



DEALER PROFILE

How much profit does a "typical" tire dealer enjoy? Who does a tire dealer battle most aggressively in an increasingly overcrowded marketplace? How are some of the most successful dealerships structured? How much are tire dealers paying their employees, and how are dealers pricing their tires?

These are among the industry's most provocative questions. And, the answers are revealed on the following pages.

It's all part of TIRE REVIEW's 2005 Tire Dealer Profile Study, the industry's most ambitious and extensive research project. TIRE REVIEW surveyed hundreds of independent tire dealers in North America to find out what exactly makes them tick.

In an anonymous survey, dealers shared well-tested trade secrets. Details such as sources of new tires, seasonal selling patterns and even average selling prices were revealed.

Presented here are a few of the key questions asked in this year's study. For complete study results, contact Bob Roberts, Babcox Research, at 330-670-1234, ext. 252, or by e-mail at broberts@babcox.com.

Sizing Up the Average Dealer

90% Are family-owned

71% Attended or graduated college

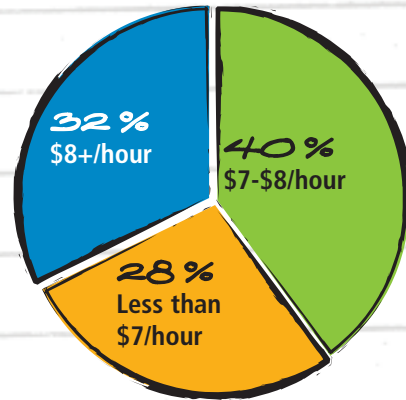
65% Are sole owners

57% Are not members of affinity/marketing groups

75% Get management information from tire trade magazines

45% Posted location sales of \$1 million or more

What Dealers Pay New Hires (Without Experience)



What Concerns Dealers Most





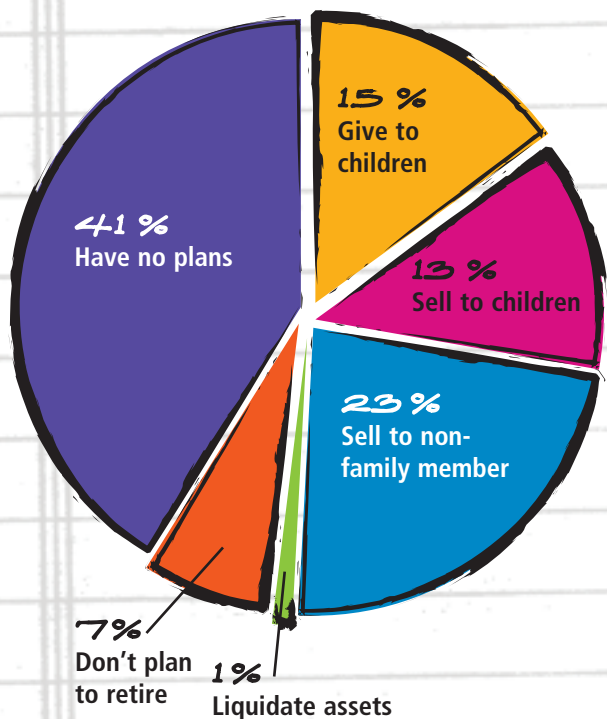
Employee Retention: What Dealers Think Works



Sizing Up the Average Dealer

- 66% Concerned about finding employees
- 69% Sell used tires
- 44% Sell custom wheels
- 5.2 Service bays
- 7.0 Full-time employees
- 83% Have a computer system
- 51% Have a Web site

