

Cooper Tire & Rubber Company  
Consolidated Statements of Income  
(Unaudited)

(Dollar amounts in thousands except per share amounts)

|   | Three Months Ended |                  | Six Months Ended |                   |
|---|--------------------|------------------|------------------|-------------------|
|   | June 30,           |                  | June 30,         |                   |
|   | 2014               | 2015             | 2014             | 2015              |
| Net sales   | \$ 888,685         | \$ 751,781       | \$ 1,685,143     | \$ 1,414,987      |
| Cost of products sold   | <u>740,816</u>     | <u>592,089</u>   | <u>1,389,932</u> | <u>1,123,340</u>  |
| Gross profit  | 147,869            | 159,692          | 295,211          | 291,647           |
| Selling, general and administrative   | <u>71,280</u>      | <u>60,264</u>    | <u>137,711</u>   | <u>121,865</u>    |
| Operating profit  | 76,589             | 99,428           | 157,500          | 169,782           |
| Interest expense  | (6,792)            | (6,240)          | (13,910)         | (12,597)          |
| Interest income   | 270                | 514              | 783              | 1,075             |
| Other income  | <u>477</u>         | <u>1,592</u>     | <u>466</u>       | <u>1,672</u>      |
| Income before income taxes  | 70,544             | 95,294           | 144,839          | 159,932           |
| Provision for Income taxes  | <u>25,786</u>      | <u>34,818</u>    | <u>48,353</u>    | <u>57,294</u>     |
| Net income  | 44,758             | 60,476           | 96,486           | 102,638           |
| Net income attributable to noncontrolling shareholders' interests           | <u>6,576</u>       | <u>894</u>       | <u>12,870</u>    | <u>2,295</u>      |
| Net income attributable to Cooper Tire & Rubber Company                     | <u>\$ 38,182</u>   | <u>\$ 59,582</u> | <u>\$ 83,616</u> | <u>\$ 100,343</u> |
| Basic earnings per share:   |                    |                  |                  |                   |
| Net income attributable to Cooper Tire & Rubber Company common stockholders | \$ 0.60            | \$ 1.04          | \$ 1.32          | \$ 1.74           |
| Diluted earnings per share:   |                    |                  |                  |                   |
| Net income attributable to Cooper Tire & Rubber Company common stockholders | \$ 0.59            | \$ 1.03          | \$ 1.30          | \$ 1.72           |
| Weighted average shares outstanding (000s):                                 |                    |                  |                  |                   |
| Basic   | 63,537             | 57,244           | 63,468           | 57,658            |
| Diluted   | 64,481             | 57,778           | 64,410           | 58,291            |
| Segment information:  |                    |                  |                  |                   |
| Net sales   |                    |                  |                  |                   |
| Americas Tire   | \$ 639,234         | \$ 673,016       | \$ 1,202,728     | \$ 1,271,530      |
| International Tire  | 326,820            | 124,851          | 636,766          | 231,953           |
| Eliminations  | (77,369)           | (46,086)         | (154,351)        | (88,496)          |
| Segment profit (loss)   |                    |                  |                  |                   |
| Americas Tire   | \$ 64,833          | \$ 108,566       | \$ 133,462       | \$ 198,564        |
| International Tire  | 26,459             | (3,633)          | 49,607           | (6,426)           |
| Unallocated corporate charges   | (13,063)           | (5,782)          | (24,311)         | (24,668)          |
| Eliminations  | (1,640)            | 277              | (1,258)          | 2,312             |

Cooper Tire & Rubber Company  
Consolidated Balance Sheets  
(Unaudited)

