

Sava[®] TECH & GOODYEAR

CHALLENGE FOR COOPERATION

We invite you to join the Goodyear's advanced technology and market access with low labour costs, good infrastructure, political stability, skilled and diligent people in Slovenia.

**LET'S GO TO ATTACK THE
EUROPEAN MARKET TOGETHER!**

SAVA KRANJ

Strengths

Modern Tyre Plant - Present capacity 4 million pieces (47,000 MT's)

Expandable to 5 million pieces (65,000 MT's) through debottlenecking

Expandable by a further 15,000 MT's.

ISO 9001.

Able to meet West European OEM Standards.

Low Manufacturing Costs - DM 15 per hour - 25% of German levels.

Sava Brand Label

Sava Brand is market leader in Slovenia/Croatia

Well developed Technical, Financial and MI Systems.

Weaknesses

Tyre Operations

40% of tyre production is sold on a transfer price basis.

Restricted access to European tyre market

Non Tyre Products Operations

Excessive range of aging products produced in sub-optimal capacities employing obsolescent technology.

Restricted access to European OE market.

SAVA KRANJ

Objectives

As a recently privatized enterprise with 46,000 new shareholders and 3,800 employees, Sava Kranj has two primary objectives:

Maximize Return to Shareholders.

Continuity of Employment.

This means:

Capitalize on strengths:

Sava Brand Label

Low Labour Cost.

Established Management Team with International Experience

Seek alternative collaborative arrangements to facilitate:

Expansion of Tyre Production

Direct Access to Entire European Tyre Market

Acquire New Technical Product Technology

Secure Technical Product Market Access

Finally, operate Sava Kranj as a PROFIT CENTRE -not a cost centre