What Dealers Will Do With Their Business at Retirement



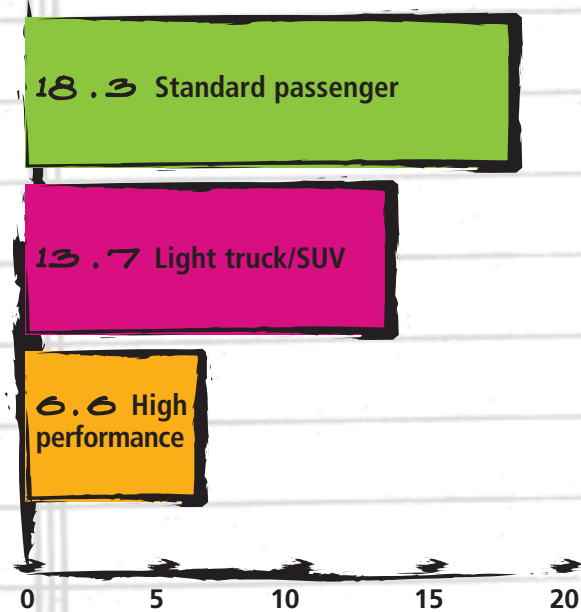
How Dealers Use Their Computers

- 88% Do business accounting
- 86% Maintain customer database
- 56% Track profitability
- 86% Handle inventory control
- 66% Track vehicle histories
- 75% Receive info online
- 67% Search vehicle service info

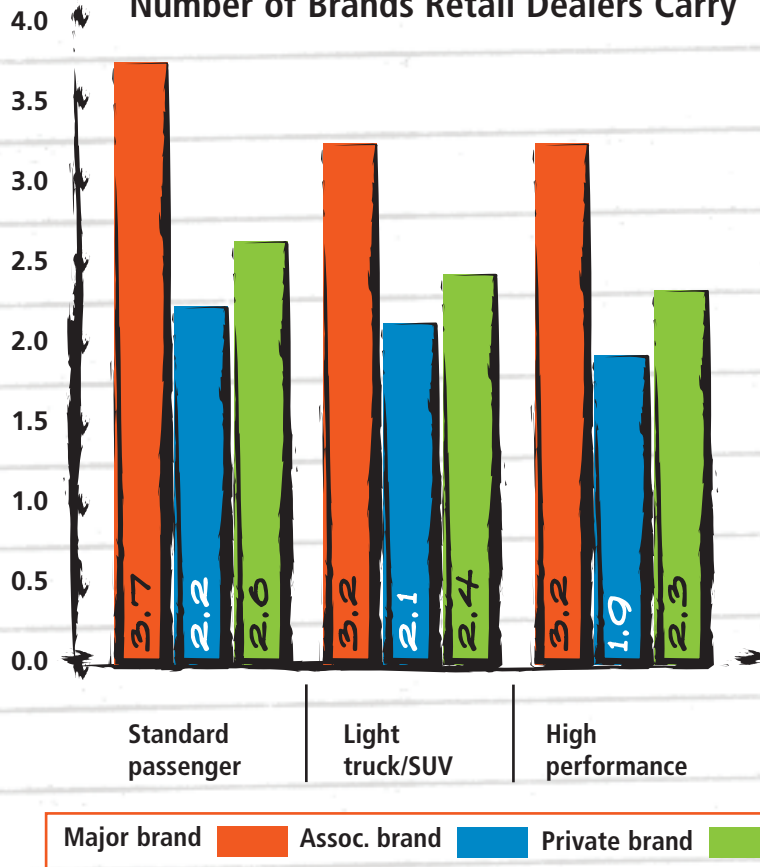


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What Retail Dealers Sell Each Day (Average Tires Sold Per Day)



Number of Brands Retail Dealers Carry



Why Retail Dealers Carry Certain Brands (Desired Supplier Attributes)



