

Featuring
**MOVERS,
 SHAKERS &
 NEWSMAKERS**

Top 12

NEWS STORIES

FROM 9/1/2012 THRU 8/12/2013
 (based on page views)

Big changes have come throughout the tire industry this past year. The industry has faced acquisitions, controversy, expansions and loss.

Apollo Tyre Ltd. sought to buy Cooper Tire & Rubber Co. The tariff on Chinese imported tires expired. Used tire legislation reached the floor in several state legislatures. Tire-makers announced new plants and expansions.

Once again death touched the industry, with one shutting down a Las Vegas chain.

The list goes on and on.

This Sourcebook feature – Movers, Shakers & Newsmakers – recounts the key events of the past 12 months, from

the unique perspective of both TIRE REVIEW readers and our editors.

Over the last 12 consecutive months (September 2012 through August 2013), TIRE REVIEW has reported on thousands of stories impacting the tire industry, posting them to our industry-leading website, forwarding many of these with our daily (and totally free) e-newsletter, and running some in the pages of the monthly magazine.

Tens of thousands of votes – in the form of unique page views on TireReview.com – were cast by loyal readers, and those stories with the most views made The

Reader's Poll: Top 12 Stories From the Last 12 Months.

The Editor's Poll: Top 20 Tire News Stories Over the Last 12 Months is our take on the top stories, from both the pages of TIRE REVIEW and the thousands of news stories posted on TireReview.com.

Clearly, TIRE REVIEW readers had their eyes on certain subjects, often quite different than those of our editors.

Out of all these stories, which caught your eye? What stories attracted the most attention? Tell us what you think on our Facebook page at facebook.com/tirereview, or join us for a year recap on our LinkedIn reader group!

The Reader's Poll:

1.

APRIL 26, 2013

N.J. DEALER ALLEGES MICHELIN TIRE PRICING 'CORRUPTION AND COLLUSION'

A New Jersey tire dealer and retreader is suing Michelin North America and another area dealer, alleging corruption and collusion on tire pricing that favored the second dealer.

Elizabeth, N.J.-based Inter City Tire & Auto Center Inc. and its retread arm filed suit in the U.S. District Court for New Jersey against both MNA and Service Tire Truck Centers Inc. Inter City Tire has multiple locations and truck centers in New Jersey and New York.

According to a news release by Inter City Tire and its attorney, the "lawsuit alleges Inter City uncovered an illicit corruption scheme involving Michelin sales executives, who, in collusion with STTC and others, used shell corporations to divert deeply discounted tires, intended for large fleet customers, and resell the tires in direct competition with Inter City. The Michelin sales executives allegedly lined their pockets with profits from the scheme, while they were on Michelin's payroll and responsible for supporting Inter City."



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2.

OCTOBER 4, 2012

THREE WINTER TIRES DEBUTED BY HERCULES

Hercules Tire & Rubber Co. is launching three new winter tires, including one radial under its Ironman label – the Hercules HSI-S, Hercules HSI-L and the Ironman Polar Trax.

The Hercules HSI-L features a directional tread design with deep grooves and “intricate siping” for traction, water drainage and snow removal. The HSI-L is available in 10 V-rated sizes covering 16- through 18-inch wheel diameters and a pair of 8-ply commercial sizes, Hercules said.

The studdable Hercules HSI-S features a directional tread pattern with a center rib and heavy siping for steering response, and wide lateral grooves for water/slush removal and grip. The HSI-S is available in 13 sizes in 14- through 17-inch wheel diameters, with six commercial sizes.

Ironman Polar Trax is also studdable, with a directional tread design and high silica compound for traction. It is available in 22 sizes covering 13- through 17-inch wheel diameters for with passenger, SUV and commercial fitments.



3.

OCTOBER 11, 2012

REPORT: APOLLO MAKING RUN TO ACQUIRE COOPER TIRE

In news that sent waves through the global tire industry, India's ECONOMIC TIMES today reported that Apollo Tyre “is in the process of acquiring” Cooper Tire & Rubber Co.

The newspaper said that “sources with direct knowledge” stated that Apollo is working to acquire “a controlling stake in Cooper” in a deal that “could be in the range of \$600 million to \$800 million.”

If such a deal came to pass, it would create a company with an estimated \$6.1 billion in global sales – making it the world's seventh largest tire company – with three major tire brands and a footprint that touches the U.S., Europe, South Africa, India and China.

4.

