

PRESS RELEASE

Westlake Tyres Partners Day 2011 in China

- Westlake plans to be the world's 5th largest tyre manufacturer by 2015
- It has invested over £30 million in one-stage tyre building machines
- Several European dealers were invited to visit the China and Westlake's factory

London, 21 December, 2011.– Westlake Tyres, owned by the Hangzhou Zhongce Rubber Co. Ltd (ZC Rubber) recently held its Partners Day in China. Eskay Tyres, distributor for Westlake in the UK, accompanied a select group of Westlake dealers from Europe, as well as a team of experts, journalists from France and the UK, and technicians, on their visit to ZC Rubber's headquarters in the famous city of Hangzhou, located on the shore of China's famous West Lake -which lends its name to the brand- where a spectacular music, lights and water show is held every evening.

During the trip, the partners were given a visit of their new factory and were escorted by Mr. Nick Zhou, Regional Manager for the European market, and Mr. Johnson Su, Import and Export Manager, who were glad to answer questions about the new plant.

These new premises represent Westlake's new PCR manufacturing facility, around which the travelling party were shown, and in which they saw examples of European regulation-compliant tyres: labelled and colour-coded to distinguish products which will be exported to the EU.

Major investments

Hangzhou Zhongce representatives were also keen to show the investment that has gone into the new manufacturing plant. Mr. Su explained that said investment entailed the purchase of European, North American and Japanese machinery from the likes of Rodolfo, VMI, Krupp and Fischer.





In short, Westlake has invested around £30 million in one-stage tyre building machines along with ASTEC uniformity testers for its PCR and TBR production lines.

This investment ensures that Westlake's tyres are produced in a temperature and humidity controlled environment which is not commonplace in other Chinese tyre factories.

Because of the tight regulations surrounding Europe's Reach legislation compliance, the tyre manufacturer has also invested in VMI Dutch-produced tread wear analysis equipment, as well as raw materials and vulcanised rubber analysers.

Furthermore, Westlake owns and operates an MTS Flac-Trac III machine -designed to help reduce a tyre's rolling resistance- as well as an anechoic chamber for testing tyre noise.

Future plans

During the tour, Westlake's guests were greeted by Mr. Shen Jin-Rong, Westlake's Chairman, who thanked them for their help in promoting Westlake and stated on behalf of the company during their presentation -titled 'Crafting a better future'- that: "We are now the largest tyre manufacturer in China; we can produce nearly 10 million truck and bus tyres this year, and almost 20 million passenger car tyres across our factories" and assured them that Westlake was working hard to increase its market share.



Said increase had been possible “thanks to your hard work in promoting our brands”. He further said that the company was intent on further improving the brand with their help and that Westlake aimed to be “the top brand in the world – we want to produce the best tyres”.

Mr. Harjeev Kandhari, chairman and Executive Director of the AI Dobowi Group, owner of Eskay Tyres, explained that the Partners Day provided the perfect opportunity for all those who went on this trip to interact with the manufacturer, particularly on their tyre labelling requirements and stated that the trip would be repeated in the near future with this in mind. “We have some dealers from Sweden, Portugal, Holland and Spain and we will do another day in March when we will bring the customers from France and UK; the most important issue that Westlake needs to focus on is tyre labelling”, he assured all present.

When asked about tyre labelling, which will come into force in November 2012, Westlake replied that the company’s technical department have been working non-stop to reach highest possible grades with their internal testing. Their achievements in the past year include the reduction of rolling resistance by 34% in tests.

Furthermore, Mr. Shen Jin-Rong stated that their technical department had already done a lot of work on tyre labelling and that they had started their preparations some time ago.

He also stated that: “We can try to meet the requirements of customers – we want to supply the most suitable product for the market, so it all depends on what the market demands. As far as we know, a lot of Chinese manufacturers are going to give up, maintaining the original level of tyre performance” assuring his audience that these manufacturers were “unwilling to meet the extra cost, and still lack the technical capability to meet the labelling requirements”.

Finally, he addressed his guests and said that Westlake was “ready for labelling legislation, and we are asking for your requirements so that next year we can supply suitable products for the market.”





During a presentation made to all present by Eskay Tyres, in reference to Westlake's marketing strategies, Mr. Jorge Crespo, European General Sales Manager for Eskay Tyres, said that his company continues to hold "discussions about channelling Westlake into the EU" and that it has a "clear vision about how to commercialise tyres".

Crespo's presentation ensured all present that the distributor plans to make Westlake grow as a brand, with the current trend in "below the line" marketing such as trade shows, to be followed by promotion aimed at "the end-user".

The Al Dobowi Group also mentioned its plans to mobilise its network of partners, generating ideas of how best to build the Westlake brand in various different markets.

Among the schemes to be launched by them in 2012 to support the brand they included a 30-day "tyre warranty" for the British market, as well as a range of point-of-sale materials and custom-designed van liveries for their dealers.

Westlake will be exhibiting during 2012 at Essen's Reifen Show, Autopromotec, the CV Show and Brityrex 2012 in the UK, where it will also be sponsoring the Westlake-NTDA's annual Golf Day. The manufacturer will also be marketing their exclusive brands in Europe with magazine and online advertising, inserts and e-Newsletters. The partners were also told that Westlake intends to become the 5th largest tyre manufacturer in the world by 2015 producing around 20 million pieces for passenger and light truck, and it aims to be the top brand in Europe moving up from producing economy to UHP tyres.

Partners' Day activities

After all the tours and business presentations Eskay Tyres was intent on entertaining its partners. They were taken to Shanghai for two days of sightseeing, shopping in the city's busy marketplaces, and entertainment. Westlake's partners delighted in visiting the beautiful and historical classical Chinese Yuyuan Garden and the old colonial-era buildings





of the city along the Bund. They also visited the Shanghai World Financial Centre building, and witnessed a Chinese tea ceremony.

Dinners were held at Shanghai's elegant modern French restaurant Mr and Mrs Bund, which overlooks the city's amazing feats of engineering in 'New Shanghai', and in the modern minimalist Japanese restaurant, Shintori.

All in all, Eskay Tyres aimed to make the Partners' Day an event to place Westlake at the forefront of dealers' minds in the European markets it serves.

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