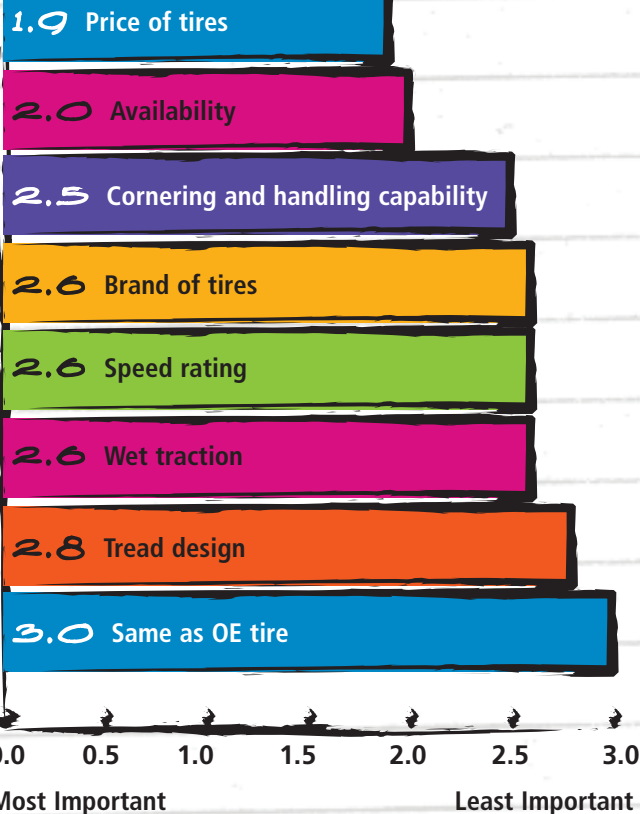
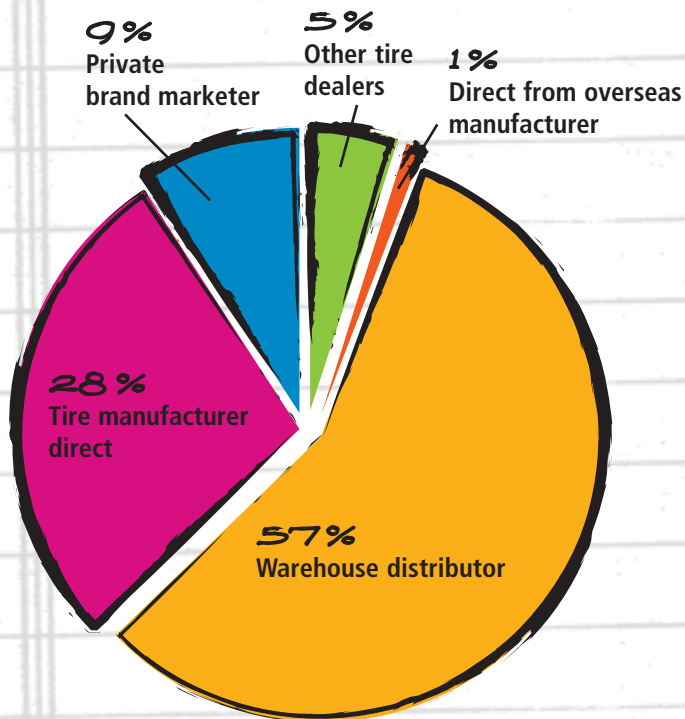


