

Goodyear (Thailand)
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February 21, 2019

Re: Management discussion and analysis for the year ended 31 December 2018

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 2018 when compared to the same period of the year 2017:

- 1) **Revenue from Sales:** The Company's Net Sales for the year ended 31 December 2018 was Baht 3,859 Million -a decrease when compared to the same period of 2017 of Baht 4,000 Million or -3.5%. This was driven by decrease in domestic sales.
- 2) **Cost of Sales:** The Company's Cost of Goods Sold for the year ended 31 December 2018 represented 84% of net sales which was higher when compared to the same period of 2017, which was 81%. This was driven by raw material increases of natural rubber and synthetic rubber.
- 3) **Selling and Administration Expenses:** The Company's Selling and Administration Expenses for the year ended 31 December 2018 was Baht 554 Million.
- 4) **Assets:** The Company's Total Assets for the year ended 31 December 2018 was Baht 6,124 Million an increase of Baht 448 Million from the year ended period ended 31 December 2017 or 8%. This was due to Equipment and Machinery acquisition.
- 5) **Net Profit:** The Company's Net Profit for the year ended 31 December 2018 was Baht 34 Million a decrease when compared to the same period of 2017 of Baht 104 Million or 76%. This was due to lower net sales and raw material cost increases.

Above is for your information.

Yours sincerely,

Luca Crepaccioli

Managing Director