be reduced by 3-5%, but Michelin's tire sales remained stable. European

tire market, Michelin's sales affected by the unstable. Pirelli also identified 2012 full-year operating targets, and its operating profit is expected to remain less than 800 million euros, the company's turnover target reduced from 6.45 billion euros to 6.4 billion euros. As early as May 2012, Pirelli has been reduced turnover target. The second quarter of 2012, the Goodyear Tire company's turnover of 4 billion euros, a decrease of 8%. Goodyear CEO Richard Kramer (Richard Kramer) said that in the long run, the entire tire market will continue to develop, but due to the impact of the economic crisis, the pace of development in the short term than the company expected to slow. Note: This presentation uses real-time exchange rate \$ 1 = € 0.8065 Source: Yuanpei industry intelligence