What Dealers Think is Important to Retail Tire Buyers



Why Customers Buy Particular HP Tires

Where Dealers Get Consumer Tires

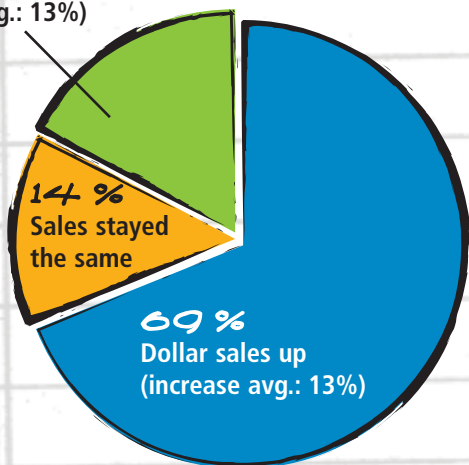




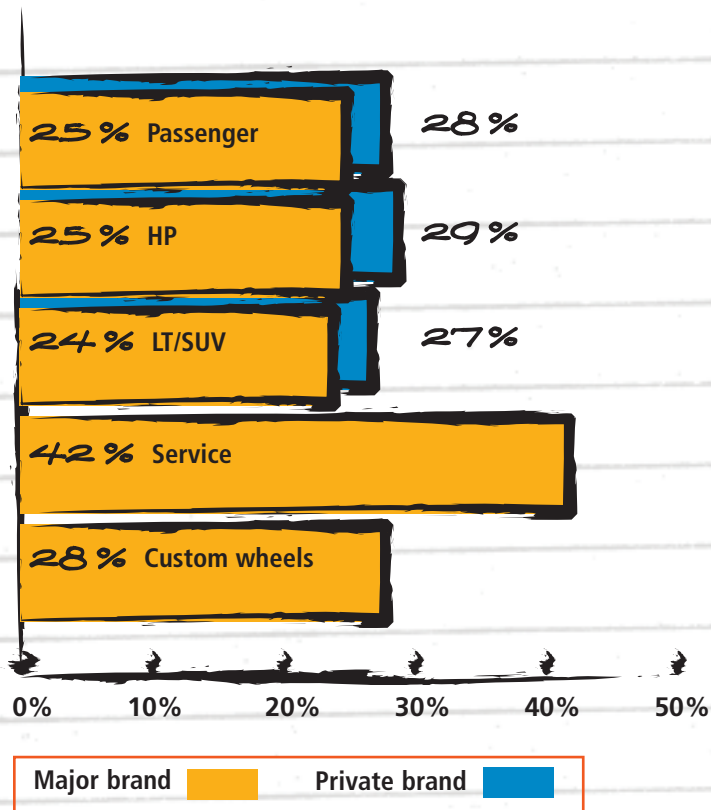
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Dealer Sales Volume: Consumer Tires (2004 Sales vs. 2003 Sales)

17%
Dollar sales dropped (decrease
avg.: 13%)



