

acutreadgroup.com



LICENSEE OPPORTUNITY

Profitable Solutions for the Independent Retreader

AcuTread® Alliance Group Confidential

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Mission and Purpose



Profitable Solutions for the Independent Retreader

The AcuTread® Alliance Group is an entity consisting of independent retread plant owners who have developed the AcuTread® Process for precision, segmented mold, tire manufacturing.

We are independent business people who foresee the need and value of providing remanufactured tires that parallel the specifications, aesthetics and performance of new tires.

We are independent business people who realize that profitability in the retread industry is greatly enhanced by controlling the entire manufacturing process.

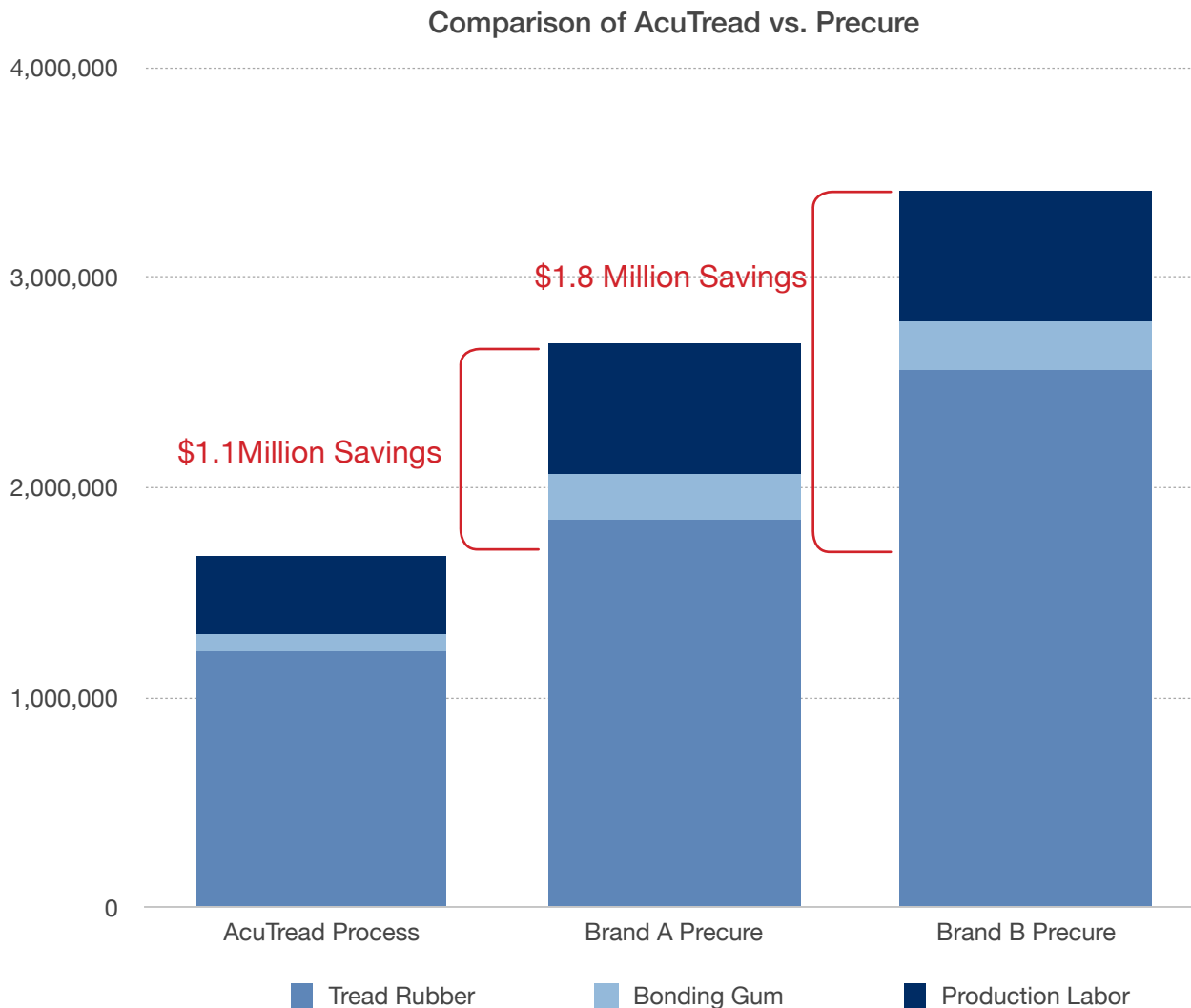
We are independent business people who realize the importance of adopting leading edge technology in operating a retread plant.

