

Cooper Tire & Rubber Company  
Consolidated Statements of Income

(Dollar amounts in thousands except per share amounts)

	Quarter Ended December 31		Year Ended December 31	
	2013	2014	2013	2014
Net sales	\$ 861,007	\$ 819,584	\$ 3,439,233	\$ 3,424,809
Cost of products sold	750,298	699,241	2,923,042	2,852,051
Gross profit	<u>110,709</u>	<u>120,343</u>	<u>516,191</u>	<u>572,758</u>
Selling, general and administrative	63,733	66,760	275,477	272,300
Operating profit	<u>46,976</u>	<u>53,583</u>	<u>240,714</u>	<u>300,458</u>
Interest expense	(6,890)	(7,178)	(27,906)	(28,138)
Interest income	103	412	810	1,500
Gain on sale of interest in subsidiary	-	77,471	-	77,471
Other - expense	(60)	(1,985)	(647)	(2,772)
Income before income taxes	<u>40,129</u>	<u>122,303</u>	<u>212,971</u>	<u>348,519</u>
Income tax expense	<u>14,302</u>	<u>36,604</u>	<u>79,406</u>	<u>111,697</u>
Net income	25,827	85,699	133,565	236,822
Net income attributable to noncontrolling shareholders' interests	<u>6,212</u>	<u>3,436</u>	<u>22,552</u>	<u>23,244</u>
Net income attributable to Cooper Tire & Rubber Company	<u>\$ 19,615</u>	<u>\$ 82,263</u>	<u>\$ 111,013</u>	<u>\$ 213,578</u>
Basic earnings per share:				
Net income attributable to Cooper Tire & Rubber Company common stockholders	\$ 0.31	\$ 1.42	\$ 1.75	\$ 3.48
Diluted earnings per share:				
Net income attributable to Cooper Tire & Rubber Company common stockholders	\$ 0.31	\$ 1.39	\$ 1.73	\$ 3.42
Weighted average shares outstanding (000s):				
Basic	63,372	58,132	63,327	61,402
Diluted	64,294	59,219	64,282	62,401
Segment information				
Net sales				
Americas Tire	\$ 628,082	\$ 688,818	\$ 2,486,586	\$ 2,585,484
International Tire	282,778	190,645	1,241,529	1,140,826
Eliminations	(49,853)	(59,879)	(288,882)	(301,501)
Segment profit (loss)				
Americas Tire	\$ 34,858	\$ 65,757	\$ 204,239	\$ 274,837
International Tire	21,668	2,172	83,990	74,566
Eliminations	471	2,361	3,371	(15)
Unallocated corporate charges	(10,021)	(16,707)	(50,886)	(48,930)

Cooper Tire & Rubber Company  
Consolidated Balance Sheets

(Dollar amounts in thousands)

	December 31	
	2013	2014
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 397,731	\$ 551,652
Notes receivable	86,965	4,546
Accounts receivable	360,405	368,393
Inventories	517,175	421,851
Other current assets	92,514	81,110
Total current assets	1,454,790	1,427,552
Net property, plant and equipment	974,269	740,203
Goodwill	18,851	18,851
Restricted cash	2,759	653
Deferred income taxes	111,644	148,183
Intangibles and other assets	175,834	154,489
	\$ 2,738,147	\$ 2,489,931
<u>Liabilities and Equity</u>		
Current liabilities:		
Notes payable	\$ 22,105	\$ 64,551
Accounts payable and accrued liabilities	513,512	442,705
Income taxes	11,098	1,994
Current portion of long-term debt	17,868	2,115
Total current liabilities	564,583	511,365
Long-term debt	320,959	298,931
Postretirement benefits other than pensions	238,653	264,305
Pension benefits	291,808	373,360
Other long-term liabilities	157,918	152,775
Deferred income tax liabilities	6,601	4,934
Total parent stockholders' equity	990,866	843,792
Noncontrolling shareholder interest in consolidated subsidiary	166,759	40,469
	\$ 2,738,147	\$ 2,489,931

Cooper Tire & Rubber Company  
Consolidated Statements of Cash Flows

(Dollar amounts in thousands)

	Year Ended	
	December 31	
	<u>2013</u>	<u>2014</u>
Operating activities		
Net income	\$ 133,565	\$ 236,822
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	134,751	139,166
Deferred income taxes	34,029	3,629
Stock-based compensation	6,973	9,047
Change in LIFO inventory reserve	(11,411)	(35,205)
Amortization of unrecognized postretirement benefits	52,283	35,907
Gain on sale of interest in subsidiary, net of tax	-	(55,704)
Changes in operating assets and liabilities:		
Accounts and notes receivable	25,361	(64,636)
Inventories	62,620	(524)
Other current assets	(28,851)	(2,162)
Accounts payable	(81,603)	67,734
Accrued liabilities	4,639	25,943
Other items	(59,981)	(40,933)
Net cash provided by operating activities	<u>272,375</u>	<u>319,084</u>
Investing activities:		
Additions to property, plant and equipment and capitalized software	(180,448)	(145,041)
Proceeds from sale of interest in subsidiary, net of cash sold	-	170,711
Proceeds from the sale of assets	723	1,248
Net cash used in investing activities	<u>(179,725)</u>	<u>26,918</u>
Financing activities:		
Net issuance of (payments on) short-term debt	(11,915)	55,447
Additions to long-term debt	24,527	15,634
Repayments on long-term debt	(24,162)	(35,715)
Repurchase of common stock	-	(200,000)
Payment of dividends to noncontrolling shareholders	(9,790)	(7,813)
Payment of dividends to Cooper Tire & Rubber Company shareholders	(26,604)	(25,538)
Issuance of common shares and excess tax benefits on options	1,438	3,230
Net cash used in financing activities	<u>(46,506)</u>	<u>(194,755)</u>
Effects of exchange rate changes on cash	<u>(230)</u>	<u>2,674</u>
Changes in cash and cash equivalents	45,914	153,921
Cash and cash equivalents at beginning of year	<u>351,817</u>	<u>397,731</u>
Cash and cash equivalents at end of year	<u>\$ 397,731</u>	<u>\$ 551,652</u>