

Goodyear (Thailand)
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February 28, 2018

Re: Management discussion and analysis for the year ended 31 December 2017

To: The President
The Stock Exchange of Thailand

Goodyear (Thailand) Public Company Limited ("Company") would like to explain the reasons for the more than 20% change in revenue and/or net profit for the year ended 31 December 2017 when compared to the same period of the year 2016:

- 1) **Revenue from Sales:** The Company's Net Sales for the year ended 31 December 2017 was Baht 4,000 Million an increase when compared to the same period of 2016 of Baht 102 Million or 3%. This was driven by an increase of export sales and a decrease of domestic sales.
- 2) **Cost of Sales:** The Company's Cost of Goods Sold for the year ended 31 December 2017 represented 81% of net sales which was higher when compared to the same period of 2016, which was 77%. This was driven by raw material increases of natural rubber and synthetic rubber including an impact of foreign currency translation.
- 3) **Selling and Administration Expenses:** The Company's Selling and Administration Expenses for the year ended 31 December 2017 was Baht 559 Million.
- 4) **Assets:** The Company's Total Assets for the year ended 31 December 2017 was Baht 5,676 Million an increase of Baht 391 Million from the year ended period ended 31 December 2016 or 7%. This was due to Equipment and Machinery acquisition under the Aviation Investment Project.
- 5) **Net Profit:** The Company's Net Profit for the year ended 31 December 2017 was Baht 138 Million a decrease when compared to the same period of 2016 of Baht 141 Million or 51%. This was due to raw material cost increases.

Above is for your information.

Yours sincerely,

Mr. Finbarr O' Connor
Managing Director