We are independent business people who realize the value of networking with peers to enhance the adoption of best industry practices.

Direct Savings

AcuTread® vs. Precure Material and Labor Savings

An estimate of the direct costs and savings based upon 25,000 tires is illustrated below. We encourage you to assess your costs and savings based upon your actual circumstances.



**Potential Savings of over
\$1.5 Million per Year!**



Indirect Savings



Premium Price

AcuTread® Process tires command a premium of \$15-\$20 per tire. This is an additional \$375,000 - \$500,000 in additional revenue per 25,000 tires produced.

Inventory Reduction

With the AcuTread® Process, only two inventory items are carried: strip and cushion rubber. Precure shops carry between 50 and 150 tread and cushion items, consisting of many rolls of each tread design and width.

Waste Reduction

There is no waste with AcuTread® Process rubber. Precure plants promote waste with unusable, expensive roll-ends.

Workers Compensation and Safety

Precure shops contend with physical pulling, stretching and straining in the tire building and envelope procedures. These labor intensive operations do not exist in the AcuTread® Process.

Worker Morale and Productivity

The AcuTread® Process shop is a clean and safe shop. Employees operate the machines and the machines do the work. The AcuTread® Process shop employs fewer and more competent workers.

Inventory Space

AcuTread® Process rubber occupies only a fraction of the floor space required to carry out precure tread rubber inventory. This leaves more floor space for money-making production.

Inventory Delivery

AcuTread® Process tread rubber can be scheduled for routine “just-in-time” shipments. This saves warehouse counting and stocking time and ordering time.

*Consult with your accountant or attorney for the many benefits related to depreciation, cash flow, tax savings and overhead reduction.

The AcuTread® Process

The AcuTread® Process is the precision remanufacturing of a new tread to a worn tire casing. The highly advanced system is the predominant method of retreading in Europe and Japan by leading new tire manufacturers. It is becoming widely used by many well-known trucking companies and new tire manufacturers in the United States.

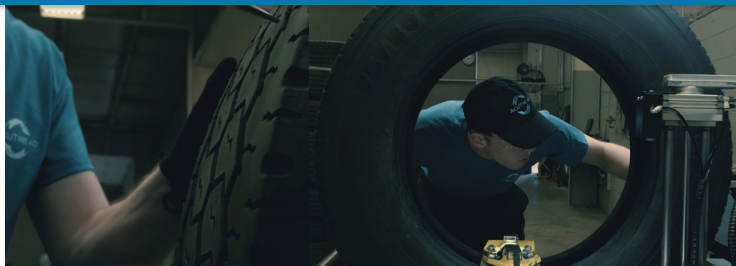


The key to quality in a production operation is keeping up with the latest equipment, continuous training programs and quality technicians. The clean, modern manufacturing environment and advanced training programs foster a culture of quality that makes the AcuTread® Process extremely successful, cost effective and conducive to attracting and retaining quality, long-term employees.

The AcuTread® Process

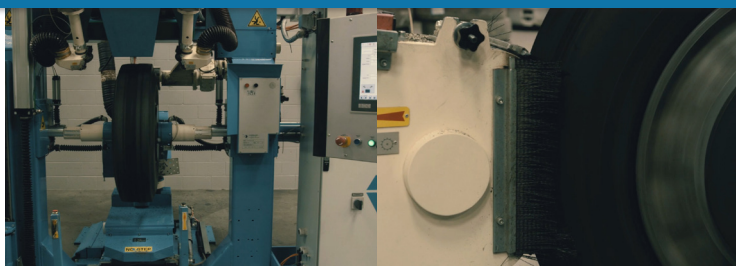
1. Professional Inspection

Trained AcuTread® Inspection Technicians look for specific tire conditions that either qualify or disqualify the casings. The casing is checked for micro-porosity and injuries; when detected, they are repaired using a 2-piece cured repair system.



