

To our shareholders:

2006 was a year of tremendous challenge and change for Cooper Tire & Rubber Company. Challenges from general industry conditions as well as some challenges of our own making led to less than acceptable financial results, particularly in the first three quarters of the year. However, the changes we put in place, in response to these market challenges and through the implementation of our strategic plans, are already beginning to generate positive results. In addition, while raw material prices remain near all-time highs, we began to see some improvement in the trends for raw material prices late in the year. These positive changes of direction are starting to be reflected in many of the measures we use to manage our business as well as in the price of Cooper stock, which we believe is an indication that we have begun to turn the company around and we are headed in the right direction.

Throughout the year we faced some of the most difficult market conditions that we have ever encountered. Raw material prices continued escalating relentlessly as natural rubber and many petroleum based products hit all-time record high price levels. Replacement tire demand in North America was far weaker than anticipated, with shipments from manufacturers down more than 7 percent in the first 6 months and over 5 percent for the full year. This was the single greatest year-over-year decline in demand in the past quarter century, surpassing even the weak demand that occurred in the recessionary period of 2001 following the 9/11 tragedy.

In the first half of the year, these conditions, along with some of our own optimistic sales forecasts, drove higher production costs, rapidly expanding finished goods inventory, a higher than expected rate of cash consumption, and the need to significantly curtail production in our plants. Disappointing financial performance was the inevitable result requiring immediate action and change to improve our future financial results.

In the second half of the year our management team developed a plan to dramatically cut costs, reduce complexity and improve efficiency within our operations. The goals were established to deliver a combined \$170 million in cost reductions and profit improvements through a wide range of projects touching every aspect of our business. The entire Cooper team stepped up to the challenge, providing enthusiastic support for the plan, and implementation began almost immediately. The combined cost cutting and profit improvement initiatives quickly began to show early results. With that initial success, the demeanor and attitude of our people changed and once again began to reflect that positive, can-do winning spirit that has been a hallmark of Cooper Tire & Rubber Company in the past.



### Changes that drive results

Though it is still early, the implementation of some of our initiatives have already driven improvements in various measures and in our results overall.

In our North American Tire Operations, sales increased steadily throughout the year and sales per employee improved by 27 percent from the first quarter to the fourth driven by our cost reduction and profit improvement initiatives. Production per employee was also up by nearly 7 percent and our operating margins improved from negative 1 percent in the first quarter to 6 percent in the fourth.

For the entire company, we were successful in reducing SG&A expenses as a percent of sales from 8.0 percent in the first quarter to 5.7 percent in the fourth quarter. Operating profit for the Company increased to \$28 million in the fourth quarter following operating losses in two of the first three quarters of the year. Our initiative to reduce and control inventory was implemented beginning in August and resulted in a reduction of 2.5 million tires in inventory in the second half of the year. This contributed to the dramatic improvement in cash generation in the second half of the year, which culminated in the fourth quarter with \$177 million in cash generated by our operations.

Finally, as we defined our turn around plans in early September and gained the confidence of the investment community that we could execute these plans, we saw a dramatic turn around in our stock price. We thank you for that support and confidence.

### Long-term strategy

Through the difficult transition of 2006, Cooper has not lost sight of the strategic plans and initiatives that we believe will be critical for our long-term growth and success. We continued the implementation of our plans in Asia with the acquisition of 51 percent interest in Cooper Chengshan Tire Company and Cooper Chengshan Passenger Tire Company. Cooper Chengshan has operated successfully throughout the year and their results have been in line with our pre-acquisition expectations. We also completed the construction of our Cooper Kenda joint venture

production facility in Kunshan, China. Limited production began in this plant in early 2007. Together, we expect these operations to provide 15 to 20 percent of our total sales in 2007 and the low-cost output will improve our competitive position in the rapidly expanding Chinese market, as well as in North America and Europe.

#### **Key new products**

In 2006, Cooper gained market share in virtually every product category with the exception of winter tires. Although total market demand for broadline tires has been declining for the past several years, it remains the largest single replacement tire category in the U.S. market and for Cooper. Our new product introductions over the past few years have focused on the rapidly growing categories of high performance and ultra-high performance tires, which has been a critical step in meeting our customer requirements and maximizing sales growth opportunities. Having accomplished that, in 2007 we will introduce the Cooper CS4 line of premium broadline and touring tires. The CS4, with its technological advancements, will be perfectly suited for the largest segment of the replacement tire market. With this new product, we are confident that the broadline category of tires will again become a profitable area of growth and competitive advantage for Cooper.

