



Hawkinson Franchise:
The Best Way to Roll





Extra Traction in a Competitive Industry

Hawkinson remanufactured tires go the extra mile. They'll also help you take your business miles ahead of the competition.

There has never been a better time to get into tire remanufacturing. As businesses and consumers look for ways to get every last drop of value out of every vehicle and component, you can help them stretch their dollars while putting more into your own pocket with Hawkinson.

Hawkinson is a partner that will go the extra mile for your business, and our remanufacturing method is tried and true. Our company, which was founded in 1931, pioneered the revolutionary Hawkinson system for retreading tires. This band-type mold system is still the most effective and least expensive method for producing seamless retreads that last. With Hawkinson retreads, your customers will be rolling miles beyond competitors that run on pre-cured retreads. And, as one of our franchisees, we'll protect your territory so you have less competition and a higher operating margin.

Let's hit the road together.

Hawkinson Advantages

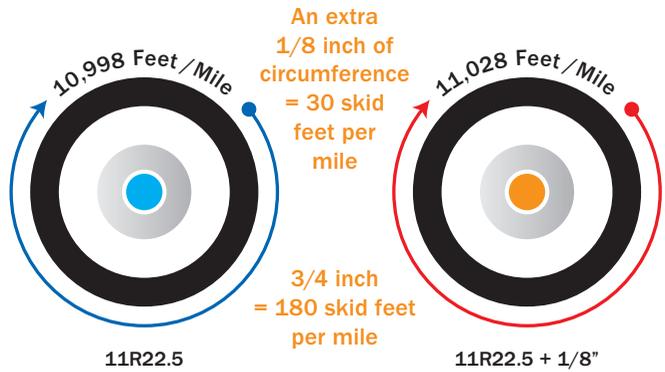
Hawkinson vs. Pre-Cure

Of all retreading processes, the Hawkinson system is the most similar to what original equipment manufacturers use to make new tires. And when it comes to remanufacturing, there really is no comparison between the Hawkinson method and pre-cure. Overall, you'll have lower up-front and operating costs with higher profit potential, and your customers will get a higher quality product that minimizes failures and lasts longer. And when your customers are happy, all roads will lead back to your business.

Pre-Cure Method	Hawkinson Method	Benefits
Pre-cured rubber ends are joined by a process called stitching so there is high potential for a mismatched seam (splice)	A seamless solution that results in a tread that is perfectly aligned around the entire circumference of the tire	<ul style="list-style-type: none"> • No mismatched seams (splices) • Eliminates uneven wear on individual tires • Fewer failures on the road
Since no two casings are exactly alike, process can result in mismatched tires on the same axle	Consistent application results in perfectly mated tires every time	<ul style="list-style-type: none"> • Eliminates skid wear on duals • Improves fuel efficiency
Pre-cured rubber is glued to the casing with cushion gum	Live rubber is infused directly to the casing	<ul style="list-style-type: none"> • Strongest possible bond • Fewer variables (cementing, stapling), less chance for errors • Fewer materials to inventory (gum, staples, excess rubber) • No rubber waste • Less overall cost to you
Can result in an incorrect tread arc radius	Tread shoulders are built up slightly so correct tread arc radius is consistently attained	<ul style="list-style-type: none"> • Eliminates premature wear in the center of the tire
High heat is applied to the entire tire, including sidewalls and beads, during curing	High heat is applied only to the crown of the tire	<ul style="list-style-type: none"> • No oxidation acceleration • More retreads per casing • No weakening of beads, belts, wires or sidewalls
Large rubber inventory necessary	Same rubber works for all sizes and tread patterns	<ul style="list-style-type: none"> • Lower inventory costs • Less waste of shop space
Pre-cured treads cost an average of \$1.55/pound	Live rubber costs \$1.15/pound	<ul style="list-style-type: none"> • Lower input costs • Better ROI
Equipment intensive process	Fewer pieces of equipment necessary	<ul style="list-style-type: none"> • Lower capital costs • Faster recoup of investment
Requires 3½ hours of curing	Curing takes only 50 minutes to 1½ hours	<ul style="list-style-type: none"> • Minimizes damage to the casing • More tires completed per shift
Treads that are too long or short are stretched or forced into position	The exact amount of rubber necessary is molded to the casing	<ul style="list-style-type: none"> • Eliminates heavy or light spots that cause excessive heat or tread waves • Retreads have the lowest possible rolling resistance • Eliminates rubber waste

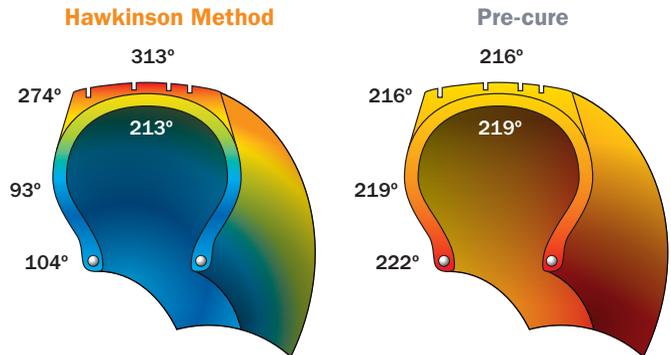
Stop the Skid

With one small step that takes only about 60 seconds – measuring and buffing the tire to exacting standards – you’ll be able to count on repeat business. With that one extra minute, you can guarantee perfectly match-mated duals that roll together and eliminate skid wear. Retread shops that use the pre-cure method simply cannot match the precision. When your customers’ drivers don’t have to drag a tire down the road, and when they consistently save on tire costs, they’ll be back for more.