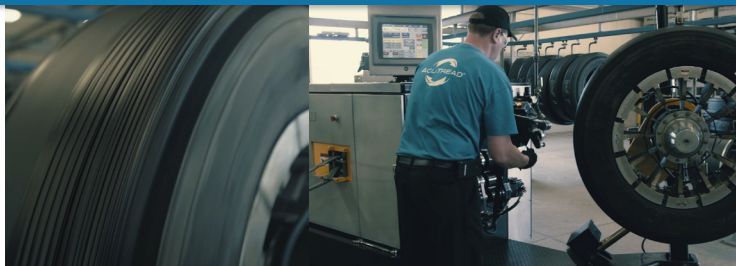
2. Computerized Buffing

AcuTread® Computerized Buffing is programmed to a specific radius, contour and diameter for each size and type of casing. The accuracy and precision of this machine provides a tolerance within 1/32" in diameter. This results in one of the most uniform and consistent finished products on the market today.



3. Precision Rubber Application

AcuTread® Precision Rubber Application uses a state-of-the-art computer controlled extruder that applies in a continuous splice-free strip. Matched tire diameters give you the benefit of even loading, smooth ride, even wear, lower cost per mile and improved fuel efficiency.



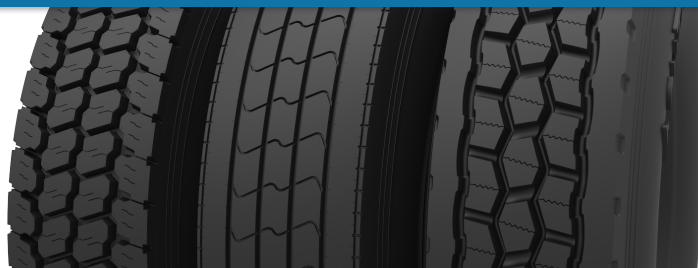
4. Tread Molding and Curing

AcuTread® Tread Molding and Curing Technology uses segmented curing presses with three heating zones to ensure minimal heat exposure to the casings while in process. AcuTread® Molding uses high internal air pressure which results in superior adhesion values.



5. Tracking and Reporting

AcuTread® Technology uses a computerized bar coding system to facilitate easy tracking and reporting for our customers. This technology gives our clients the peace of mind in knowing their same tires will always be given back to them.



Financial Investment

Start Up & Royalty Fees

There is a AcuTread® Process Start-Up fee for each new manufacturing location. The Initial Start-Up fee is due upon execution of a license agreement. A monthly royalty fee will be charged per pound of rubber used in consideration of the AcuTread® Manufacturing Partner License granted to the licensee. For these fees licensor shall:

- Define the manufacturing and distribution territory. This territory will be exclusive for each AcuTread® Licensee.
- Determine equipment needs of Licensee
- Review and recommend plant layout
- Develop equipment order with qualified vendors
- Develop mold order with qualified vendor
- Receive proprietary AcuTread® Process buff and build programs
- Receive proprietary AcuTread® mold and bead plate dimensions
- Receive proprietary AcuTread® tread molds and designs
- Provide five (5) days training at licensor facility for licensee's plant manager and up to three (3) other employees.
- Licensor will conduct a three (3) day visit to licensor's facility after equipment is installed to assist in transition to AcuTread® Process.
- Access to AcuTread® promotional literature
- Participation in and access to the AcuTread® website
- On-going consulting and troubleshooting advice via telephone, email, etc.
- Access to development of new AcuTread® mold designs

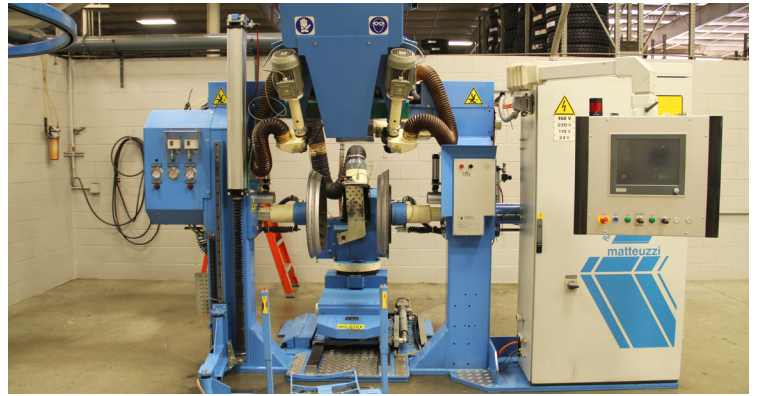
The terms and conditions of operating with the AcuTread® Process are defined in the AcuTread® Manufacturing Partner - License Agreement.