#### **Looking ahead to 2007**

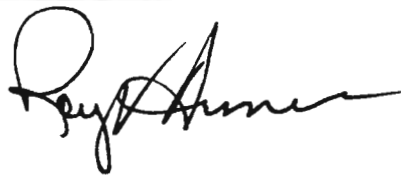
As we put the challenges of 2006 behind us, but keep the lessons learned from the year in our arsenal of management tools, here is what you should expect from Cooper in the coming years. We will continue to focus on improving our competitive cost structure. We recognize that the cost cutting measures in progress today will not be sufficient for the future, so we will aggressively pursue our lean initiatives, six sigma efforts and growth strategies in lower cost countries with renewed fervor. We will continue to reduce working capital requirements by increasing inventory turns. You can expect tighter control of capital spending. Our current plans are to keep CAPEX at or below depreciation in our mature markets while allowing

for some additional investments to take advantage of growth opportunities by expanding our Chinese operations. You can expect us to emphasize customer driven marketing that will also focus on more controlled, more profitable sales growth and more profitable product and customer mix. You can expect us to work diligently to reduce complexity in our manufacturing operations that hampers efficiency. Along with this, you can expect continuous improvement in our North American production facilities. Beyond North America, you can expect continuing improvements in our European operations and solid execution of our Asian expansion plans. Our strategy is sound and will provide us with tremendous opportunities when executed effectively.

Finally, you can expect continuation and improvement in our traditional focus on our customers. Our customer relationships have always been one of the keys to our success and they are becoming even more important as competition from low-cost tire importers intensifies. We can reassure our customers that Cooper is committed to their success and we will do what it takes to provide them with the greatest combined value in replacement tire products and service.

The Board of Directors and I are confident that we have implemented initiatives that will, when executed properly, dramatically improve our results in the near future. We believe we have the teams in place and the appropriate alignment throughout the organization to effectively execute our plans. We are optimistic and excited about our opportunities in 2007.

Thank you for your continued support.

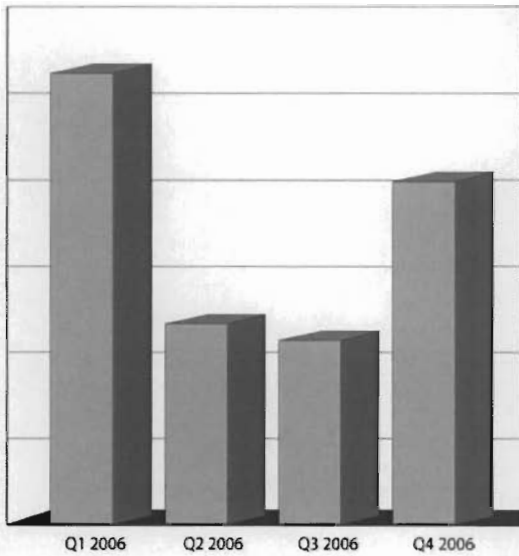


Roy V. Armes  
President and Chief Executive Officer

# Changes that drive results

## North American Segment Results

North American Operations Production per Employee

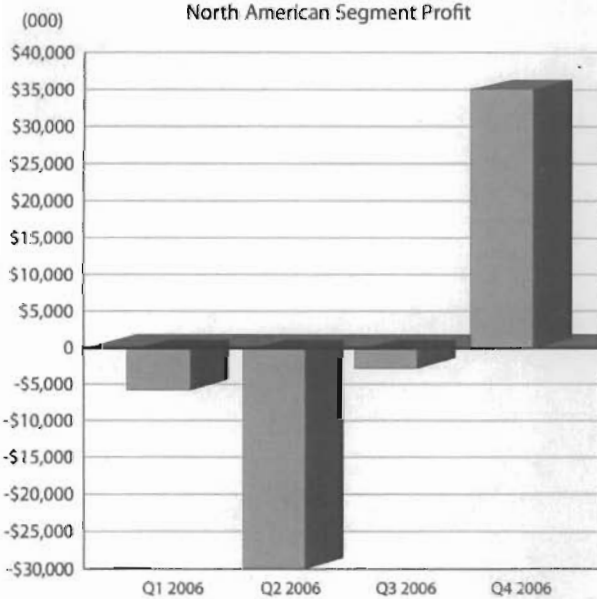


In the second half of 2006, Cooper implemented a series of strategic and operational plans and initiatives to improve performance.

