

Company Introduction



2017.10.26

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Milestone

- 1954
Company founded – as Tayfeng Rubber Industries Co., Ltd. (a.k.a. TF)
- 1959
First complete line of tires introduced.
- 1960
Technical cooperation with Bridgestone.
- 1965
Initial tire exports commenced.
- 1981
Technical cooperation with Sumitomo Rubber Industries Ltd.(a.k.a. Dunlop Tire Japan).
- 1987
 - Federal brand introduced.
- 1997
Federal Tyre(Jiangxi) China plant established



Milestone

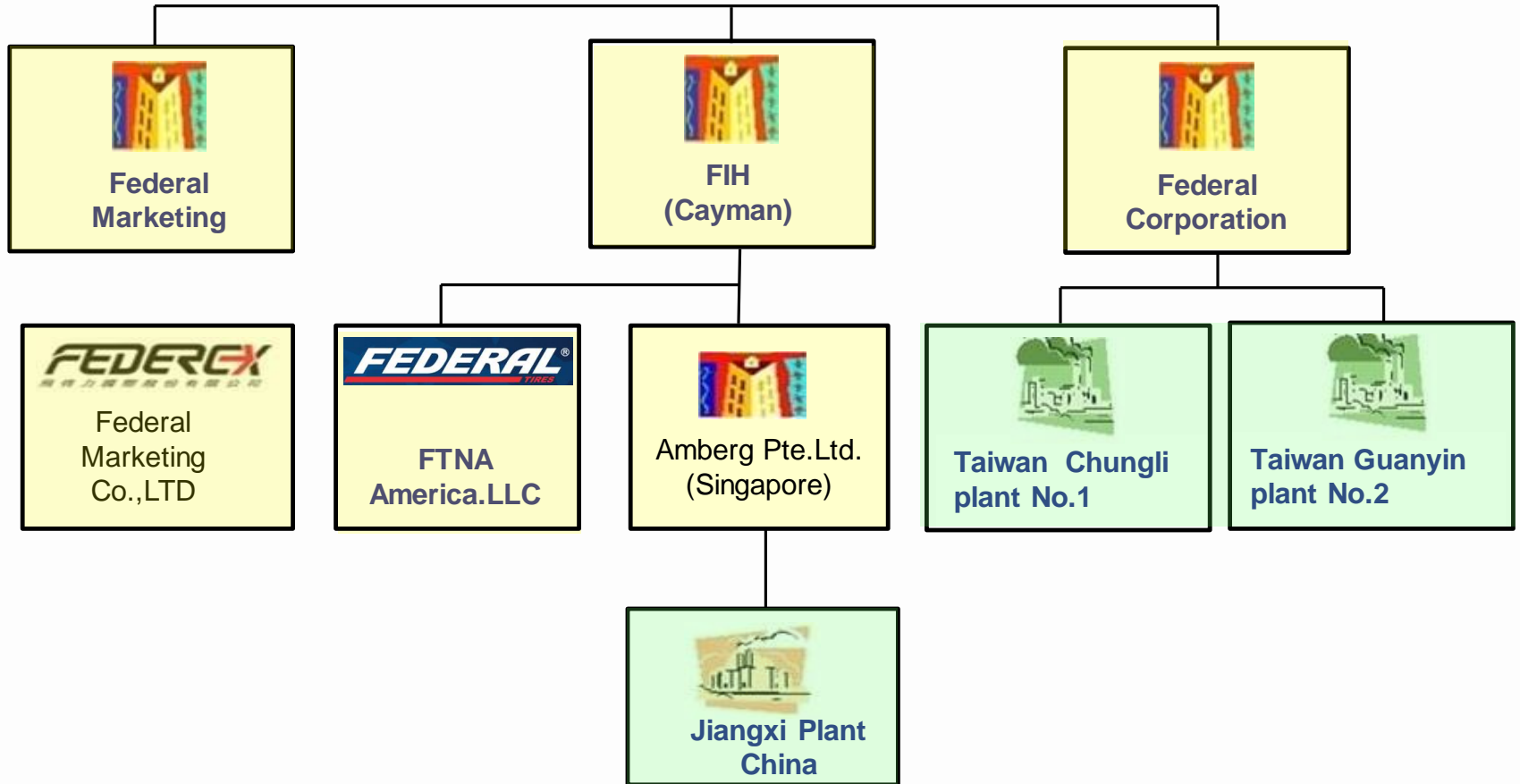
- 2004
Federal's 50th anniversary.
- 2005
Motorsports competition series launched -595RS.
The 1st slick tire developed in Taiwan – FZ-101.
- 2008
New street performance tire 595EVO and 595RPM
launches
- 2009
New HA oil-free technology launched.
- 2011
Officially debut LSUV asymmetrical tire-
Couragia F/X、runflat tire and XUV 4 season tire.
- 2014
60th anniversary of Federal Corporation
- 2016
Federal Tire North America LLC is established
- 2017
Taiwan Guanyin plant start to mass production.