AcuTread® Equipment

Matteuzzi Buffer

A Matteuzzi buffer can support approximately 150 tires per shift. We will help you determine needs and considerations to be explored when considering more than one buffer. (Leasing options are available)



AZ Foreman Cushion Extruder

An AZ Foreman cushion rubber extruder can support up to 150 tires per shift. (Leasing options are available)



AcuTreader Tread Rubber Builder

The AcuTreader tread rubber builders are fully automatic and are leased to the dealer for the length of the license agreement. They can support up to 150 tires per shift.



Cima Press

A Cima press can produce one tire in approximately one hour. We will assist you in determining the optimal number of presses to meet your needs. As your business grows, more presses can be added. (Leasing options are available)



AcuTread® Equipment

Mold Designs

Molds are 6 piece segmented molds. We will work with you to determine your requirements for mold designs and mold sizes. Consideration will be given to number of presses and change over time.



Ancillary Equipment

Most other manufacturing equipment from an existing precure shop may meet AcuTread® Process requirements. This includes initial inspection stations, NDT workstation, repair stations, pneumatic lifting equipment, final inspection equipment, tire painter, etc.



Tracking and Reporting (optional)

AcuTread® Technology uses a computerized bar coding system to facilitate easy tracking and reporting for our customers. This technology gives our clients the peace of mind in knowing their same tires will always be given back to them.



Approved Rubber Compounds and Prices

Only rubber compounds developed and approved by the AcuTread® Alliance Group may be used in AcuTread® Process tires. Licensee is required to purchase rubber directly from an AcuTread® Alliance Group approved supplier at current prices. Due to market condition this price can change at times.



Professional Training

On-Site Training

Prior to obtaining an AcuTread® Process license and committing to AcuTread® Process equipment purchases, we strongly recommend that the prospective licensee make a site visit to an operating AcuTread® Process plant. The visit will:

- Show the candidate each operation in close detail
- Enable the candidate to examine operation machinery
- Help the candidate envision orderly, efficient plant layout
- Help understand the importance of proper shop-floor reporting
- Interact with equipment operators and get their opinions on morale and safety
- Discuss any related concerns with management

Upon becoming an AcuTread® Process licensee, the licensee's plant manager and up to three (3) key employees must visit a licensor's plant for one week of training on the proper operation of AcuTread® Process equipment. At this time:

- Each attendee will spend as much time as necessary to master each piece of equipment and learn proper operating and manufacturing procedures.
- The licensee will be provided with an AcuTread® Process Operating Manual.

The licensee is responsible for all travel and lodging expenses. The licensor shall provide all training.

Off-Site Training

Upon installation of licensee's equipment, licensor shall visit licensee's plant for three (3) days to assist licensee in becoming fully operational and help insure a smooth transition to the AcuTread® Process. Assistance in excess of three (3) days is available at a rate of \$800 per day plus actual travel and lodging expenses.



Checklist & Timeline

- Conduct preliminary visit to licensor facility to observe the AcuTread® Process.
- Applicant will provide last 2 years CPA reviewed financial statements, current internal financial statement and credit references.
- Day 1 - Submit executed Alliance Group Agreement and payment to licensor.
- Day 30 - Finalize equipment order and plant layout.
- Day 150 - Manager and key employees undergo training with licensor.
- Day 175 - Receive and install AcuTread® Process equipment.
- Day 190 - Licensor startup visit to licensee plant.
- Day 193 - Licensee begins profitable AcuTread® Process manufacturing.

*This time line can be shortened if new or reconditioned equipment is available for immediate shipment.



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