Average Gross Profits: 2004 Sales



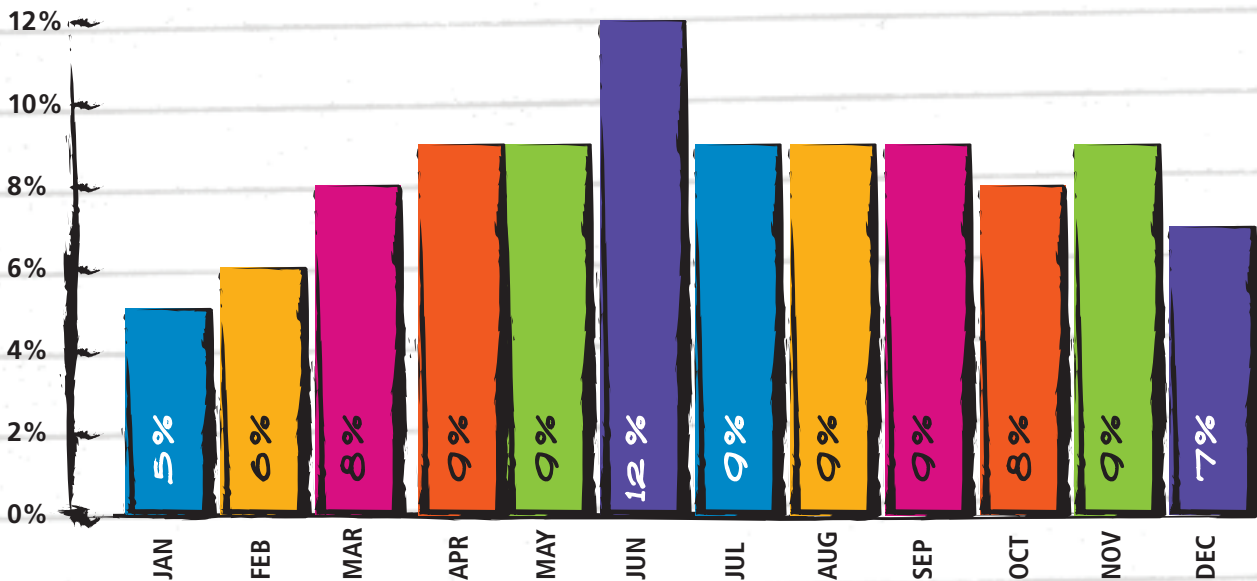
A Dealer's Most Difficult Competition



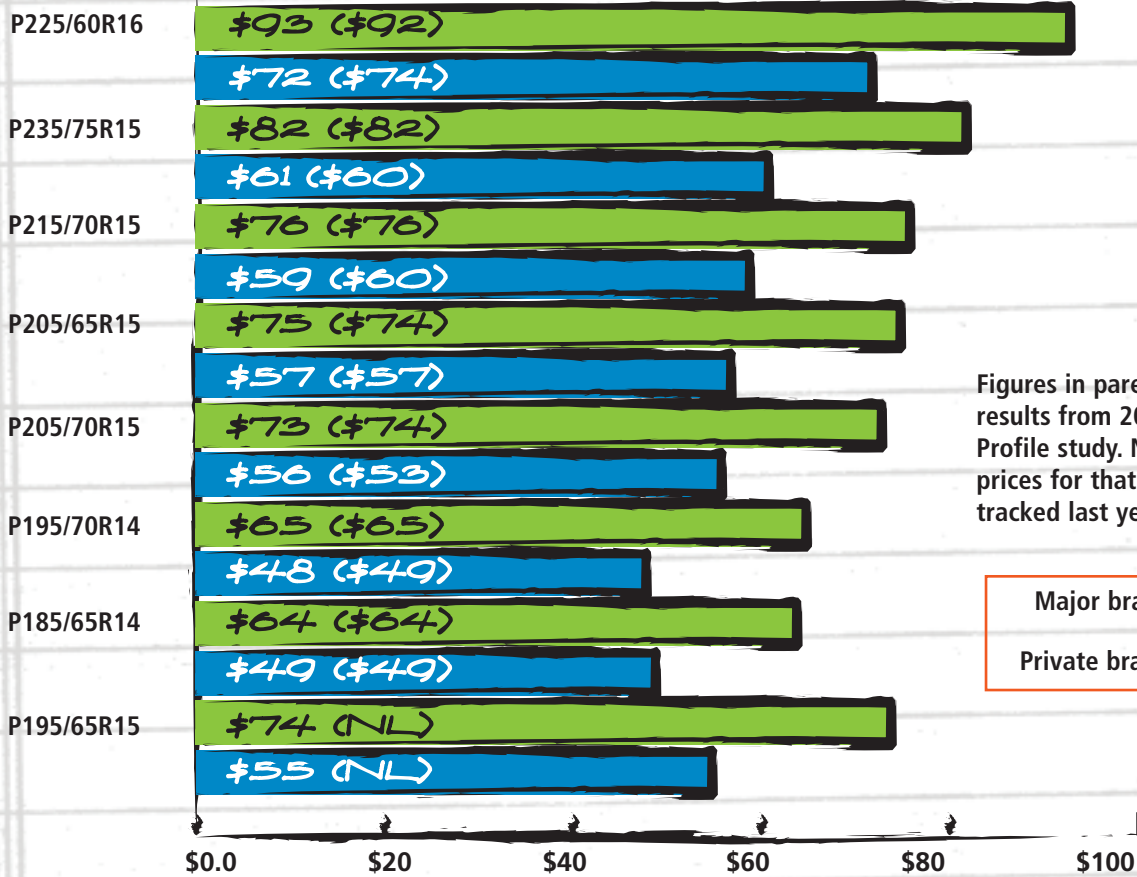


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Consumer Tire Sales by Month: 2004



Average Retail Price: Replacement Passenger Tires (Most Popular Sizes)