FEBRUARY 1, 2013 ROADHANDLER IS BACK, HANKOOK PRODUCES FIRST LINE

Sears has formally announced the return of its RoadHandler tire brand after a nearly dozen-year hiatus.



Sears Auto Centers, will carry a 100,000-mile limited tread-wear warranty. The first tire new line is being produced by Hankook Tire Co. in South Korea, and will be formally called “RoadHandler Touring by Hankook.” It hit Sears outlets in November 2012 in 11 initial sizes.

Moving forward, Sears plans a mid-2013 launch of the RoadHandler Sport and a late-2013 rollout for the RoadHandler LT. Sears did not indicate which tiremaker would be producing those products.

5.

JUNE 12, 2013

APOLLO TYRE BUYING COOPER IN \$2.5 BILLION DEAL



A move that had been speculated about since last fall, India's Apollo Tyre Ltd. is acquiring Cooper Tire & Rubber Co. in a \$2.5 billion deal.

Once completed, the acquisition will create the world's seventh largest tire company with combined global revenue of an estimated \$6.6 billion, according to TIRE REVIEW data.

In the deal, Apollo will create a wholly-owned subsidiary to acquire Cooper in an all-cash transaction valued at approximately \$2.5 billion. Under the agreement, which has been unanimously approved by the boards of directors of both companies, Cooper stockholders will receive \$35 per share in cash.

The acquisition is expected to close in the second half of 2013, and Cooper will drop from the New York Stock Exchange as a privately held company.

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JULY 15, 2013

**MICHELIN RECALLS
 LT/SUV REPLACE-
 MENT TIRES**



Michelin North America announced a voluntary safety recall of roughly 100,000 tires in order to retrieve an estimated 2,500 tires that could have partial or full sidewall perforations that could lead to the loss of air pressure.

The recalled tires, usually found on light trucks or SUVs, include Michelin LTX M/S2, Michelin X Radial LT2 and Michelin Latitude Tour tires sold primarily in the U.S., Canada and Mexico.

Michelin said it has identified and fixed the issue that prompted the recall, adding that so far, no deaths, injuries or accidents have been reported in connection with these recalled tires. The tiremaker added it will replace the tires at no charge.



**ADVANCE AUTO PARTS ACQUIRES
 BWP DISTRIBUTORS**

DECEMBER 20, 2012



Advance Auto Parts has entered into an agreement to acquire BWP Distributors in an all-cash transaction. The deal is slated for completion at the end of December.

BWP, founded in 1962, is based in Armonk, N.Y. The company currently operates or supplies 216 locations in Connecticut, Delaware, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont.

After the purchase, Advance will operate 124 BWP company-owned stores and will transfer the rights to distribute to 92 independently owned Car-Quest Auto Parts stores to an affiliate of General Parts International Inc., a privately held auto supply company. Advance will continue to operate two of BWP's distribution centers in Sutton, Mass., and Delran, N.J., while GPI will operate BWP's other distribution center in Armonk, N.Y. GPI said it now serves some 3,000 stores throughout the U.S. and Canada.

DEALER WARNS OF MAJOR BUYING SCAM

NOVEMBER 7, 2012



Respected Boston-area tire dealer Barry Steinberg warns his fellow dealers about a new tire-buying scam.

According to Steinberg, founder and owner of Direct Tire, there is a company going by the name "Canstruct Inc." carrying a Champlain, N.Y., address.

"They look great on Dunn & Bradstreet and their website, but I discovered that they do not actually exist," he said. "It's a very sophisticated scam. They order tires, send a trucking company to pick them up, and then they are gone."

Steinberg said the FBI in Buffalo is working on the scam, which has impacted "hundreds of companies, not just tire dealers."



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SEPTEMBER 25, 2012

UNION CLAIMS SUCCESS AS CHINA TARIFF WILL EXPIRE THURSDAY

Perhaps ending all speculation on the future of the Obama Administration's tariff on imported China-made consumer tires, the USW said yesterday that the added tariff was no longer needed.

It was the USW that pressed the Administration for the Section 421 tariff – a three-year tiered additional tariff that kicked in on Sept. 26, 2009 – supposedly to protect American tire worker jobs and even add production here.

Experts will argue that the tariff – which started at 35% in 2009 and trended down to 30% in 2010 and 25% over the last 12 months – had any impact on U.S. tireworker employment levels. The tariff is scheduled to expire as of midnight on Sept. 27.