(Dollar amounts in thousands)

|  | June 30,     |              |
|--|--------------|--------------|
|  | 2014         | 2015         |
| <u>Assets</u>  |              |              |
| Current assets:  |              |              |
| Cash and cash equivalents                                      | \$ 326,636   | \$ 408,057   |
| Notes receivable   | 83,241       | 10,658       |
| Accounts receivable  | 496,933      | 400,278      |
| Inventories  | 641,593      | 489,076      |
| Other current assets   | 86,994       | 89,922       |
| Total current assets   | 1,635,397    | 1,397,991    |
| Net property, plant and equipment                              | 977,459      | 767,618      |
| Goodwill   | 18,851       | 18,851       |
| Intangibles  | 154,625      | 136,800      |
| Restricted cash  | 1,016        | 660          |
| Deferred income tax assets                                     | 106,388      | 139,620      |
| Other assets   | 16,170       | 17,074       |
|  | \$ 2,909,906 | \$ 2,478,614 |
| <u>Liabilities and Equity</u>                                  |              |              |
| Current liabilities:   |              |              |
| Notes payable  | \$ 24,478    | \$ 15,049    |
| Accounts payable   | 367,826      | 236,939      |
| Accrued liabilities  | 240,142      | 197,026      |
| Income taxes payable   | 10,568       | 13,584       |
| Current portion of long-term debt                              | 15,671       | 1,791        |
| Total current liabilities                                      | 658,685      | 464,389      |
| Long-term debt   | 326,188      | 297,547      |
| Postretirement benefits other than pensions                    | 239,257      | 263,770      |
| Pension benefits   | 277,586      | 353,729      |
| Other long-term liabilities                                    | 151,178      | 148,505      |
| Deferred income tax liabilities                                | 6,341        | 4,059        |
| Redeemable noncontrolling shareholder interest                 | 162,195      | -            |
| Total parent stockholders' equity                              | 1,046,300    | 905,503      |
| Noncontrolling shareholder interest in consolidated subsidiary | 42,176       | 41,112       |
|  | \$ 2,909,906 | \$ 2,478,614 |

Cooper Tire & Rubber Company  
Consolidated Statements of Cash Flows  
(Unaudited)

(Dollar amounts in thousands)

|   | Six Months Ended  |                   |
|---|-------------------|-------------------|
|   | March 31,         |                   |
|   | <u>2014</u>       | <u>2015</u>       |
| Operating activities  |                   |                   |
| Net income  | \$ 96,486         | \$ 102,638        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                   |                   |
| Depreciation and amortization   | 69,767            | 59,457            |
| Deferred income taxes   | 1,883             | 2,718             |
| Stock-based compensation  | 3,612             | 8,674             |
| Change in LIFO inventory reserve  | (35,062)          | (51,512)          |
| Amortization of unrecognized postretirement benefits                              | 18,008            | 23,074            |
| Changes in operating assets and liabilities:                                      |                   |                   |
| Accounts and notes receivable   | (134,799)         | (38,195)          |
| Inventories   | (89,116)          | (18,131)          |
| Other current assets  | (3,493)           | (10,087)          |
| Accounts payable  | 66,072            | (20,358)          |
| Accrued liabilities   | 24,973            | 17,952            |
| Other items   | (8,410)           | (29,356)          |
| Net cash provided by operating activities   | <u>9,921</u>      | <u>46,874</u>     |
| Investing activities:   |                   |                   |
| Additions to property, plant and equipment  | (76,132)          | (88,598)          |
| Proceeds from the sale of assets  | 380               | 1,555             |
| Net cash used in investing activities   | <u>(75,752)</u>   | <u>(87,043)</u>   |
| Financing activities:   |                   |                   |
| Net issuances of (payments on) short-term debt                                    | 3,003             | (43,554)          |
| Additions to long-term debt   | 15,634            | -                 |
| Repayments of long-term debt  | (12,603)          | (1,708)           |
| Payment of financing fees   | -                 | (2,586)           |
| Repurchase of common stock  | -                 | (60,046)          |
| Payment of dividends to noncontrolling shareholders                               | (2,570)           | -                 |
| Payment of dividends to Cooper Tire & Rubber Company shareholders                 | (13,332)          | (12,050)          |
| Issuance of common shares and excess tax benefits on options                      | 2,387             | 17,441            |
| Net cash used in financing activities   | <u>(7,481)</u>    | <u>(102,503)</u>  |
| Effects of exchange rate changes on cash  | <u>2,217</u>      | <u>(923)</u>      |
| Changes in cash and cash equivalents  | (71,095)          | (143,595)         |
| Cash and cash equivalents at beginning of period                                  | <u>397,731</u>    | <u>551,652</u>    |
| Cash and cash equivalents at end of period  | <u>\$ 326,636</u> | <u>\$ 408,057</u> |