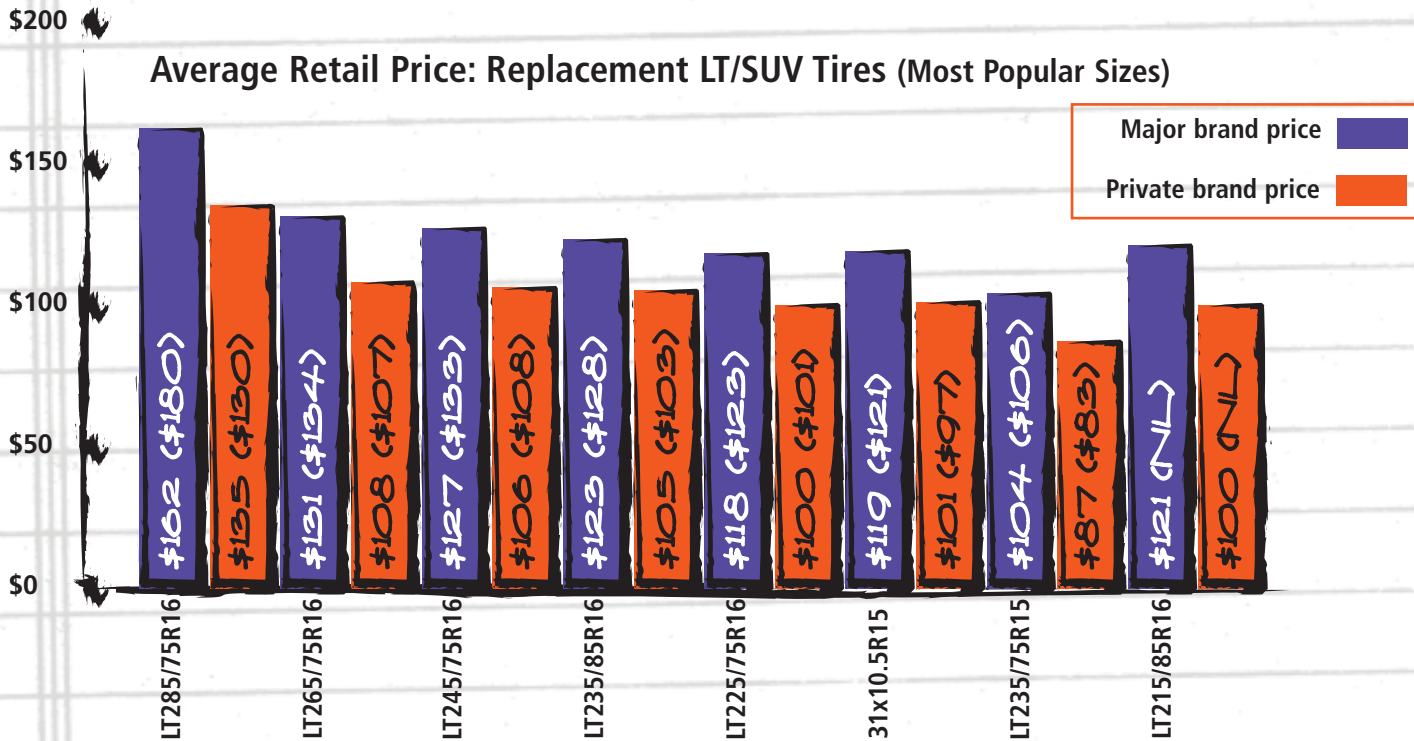


Figures in parenthesis are results from 2004 Tire Dealer Profile study. NL indicates that prices for that size were not tracked last year.