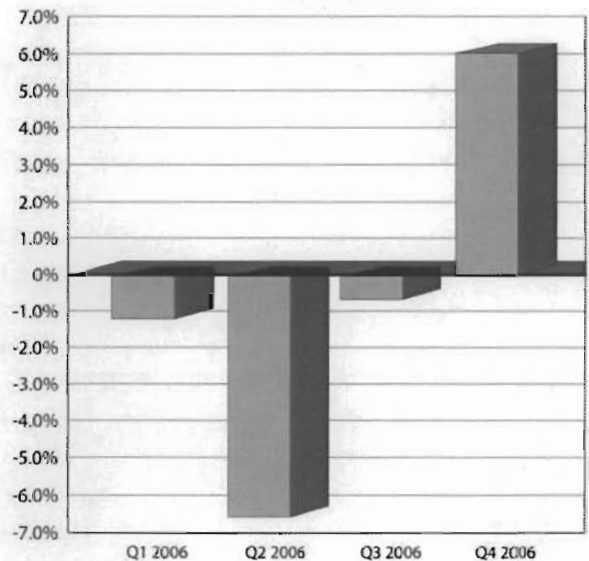
THE POSITIVE RESULTS OF THESE CHANGES WERE EVIDENT,

particularly in the fourth quarter of the year.