Operation Structure



Federal Group



Worldwide Sales

182 national/regional representatives throughout 121 countries.



Always Innovation
GLOBAL SALES NETWORK

- ALGERIA
- BOTSWANA
- CAMEROON
- EGYPT
- LIBYA
- MAURITIUS
- MOROCCO
- NIGERIA
- REUNION
- SOUTH AFRICA
- TUNISIA
- ZAMBIA

- BRAZIL
- CHILE
- COLOMBIA
- ECUADOR
- GUIANA
- PARAGUAY
- PERU
- SURINAME
- VENEZUELA

- AUSTRALIA
- FIJI IS.
- GUAM
- NEW CALEDONIA
- NEW ZEALAND
- PALAU
- SAIPAN IS.
- SOLOMON IS.

- CANADA
- U.S.A.

- COSTA RICA
- CUBA
- DOMINICA
- DOMINICAN REPUBLIC
- EI SALVADOR
- GRENADA
- GUATEMALA
- JAMAICA
- MEXICO
- PANAMA
- PUERTO RICO
- ST. VINCENT
- TRINIDAD

- BANGLADESH
- BRUNEI
- CHINA
- HONG KONG
- INDIA
- INDONESIA
- JAPAN
- MACAU
- MALAYSIA
- NORTH KOREA
- PHILIPPINES
- SINGAPORE
- SRI LANKA
- SOLOMON IS.
- SOUTH KOREA
- TAIWAN
- THAILAND

- AFGHANISTAN
- ARMENIA
- AZERBAIJAN
- BAHRAIN
- CYPRUS
- GEORGIA
- IRAN
- IRAQ
- ISRAEL
- JORDAN
- KYRGYZSTAN
- LEBANON
- OMAN
- PALESTINA
- PAKISTAN
- QATAR
- SAUDI ARABIA
- SYRIA
- U.A.E.
- YEMEN

- BENELUX
- BULGARIA
- DENMARK
- ESTONIA
- FINLAND
- FRANCE
- GRAN CANARIA
- GREECE
- HUNGARY
- IRELAND
- ITALY
- LATVIA
- LITHUANIA
- MALTA
- MOLDAVIA
- NORWAY
- PORTUGAL
- ROMANIA
- RUSSIA
- SLOVAKIA
- SLOVENIA
- SPAIN
- SWEDEN
- TURKEY
- U.K.
- UKRAINE

Taiwan Sales

- 10 Direct Sale Stores



2016 vs 2015 Income Statement

Unit : TWD/K

	<u>2016</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>Variance</u>
Net Sales	5,331,318	100%	7,535,941	100%	(2,204,623)
Cost of goods sold	(4,344,685)	(81%)	(5,666,519)	(75%)	(1,321,834)
Gross margin	986,633	19%	1,869,422	25%	(882,789)
Total operating expenses	(956,199)	(18%)	(1,214,861)	(16%)	(258,662)
Operating margin	30,434	1%	654,561	9%	(624,127)
Net non-operating revenue	15,735	-	48,257	-	(32,522)
Net income before tax	46,169	1%	702,818	9%	(656,649)
Income tax	(55,445)	(1%)	(152,850)	(2%)	97,405
Net income after tax	(9,276)	-	549,968	7%	(559,244)
EPS	(0.02)		1.19		

2017 H1 vs 2016 H1 Income Statement

Unit:TWD/K

	<u>2017 H1</u>	<u>%</u>	<u>2016 H1</u>	<u>%</u>	<u>Variance</u>
Net Sales	2,772,613	100%	3,022,095	100%	(249,482)
Cost of goods sold	(2,368,764)	(85%)	(2,294,456)	(76%)	(74,308)
Gross margin	403,849	15%	727,639	24%	(323,790)
Total operating expenses	(577,103)	(21%)	(537,442)	(18%)	(39,661)
Operating margin	(173,254)	(6%)	190,197	6%	(363,451)
Net non-operating expense	(383,766)	(14%)	(2,945)	-	(380,821)
Net income before tax	(557,020)	(20%)	187,252	6%	(744,272)
Income tax	3,178	-	(71,734)	(2%)	74,912
Net income after tax	(553,842)	(20%)	115,518	4%	(669,360)
EPS	(1.21)		0.25		