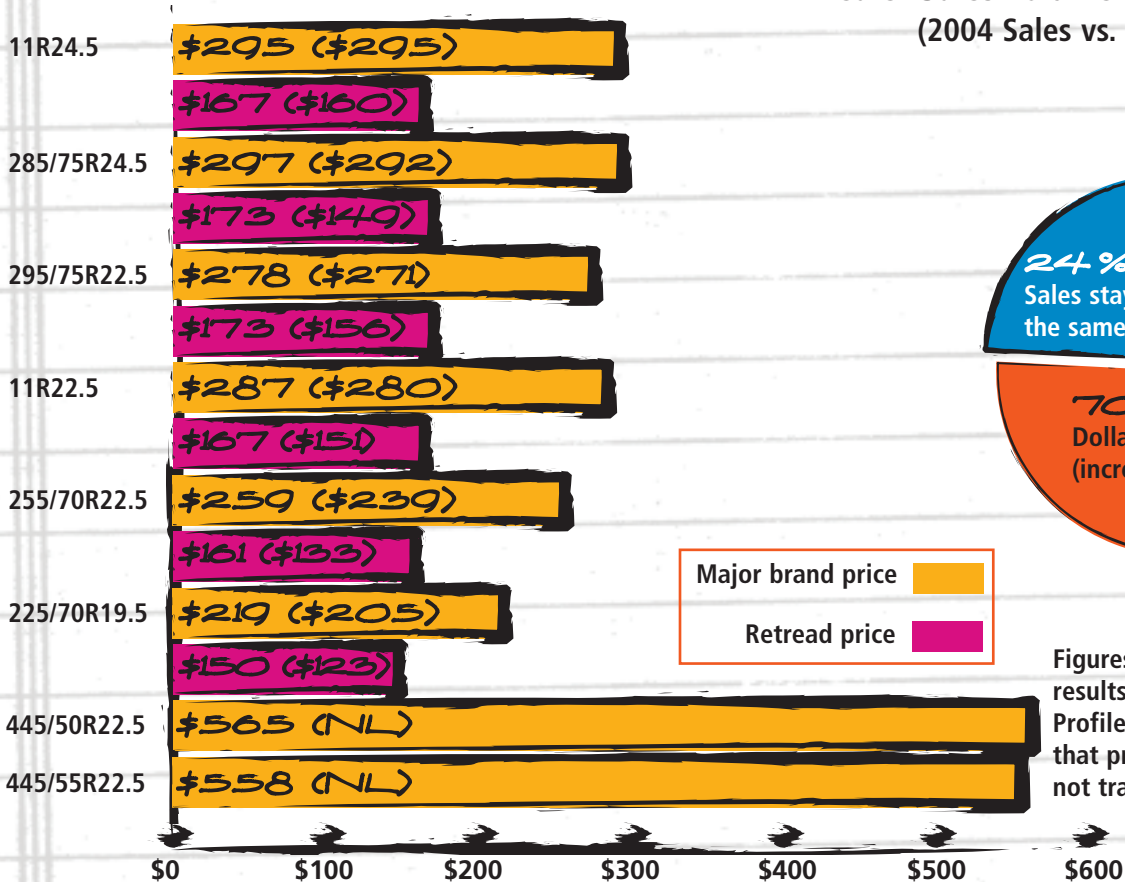
Major brand price █
Private brand price █



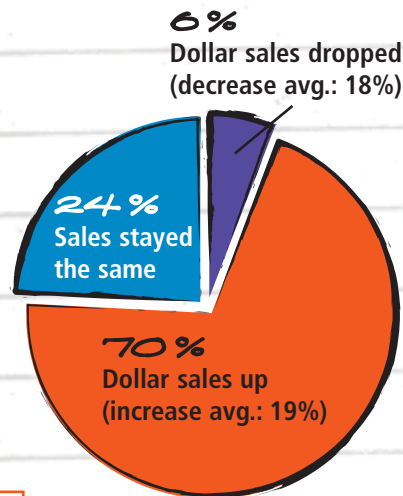
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Average Selling Price: Replacement Medium Truck Tires (Most Popular Sizes)



Dealer Sales Volume: Commercial Tires (2004 Sales vs. 2003 Sales)