North American Segment Profit



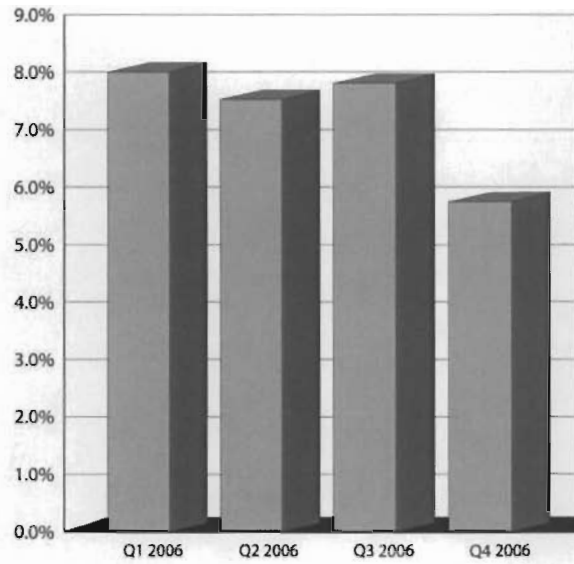
North American Operating Profit Margin



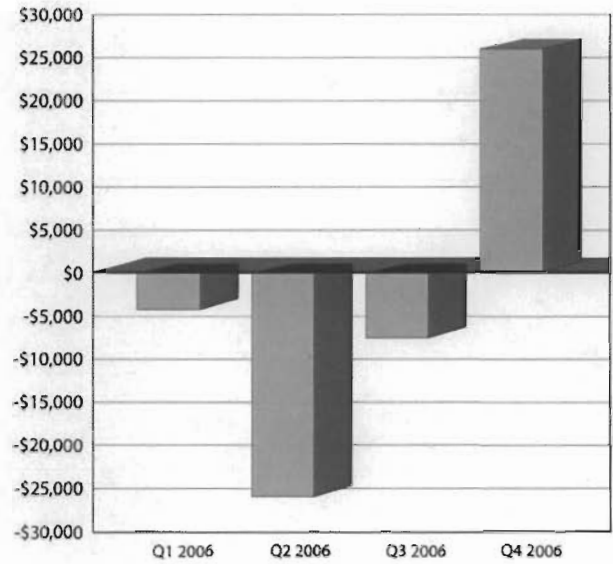
# Changes that drive results

## Total Company Results

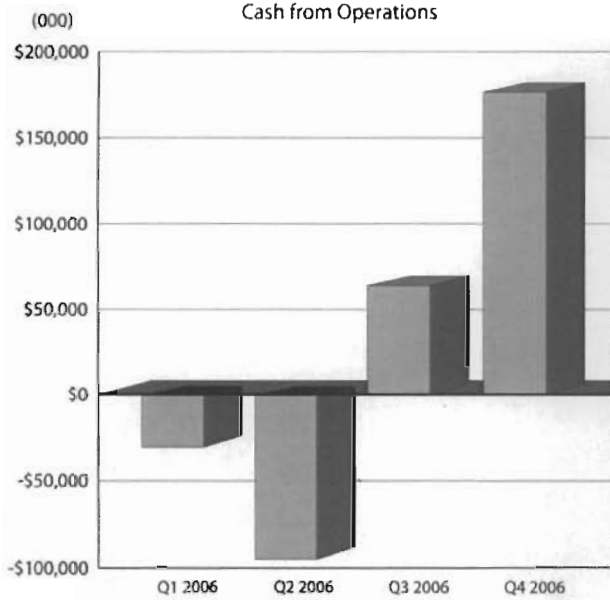
### SG&A as % of Sales



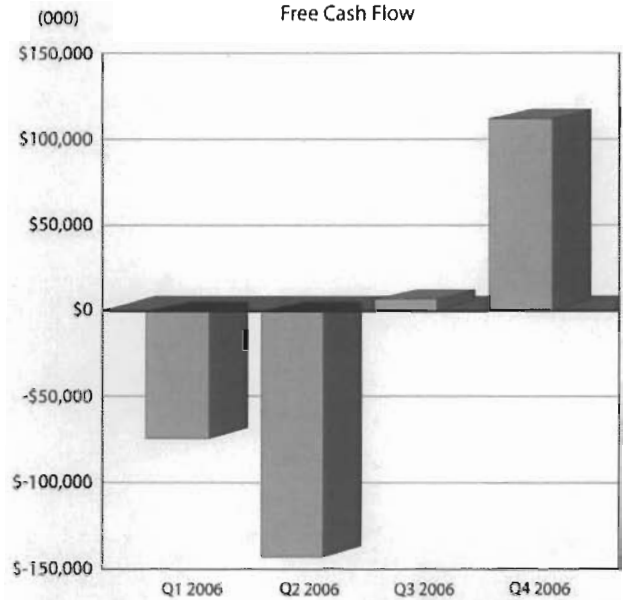
### Operating Profit



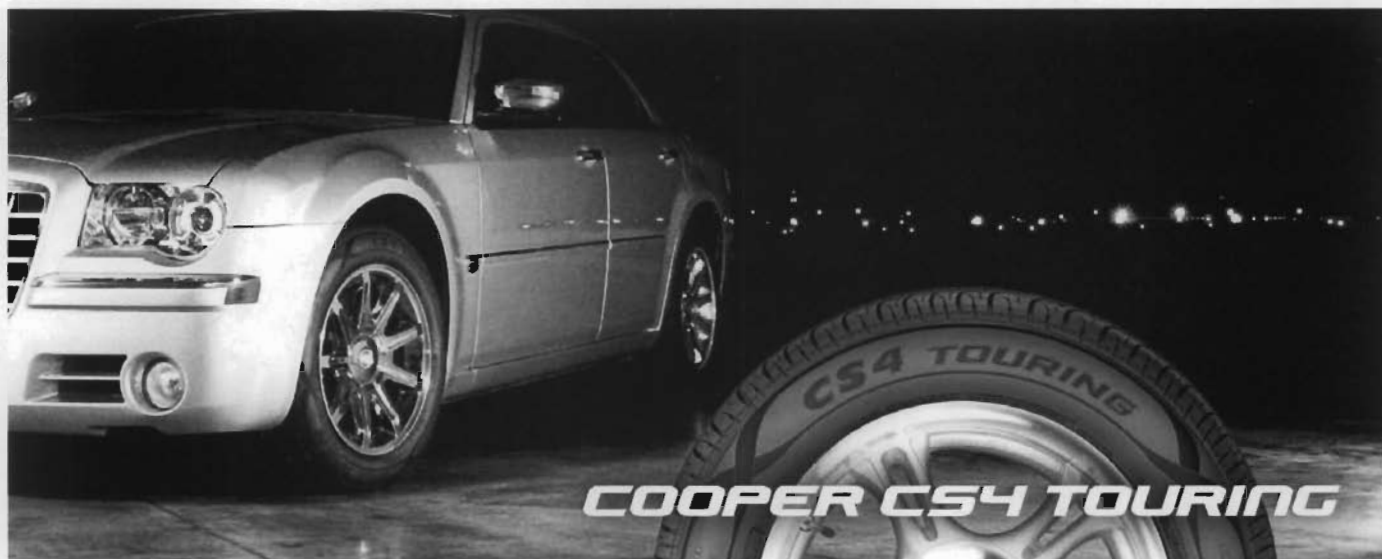
### Cash from Operations



### Free Cash Flow



Our Customer Relationships. Our Products.



