

Dear A

Tuesday

In this letter I intend to try and summarise what I learnt from you yesterday both about the structure of your group of companies and about the process (the "c" in the middle of "process" is pronounced like an "s", not like the Italian "c" in a name like "Cecilia" In English we pronounce "cecilia = sesilia".) involved in producing the strip material used for re-treading tyres.

I will also put in questions here and there when there are things I don't understand or don't remember.

CM MANZONI was founded by your father, C

Q 1 What was it that inspired him to found the company?

Q2. What was his intellectual-technical background?

This company which, nowadays has about 60 employees, was run by your father until 1986 ~~when he~~ bought VIG *in 1986*

Q 3 Did CM have more employees back in the 60's and 70's? I ask this because I guess the work in those days was maybe more labour-intensive? But maybe production at that time was lower than it is today?

Since ~~1986~~ CM has bought up ITG, MRC and, on Sept 10th last year, Ever Compounds. I remember that one of these, possibly ~~MRC~~, was located in Lucca and that you moved it to the Parent Company town of Ravenna. Have I remembered correctly? If not, please put me right.

You mentioned that your businesses are only marginally affected by labour costs. These are as low as 5%. However, the cost of the raw materials is a central one that needs careful watching.

Q 4: Which of these raw materials are the most costly: carbon black, crude oil, natural rubber, synthetic rubber or the chemical agent?

Q 5 How wide is the supplier market for these materials and do you face any cartel or price fixing situations? What can you do about them?

Q 6 What methods have you tried to keep the prices of your raw materials from shooting through the roof?

And now let me ask you some questions about the type of technical work done in your ITG plant.

Q 7: In what order do these processes take place:

Curing

Rasping

Cementing

tread applicator

Inspection

envelope fitting

Inspection

Final Inspection

It is interesting that, having studied law, you are now the managing director of this group of medium sized plants.

Q 8: How did you make the transition from your law studies to your present job?  
What stages did you go through?

Q.9. How much is your business affected by emerging European laws, especially Article 28, which, I believe, has to do with the free movement of goods within the EU ( or EEC, as it was before). Doesn't article 28 of the Treaty of Rome, ban the imposition of import taxes and any other measures that have the same effect for example the Cassis de Dijon case, heard by the European Court of Justice in the mid -80's.

Please check you have understood everything in this letter.

Ask me about anything that is unclear.

Finally please had a go at answering my questions.

Warmly yours,

Mario