

Bridgestone to Close Its Passenger Car Tire Plant in Bari, Italy

Mar 04, 2013 (Menafn – M2 PRESSWIRE via COMTEX) –Bridgestone Corporation announced that on March 4, 2013, Bridgestone Europe NV/SA (BSEU), with headquarters in Zaventem (Brussels, Belgium) made an announcement of its decision to close down its passenger car tire production facility in Modugno (Bari), Italy. The plant is fully owned by Bridgestone Italia S.p.A., a 100% subsidiary of BSEU.

The Bari Plant is one of 8 Bridgestone tire plants in Europe. The other tire production facilities are located in Spain, France, Poland and Hungary.

It is to be stressed that this decision will not have any effect on the other existing Group entities in Italy, one of the key markets in Europe, including Bridgestone Technical Centre Europe S.p.A. near Rome and the sales office of Bridgestone Italia S.p.A., in Agrate Brianza (Monza). The decision follows an in-depth analysis of the structural changes which have taken place over the last two years in the tire market both in Europe and globally.

According to independent external sources and in-depth analysis, the overall EU tire segment for cars went down by 13% in comparison with 2011 and no recovery to pre-2011 volume is foreseen before 2020. The only segment with positive forecasts is the Premium.

Aside from a structural drop in tire demand, the sector is suffering from increasing pressure emanating from emerging countries' producers, having advantages in terms of cost competitiveness. The latter have been continuously increasing their market share in the low-range segment, where they enjoy significant advantages in terms of production costs, at the expense of the major, quality tire manufacturers such as Bridgestone.

In response to these dynamics, BSEU is reprioritizing its production to focus on the premium segment of the market.

Further to its production processes, structure and machinery, the Bari Plant has been characterized by a production mainly based on products today considered of general use and it is also penalized on the cost point of view by factors such as logistic costs and energy costs.

Despite repeated efforts to overhaul the Bari Plant in order to meet these new challenges, it is to be regretted that given the structural decrease in demand, and the shift towards premium products, when combined with the factors already mentioned relative to other BSEU plants, have left the Company with no other choice than to proceed with the closure of this site.

This decision has been taken after a thorough analysis of all possible alternatives, but none of these were feasible.

The Company is immediately available to start the discussion to identify the best solution in order to minimize, as much as possible, the social impact of the decision on the approximately 950 employees involved, in line with the culture of the Group.

The Company hopes that the dialogue will broach an agreement on defining timing, terms and conditions for the closure of the plant. However, Bridgestone Europe expects the close down of plant operations within the first half of 2014.

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1. Location : Suburb of Bari, Italy 2. Products : Passenger car tires 3. Representative : Roberto Mauro 4. Plant Site : Approximately 105,000 square meters 5. Start of operations : 1962 6. Number of employees : Approximately 950 (as of December 2012) 7. Production capacity : Approximately 21,000 tires/day (as of December 2012)