The USW proclamation – presented under the headline “USW Acclaim Success of Trade Relief for Tire Sector; Extension Not Requested” – came a week after the Obama Administration threw the USW, the Teamsters and the United Auto Workers a bone by pressing for a World Trade Organization investigation of China's auto and auto part exports.



FEBRUARY 20, 2013

TITAN'S TAYLOR AT IT AGAIN - REMARKS ON FRENCH LABOR CAUSE STIR

Titan International chairman and CEO Morry Taylor has written a letter to France's industry minister Arnaud Montebourg, mocking the latter's request for Titan and Taylor to reconsider buying



the agricultural business at Goodyear's Amiens Nord plant.

Taylor took the opportunity to express his feelings toward the Amiens plant workforce. The letter, dated Feb. 8, describes Taylor's experience of visiting the Amiens site and observing the plant workers in action.

An excerpt from the letter:

“Titan is going to buy a Chinese tire company or an Indian one, pay less than one Euro per hour and ship all the tires France needs. You can keep the so-called workers. Titan has no interest in the Amien North factory.”

In response – in a letter obtained by French journal LES ECHOS – Secretary for Industrial Productivity Reform Arnaud Montebourg blasts Taylor's note as “extremist,” “ignorant” and insulting.



JUNE 19, 2013

KUMHO NOW INCLUDING RFID TAGS IN ALL TIRES

In June, Kumho Tire Co. announced a global first – it will place radio-frequency identification (RFID) tags on all tire products it manufactures.

Kumho's RFID program is being rolled out as part of the “u-IT New Technology Verification Project” supported by South Korea's National IT Industry Promotion Agency. A key aim of fitting RFID tags is to increase workflow efficiency.

With the expansion of its RFID-embedded tires to all product lines, Kumho expects to cut KRW10.4 billion in annual logistics, production and quality control costs.

The patch-type tag is implanted inside the tire's innerliner during the manufacturing process. Each RFID tag-fitted tire is given a unique identity, which can be tracked by a database system at Kumho's headquarters. The tag contains information on quality and performance and detailed records relating to the production process, distribution and sales.

From 2014 forward, all manufacturing sites in South Korea and overseas will adopt the RFID system.



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12.

JUNE 27, 2013

GOODYEAR EMPLOYEE CELEBRATES 70 YEARS AT WORK



Sidney Richardson – or “Legend,” if one goes by the name badge on his coveralls – recently celebrated his 70th year of working at Goodyear’s Gadsden, Ala., tire plant.

Richardson is the longest-serving Goodyear employee worldwide, according to *al.com*, which added that for a little perspective, the next longest serving employee at the Gadsden plant has been there 50 years. Approximately 9,000 employees have been hired at the plant since Richardson.

He began working at the plant in 1943 at the age of 17, making less than 50 cents an hour. “That same week, the Allies began bombing Hamburg, the Nazis rounded up Jews in Holland, and race riots gripped the city of Detroit.

There were segregated bathrooms at the Gadsden plant, and not yet a union. That was organized later during his first year on the job,” according to an *al.com* blog written by William Thornton.

The Editors Poll:

**TOP 20 TIRE
 NEWS STORIES
 OVER THE LAST
 12 MONTHS...**

- 1. Apollo Tyre Buying Cooper in \$2.5 Billion Deal**
- 2. Yokohama Bringing Tire Plant to Mississippi**
- 3. N.J. Dealer Alleges Michelin Tire Pricing ‘Corruption and Collusion’**
- 4. Goodyear Cuts Ribbon on New Akron HQ**
- 5. Tire Shop Owner’s Death Brings Sudden Las Vegas Shutdown**
- 6. Union Claims Success as China Tariff Will Expire Thursday**
- 7. Titan’s Taylor at it Again – Remarks on French Labor Causes Stir**
- 8. Roadhandler is Back, Hankook First Producer**
- 9. Michelin Earmarks \$272 Million for Expansion**
- 10. KKR Acquires Alliance Tire Group**
- 11. Florida Used Tire Bill Stalls as Session Ends**
- 12. Dealer Warns of Major Buying Scam**
- 13. First TIA President Steve Disney Dies**
- 14. RMA-Backed Texas Bill Would Ban ‘Unsafe Used Tires’**
- 15. Bridgestone Breaks Ground on Biorubber Center**
- 16. TBC Launches Major Franchise Expansion Effort**
- 17. ATD Grows in Canada With Acquisition**
- 18. R2R Ballot Measure Passes in Massachusetts**
- 19. Greenball Brings Centennial Brand Back to Life**
- 20. Pep Boys Adds New ‘Retail Experience’**