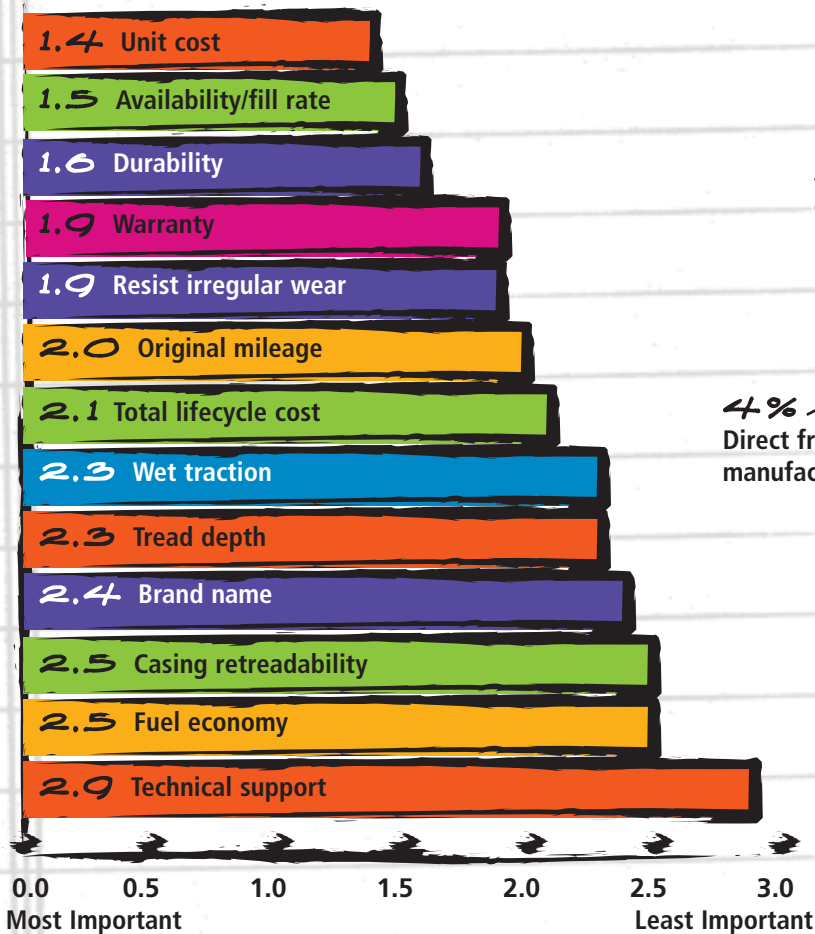


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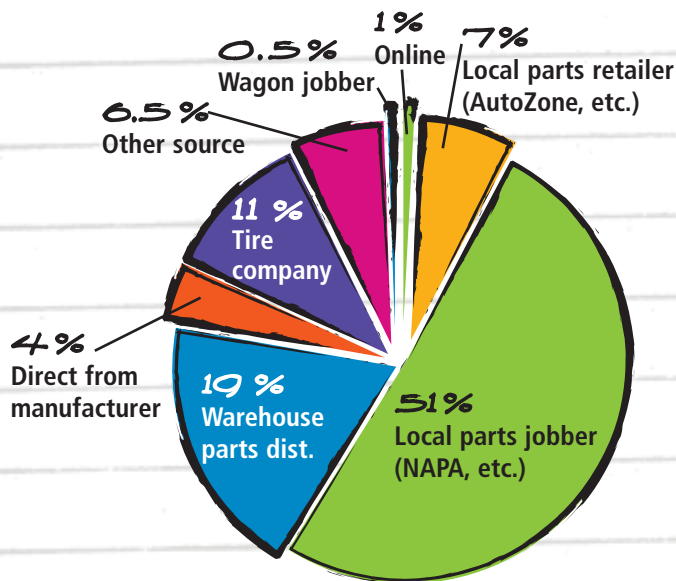


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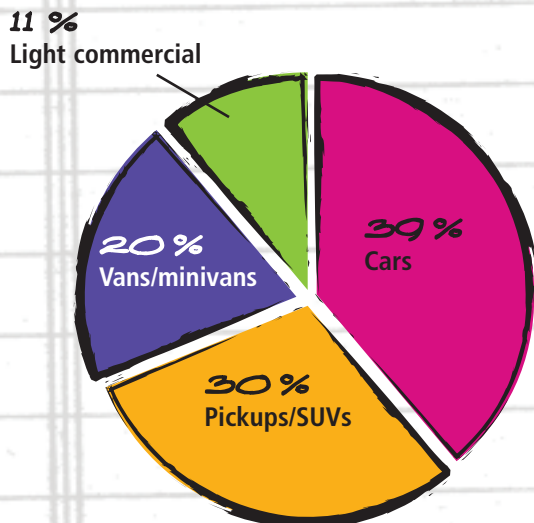
What's Most Important to Truck Fleets (Desired Attributes)



Where Dealers Get Service Parts



Vehicles Being Repaired



Service Sales by Month – 2004

