

LEVELING OFF

Tire Unit Sales Steady, Service Work Picks Up Slightly

The TIRE REVIEW Dealer Panel reports passenger tire units and service dollar sales fell sharply through the final two months of 2007.

Final November and preliminary December numbers for tire unit sales show a full 1% drop from October total unit sales, while December sales showed a 0.8% fall off. Tire Units dropped below last year's levels in December. Preliminary numbers for December show a decrease in consumer purchases of 1.6% from November.

In the individual tire segments, broadline and HP units are running about 0.5% behind 2006. Light truck/SUV tire sales for the month were up 1.4% vs. the same month last year.

Service Dollars

On the service side, overall service dollars have slipped below previous year levels for the first time all year. Undercar service sales remain slightly ahead of 2006, however, underhood sales dropped below 2006 levels in November and December. Specifically, December preliminary results show undercar sales for December 2007 were at a 100.4 level vs. the same month in 2006, while underhood service fell off to a 99.5 level vs. December 2006.

Dealer Comments

Panel comments provide helpful insights to issues facing tire dealers today:

- I don't feel good about our economy or future business.

- Gas prices are making people think about extra driving.

- High oil prices are causing customers to buy cheap Chinese imports, not major brands.

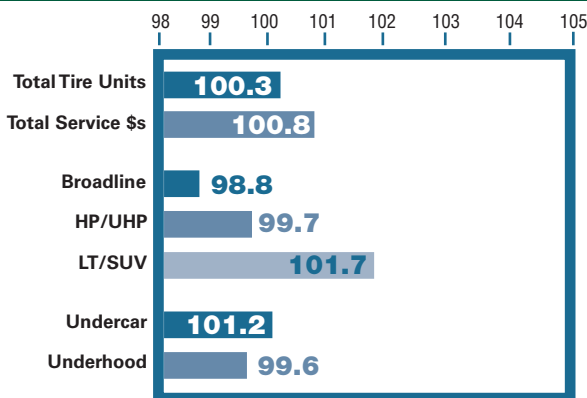
- Customers are very educated now with all the information they get online. This makes our jobs easier.

- This time of the year a lot of our business is weather driven...extremely mild fall and no immediate change in sight.

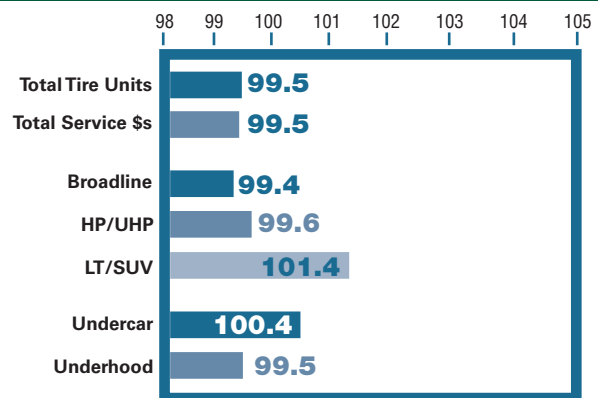
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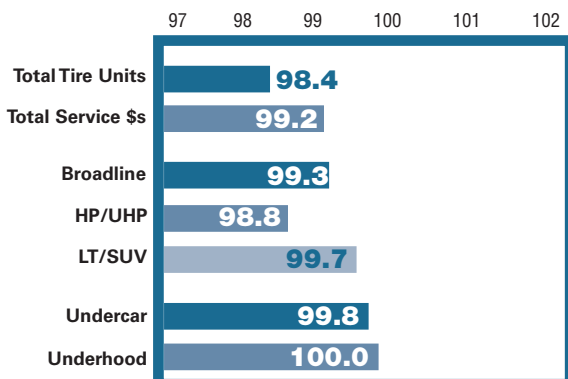
Retail Sales – Nov. '07 vs. Nov. '06 (Final)



Retail Sales – Dec. '07 vs. Dec. '06 (Prelim.)



Retail Sales – Dec. '07 vs. Nov. '07



Retail Sales – Year to Date