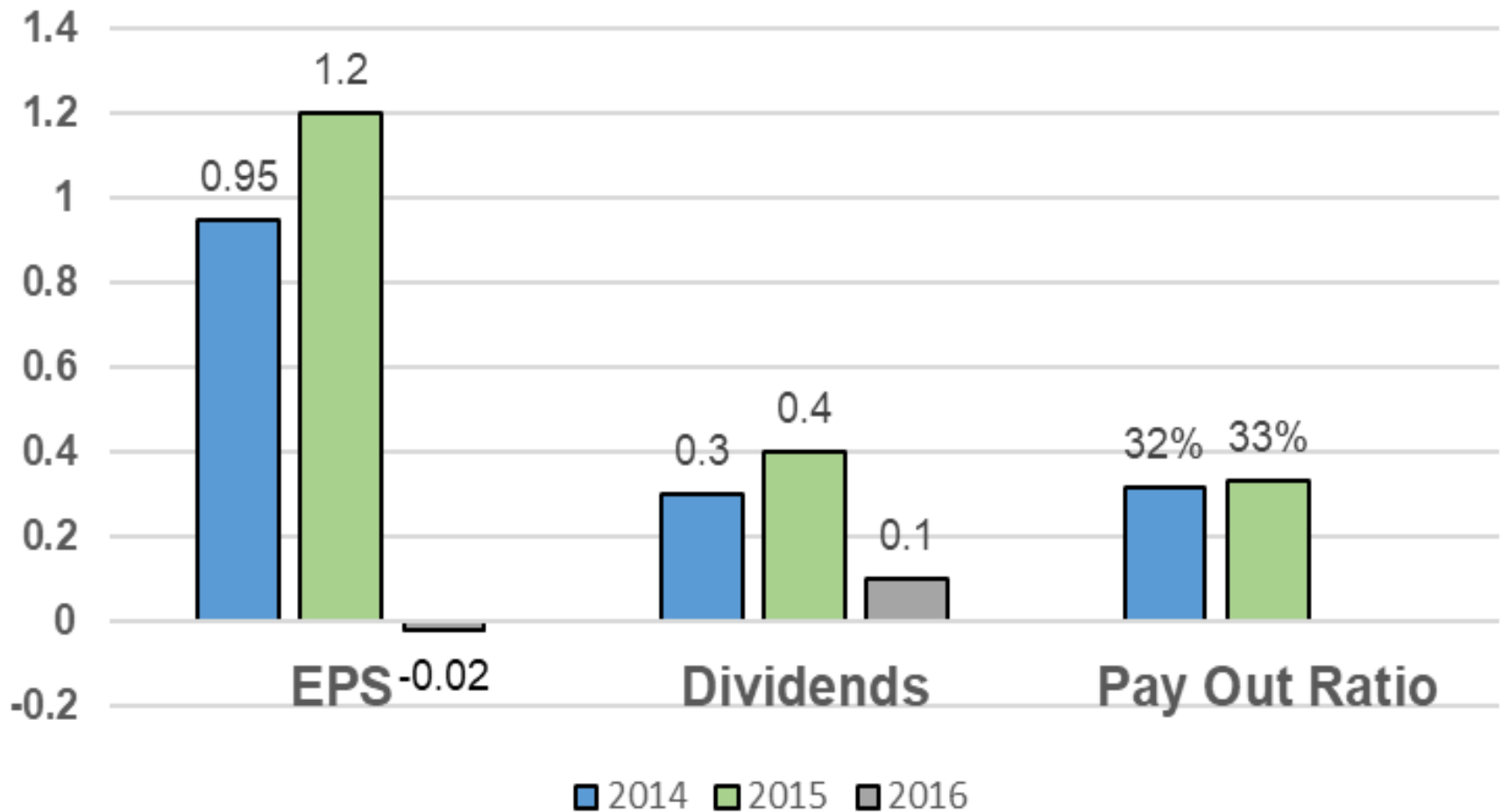
2017 H1 Balance Sheet

Unit : TWD/K

	<u>JUN.30 2017</u>	<u>%</u>	<u>JUN.30 2016</u>	<u>%</u>	<u>Variance</u>
Cash & Cash Equivalent	884,624	6%	1,704,092	12%	(819,468)
Inventory	1,462,155	10%	1,183,921	8%	278,234
Current Asset	4,614,277	30%	4,715,833	33%	(101,556)
Fixed Asset	10,213,233	66%	6,940,298	49%	3,272,935
<u>Total Assets</u>	<u>15,374,426</u>	<u>100%</u>	<u>14,251,751</u>	<u>100%</u>	<u>1,122,675</u>
Short-Term Loan	1,183,550	8%	337,411	2%	846,139
Long-Term Loan	2,926,586	19%	1,738,534	12%	1,188,052
<u>Total Liabilities</u>	<u>6,239,810</u>	<u>41%</u>	<u>4,173,455</u>	<u>29%</u>	<u>2,066,355</u>
<u>Stockholders' Equity</u>	<u>9,134,616</u>	<u>59%</u>	<u>10,078,296</u>	<u>71%</u>	<u>(943,680)</u>
<u>Total Liabilities & Equity</u>	<u>15,374,426</u>	<u>100%</u>	<u>14,251,751</u>	<u>100%</u>	<u>1,122,675</u>

Dividend Policy

Dividends Pay Out



Future Missions

- Expend global representatives/sale points and enhance after market service.
- Enhance brand position through the marketing and promotion activities.
- Upgrade the engineering and technical abilities to enhance product quality.
- Develop high value-added products to increase company profit.



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THANK YOU!