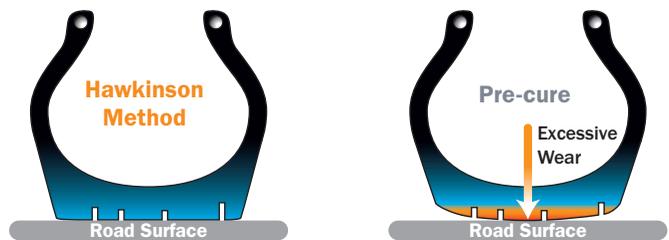
The Heat is Off

Heat damages tire sidewalls and casings. With Hawkinson, high heat is applied only to the crown of the tire and for a third or less of the time required for the pre-cure method.



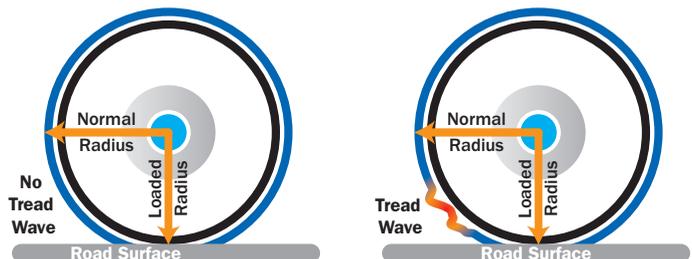
Flat Out the Best Process

A retread with an incorrect tread arc radius wears prematurely in the center and reduces mileage. The Hawkinson method ensures correct tread arc radius so the full face of the tread is in contact with the road at all times.



Goodbye Tread Wave

Tread wave is never an issue with the Hawkinson method because only the exact amount of rubber necessary is melded to the casing. Pre-cured treads can be too long or too short, so they are stretched or forced into position. The resulting heavy or light spots cause excessive heat and tread wave.



Hawkinson by the Numbers

The Quick Math

The savings of the Hawkinson method over pre-cure isn't just chump change. It takes 28 pounds of rubber to make a retread. With a volume of 40 tires a day, that's nearly 300,000 pounds of rubber a year. If you save 50 cents a pound with the Hawkinson method, that's another \$150,000 in your pocket. If you save \$1.00 a pound, that's \$300,000.

The Details

Capital Equipment

This is where Hawkinson can really help you start and finish ahead of the competition. Every retread shop needs equipment such as NDTs, buffers, tire repair stations, compressors, monorails, boilers, painters, tire lifts and hoists. With the Hawkinson system, your additional capital expense will be \$41,500-\$60,000 less than what your pre-cure competitors must invest.

Pre-cure		
Equipment Costs	Low	High
Chamber	\$75,000	
Builder	\$36,500	\$85,000
AZ Extruder	\$120,000	
Total—Pre-cure	\$231,500	\$280,000
Hawkinson Savings	\$41,500	\$60,000

Hawkinson		
Equipment Costs	Low	High
Molds/Tables/Rims	\$130,000	\$160,000
Orbitread	\$60,000	
Total—Hawkinson	\$190,000	\$220,000

*Does not include building expenses (rent, electric, gas, etc.).
Illustrates new equipment costs for a volume of 40 tires per day.*

Inventory & Waste

Like all business owners, you know less inventory means more dollars in your pocket. With the Hawkinson method, you won't be paying for cushion gum, staples and the rubber wasted at the end of every roll of tread. You'll also avoid the loss pre-cure operators incur when they are forced to dispose of tread that's beyond its shelf life.

Weekly Pre-cure Inventory	
Rubber	\$80,000
Cushion Gum	\$1,800
Staples	\$100
Envelopes	\$1,000
Total	\$82,900

Weekly Hawkinson Inventory	
Rubber	\$11,000
Tubes	\$100
Total	\$11,100

Weekly Pre-cure Waste	
Rubber Waste	\$930
Expired Treads	6-month shelf life...

Weekly Hawkinson Waste	
Rubber Waste	Negligible
Expired Treads	Not Applicable

The Bottom Lines

With every tire, every shift, every month, year after year, the savings all add up.

Revenue Per Tire

Compare Costs for a 275R24.10 (Based on Costs as of 1/15/08)

System	Hawkinson H78	Pre-cure System 1 Traction	Pre-cure System 2 Traction
Processing Cost	\$35.00	\$35.00	\$35.00
Rubber (28 lbs.)	\$32.20 (1.15/lb)	\$74.20 (2.65/lb)	\$43.40 (1.55/lb)
Cushion Gum	\$0.00	\$9.60	\$6.15
Scrap Factor	n/a	\$3.71 (5%)	\$2.17 (5%)
Total Cost Per Tire	\$67.20	\$122.51	\$86.72
Cost Difference	n/a	\$55.31	\$19.52
Sale Price Per Tire	\$100.00	\$100.00	\$100.00
Profit Per Tire	\$32.80	-22.51	\$13.28

Annual Income Example

Hawkinson System	40 tires/day	x 21 days/month	x 12 months	= 10,080 tires
	10,080 tires	x \$32.80 profit		= \$330,624 profit
	Capital equipment	20-year write off	\$360,000/20	= \$18,000/year
	Annual Gross Profit = \$312,624			
Pre-cure System 2	40 tires/day	x 21 days/month	x 12 months	= 10,080 tires
	10,080 tires	x \$13.28 profit		= \$133,862.40 profit
	Capital equipment	20-year write off	\$400,000/20	= \$20,000/year
	Annual Gross Profit = \$113,862.40			

Let's Roll

From your shop to the road and back, Hawkinson is a seamless retread solution. For more information about starting a Hawkinson franchise, please contact Calvin Sperr at 1.763.424.5098.





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