**We take great pride in everything we build.**

Cooper customer service is considered the gold standard in the tire industry, and we're constantly re-setting the bar to higher levels. We care about what we do. Period. Our commitment to exceeding customer expectations has enabled us to build lasting relationships with some of the best distributors and dealers in the business. And that is what sets Cooper Tire apart from all others.

Cooper tires cover a wide range of the tire market, from ultra-high performance sports cars to SUVs and 4X4s, vans and trucks to motorcycles; and we make winter tires and tires specifically for use on the race track. Beyond Cooper, we have a suite of associate brands – Mastercraft, Avon, Starfire and Dean, along with Mickey Thompson and Dick Cepek tires and Oliver tread rubber products. All are designed specifically for a purpose, and all are made to exceptionally high quality standards. For those who know us, our products speak for themselves.

The new Cooper CS4 premium passenger tire will be a significant addition to our product line-up in 2007. It will be a perfect complement to our existing products and will bring dramatically

improved performance, handling, ride comfort and grip to sedans and sports cars alike. Loaded with technology and features developed for the demands of racing, the Cooper CS4 brings performance and value together to exceed the expectations of the most demanding drivers.

The world has opened up. It brings challenge and change, but that gives Cooper an opportunity to focus on a business and industry that is at the heart and soul of its organization. Today, with the changes in the tire marketplace, changes in the consumer, and changes around the world, we will be right there at the top because of our technology, products, skilled workforce, dedication and experience.

So whether you measure Cooper by our customer service, by our technology or by our products, we are a leader in the tire industry. Since the beginning, our focus has never wavered: to be the easiest tire company to do business with and provide the greatest replacement tire value. We continue to stand by that principle today.



**COOPERTIRES**



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## Shareholder Information

### Executive Offices

Cooper Tire & Rubber Company  
701 Lima Avenue  
Findlay, OH 45840  
(419) 423-1321

### For Information

Tire products (800) 854-6288  
Investor Relations (419) 427-4768  
Web site [www.coopertire.com](http://www.coopertire.com)

### Annual Meeting

The 2007 Annual Meeting of Stockholders of Cooper Tire & Rubber Company will be held at the Alumni Memorial Union, North Multi-Purpose Room at the University of Findlay, 1000 North Main Street, Findlay, Ohio, 45840, on Tuesday, May 1, 2007 at 10:00 a.m. Eastern Daylight Time. All stockholders are cordially invited to attend. Proxy material is sent to stockholders together with this report.

### Transfer Agent & Registrar

Computershare Investor Services LLC  
250 Royall Street, Mail Stop 1A  
Canton, MA 02021

(888) 294-8217 (toll free)  
24 hours automated or Mon. - Fri.  
8:30 a.m. to 5:30 p.m. (central time)  
[www.computershare.com](http://www.computershare.com)  
[web.queries@computershare.com](mailto:web.queries@computershare.com)

Stockholders requiring a change of name, address or ownership of stock as well as information about stockholder records, lost or stolen certificates, dividend checks, dividend direct deposit and dividend reinvestment should contact our transfer agent by mail, by telephone or through its web site.

### Filing Certifications

The Company has filed the certification required by Section 302 of the Sarbanes-Oxley Act of 2002 as an exhibit to its Form 10-K for the fiscal year ending December 31, 2006, filed with the Securities and Exchange Commission. On May 4, 2006, the Company filed with the New York Stock Exchange its Annual CEO Certification.

### Direct Investment Plan

Computershare Investor Services serves as Administrator for a direct investment plan for the purchase, sale and/or dividend reinvestment of Cooper Tire & Rubber Company common stock. For information, call Computershare Investor Services at (888) 294-8217.

