

**Chart 12**  
**WORLD LEADERS IN NEW TIRE SALES**  
 (Fiscal year 2009; in billions of U.S. dollars)

Company	2009	2008
Bridgestone Corp.	\$22.4	\$25.4
Groupe Michelin	\$19.0	\$22.6
Goodyear Tire & Rubber Co.	\$15.8	\$19.2
Continental AG	\$ 7.7	\$ 9.5
Pirelli & Cie SpA	\$ 5.5	\$ 6.0
Sumitomo Rubber Industries Ltd.	\$ 4.1	\$ 4.8
Hankook Tire Co.	\$ 3.9	\$ 3.7
Cooper Tire & Rubber Co.	\$ 2.7	\$ 2.9
Kumho Tire Co. Inc.	\$ 2.2	\$ 2.6
Yokohama Rubber Co.*	\$ 3.4	\$ 4.0
Toyo Tire & Rubber Co. Ltd.*	\$ 2.2	\$ 2.4

**U.S./CANADIAN LEADERS IN NEW TIRE SALES**  
 (Fiscal year 2009; in billions of U.S. dollars)

Company	2009	2008
Bridgestone Americas Tire Operations LLC	\$8.0	\$9.0
Goodyear	\$6.6	\$8.0
Michelin North America Inc.	\$5.7	\$6.8
Cooper Tire	\$1.8	\$2.0
Continental Tire North America Inc.	\$1.7	\$2.1
Hankook Tire America Corp.	\$.84	\$.78
Kumho Tire U.S.A. Inc.	\$.57	\$.59
Pirelli Tire North America	\$.40	\$.42
Yokohama Tire Corp.*	\$.88	\$1.0
Toyo Tire Holdings of Americas Inc.*	\$.78	\$.90

\* Fiscal years ended March 31, 2009, and March 31, 2008  
 Notes: Exchange rates for euros, yen and won were based on yearly averages. Groupe Michelin owns nearly 10% of Hankook Tire. Cooper sold its 10.71% stake in Kumho Tire Co. to Beacon Hill Master Ltd., a Cayman Islands-based investment firm, in August 2008.

**Chart 13**  
**AVERAGE RETAIL TIRE PRICES, P235/75R15**  
 (as advertised, unless otherwise noted)

2009	Major	LCR	Avg.
1Q:	\$112.33	\$69.61	\$89.93
2Q:	\$108.30	\$74.78	\$89.59
3Q:	\$107.99	\$69.49	\$82.32
4Q:	\$108.18	\$71.16	\$88.85
Full year:	\$109.06	\$71.79	\$88.85
Median retail tire selling prices			
P205/65R15	2009: \$90.47	2008: \$91.95	2007: \$82.85
P195/75R14	2009: \$66.00	2008: \$68.97	2007: \$59.31

## SALES AND PRICING

Domestic retail consumer tire shipments were down 7.5% in 2009 vs. 2008. Average retail consumer tire pricing was down about 1% for the year. As a result, replacement passenger and light truck tire sales decreased \$2 billion last year, to \$21.6 billion (see Chart 1 on page 22).

After raising prices significantly the previous two years, why did tire manufacturers hold back through the first nine months of 2009? There were two main reasons.

- Raw material costs, including the price of oil, natural rubber and carbon black, fell over the course of the year.
- Inventories were bloated because demand was down.

Only near the end of the year did raw material and transportation costs start to climb again. Subsequently, tire manufacturers staggered their price increase from Nov. 1, 2009, through Feb. 1, 2010.

For most of the top global tire manufacturers, tire sales were down in 2009 compared to 2008. Hankook Tire Co. was an exception.

Despite a disadvantageous exchange rate year to year, Hankook increased its tire sales globally and domestically (see Chart 12).

For the average retail or wholesale tire dealer, tire sales in both units and dollars were down through three quarters. The average retailer was down 4.9% in tire units and 3.6% in tire sales, according to MTD's exclusive "2009 State-of-the-Industry Survey." The average wholesale distributor was down 2.3% in units and 2.4% in dollars.

### Average and advertised pricing

The average price of a replacement passenger tire decreased less than 1% in 2009 compared to 2008. It rose 10.2% over the last two years, and 19.3% over the last three.

Some tire suppliers, including Cooper, Hercules Tire & Rubber, TBC and Tireco, raised prices on Chinese consumer tire imports when additional tariffs were imposed on Sept. 26. Pirelli Tire North America, which imports its P4 Four Seasons and Cinturato P5 consumer tires from its manufacturing base in China, also cited the increased Chinese tire tariffs as a reason for its price hike.

But on average, consumer tire pricing was relatively flat last year (see Chart 13 and below).

### Advertised price, P205/65R15

Year	Major	LCR	% difference	Average
2009:	\$105.27	\$80.18	23.8%	\$93.02
2008:	\$107.96	\$82.90	23.2%	\$95.43
2007:	\$100.17	\$74.60	25.5%	\$87.38

The most popular advertised size was P175/70R13, which was predominantly marketed in newspapers around the country as a low-cost radial (LCR). Its average price was \$47.44.

Tire advertising in newspapers, even in the local sports sections, has declined significantly over the last few years.

Overall newspaper advertising revenue decreased 26.7% from 2005 to 2008, according to the Newspaper Association of America. Fewer newspapers account for some of that, but circulation is down at the top 25 newspapers in the U.S. as well.

The drop is less if online advertising is taken into account, but it remains significant.