

Michelin Q3 Sales Up 5.7%

Michelin (MGDDF.PK, MGDDY.PK) Monday said its third-quarter sales grew 5.7 percent, driven mainly by strong performance at its specialty tire business. Volumes for the quarter dropped, but were offset by better price mix and currency effects. The French tire maker also confirmed its financial guidance for the full year 2012.

Michelin said revenue from specialty tire business, comprising earthmover, agricultural, and aircraft tires, rose 15.5 percent from last year. Passenger car and light truck tires segment sales for the quarter increased 5 percent, while truck tire segment revenue edged up 2.7 percent.

The company in a statement said demand was weak in mature markets, especially in Europe amidst an unfavorable economic environment.

Michelin noted that price-mix is still positive, despite the contractual adjustments on July 1, particularly in the Earthmover business.

Michelin's third-quarter net sales rose 5.7 percent to 5.436 billion euros from 5.141 billion euros last year.

For the nine-month period, net sales grew 5.9 percent to 16.14 billion euros from 15.25 billion euros last year.

Moving ahead, Michelin reaffirmed its full-year 2012 guidance of a 'clear' increase in operating income before non-recurring items. The company continues to expect full year sales to decline 5 percent. For 2011, the company had recorded operating income of 1.945 billion euros.

Michelin last traded at \$81.25 on Oct 19 on the OTC markets.