### Board of Directors

#### Roy V. Armes

President and Chief Executive Officer,  
Cooper Tire & Rubber Company

#### Arthur H. Aronson<sup>1,2</sup>

Former Executive Vice President,  
Allegheny Teledyne Incorporated

#### Laurie J. Breininger<sup>2</sup>

Former President, Americas Bath and Kitchen,  
American Standard Companies Inc.

#### Steven M. Chapman<sup>1,2</sup>

Group VP, Emerging Markets & Businesses,  
Cummins, Inc.

#### John J. Holland<sup>1,2,3</sup>

Former Chairman and Chief Executive Officer,  
Butler Manufacturing Company

#### John F. Meier<sup>1,3</sup>

Chairman and Chief Executive Officer,  
Libbey Inc.

#### Byron O. Pond<sup>3</sup>

Former Chairman of the Board, President  
and Chief Executive Officer, Amcast  
Industrial Corporation

Former Interim Chief Executive Officer,  
Cooper Tire & Rubber Company

#### John H. Shuey<sup>1,2</sup>

Former Chairman, President and Chief Executive  
Officer, Amcast Industrial Corporation

#### Richard L. Wambold<sup>3</sup>

Chairman, President and Chief Executive Officer,  
Pactiv Corporation

<sup>1</sup> Member of the Nominating and Governance  
Committee

<sup>2</sup> Member of the Audit Committee

<sup>3</sup> Member of the Compensation Committee

### Executive Officers

#### Roy V. Armes

President and Chief Executive Officer

#### James H. Geers

Vice President

#### James E. Kline

Vice President, General Counsel and Secretary

#### Harold C. Miller

Vice President

#### Philip G. Weaver

Vice President and Chief Financial Officer

### Other Corporate Officers

#### Patricia J. Brown

Vice President

#### Donald P. Ingols

Vice President

#### Jack J. McCracken

Assistant Secretary

#### Gregory E. Meyers

Assistant General Counsel

#### Charles F. Nagy

Assistant Treasurer

#### Linda L. Rennels

Vice President

#### Stephen O. Schroeder

Vice President and Treasurer

#### Rick E. Williams

Vice President

## Facilities

### North America

#### *United States*

Albany, Georgia, tires  
Albany, Georgia, distribution center  
Asheboro, North Carolina, tread rubber  
Asheboro, North Carolina, sales office  
Asheboro, North Carolina, distribution center  
Cedar Rapids, Iowa, distribution center  
Clarksdale, Mississippi, bladders/mixing  
Corona, California, sales office  
Corona, California, distribution center  
Dayton, New Jersey, distribution center  
Findlay, Ohio, tires  
Findlay, Ohio (2), technical centers  
Findlay, Ohio, headquarters  
Findlay, Ohio, distribution center  
Grand Prairie, Texas, distribution center  
Moraine, Ohio, distribution center  
Pearsall, Texas, test track  
Rancho Cucamonga, California, distribution center  
Salisbury, North Carolina, tread rubber  
Stow, Ohio, sales office  
Stow, Ohio, distribution center  
Sumner, Washington, distribution center  
Texarkana, Arkansas, tires  
Texarkana, Arkansas, distribution center  
Tupelo, Mississippi, tires  
Tupelo, Mississippi, distribution center

### Asia

#### *China*

Baotou, China, distribution center  
Changchun, China, distribution center  
Guiyang, China, distribution center  
Kunming, China, distribution center  
Kunshan, China, tires  
Lanzhou, China, distribution center  
Liuzhou, China, distribution center  
Nanchang, China, distribution center  
Rongchen City, China, tires  
Rongchen City, China, administrative office  
Shanghai, China, sales office  
Shanghai, China, administrative office  
Shanghai, China, distribution center  
Shijiazhuang, China, distribution center  
Wuhan, China, distribution center  
Wulu Muqi, China, distribution center  
Xiamen, China, distribution center  
Zhang Jiagang, China, distribution center

#### *Singapore*

Singapore, purchasing office

### Europe

#### *France*

Compiègne, France, sales office  
Compiègne, France, distribution center

#### *Italy*

Milan, Italy, sales office  
Milan, Italy, distribution center

#### *Germany*

Groß-Umstadt, Germany, sales office  
Groß-Umstadt, Germany, distribution center

#### *Spain*

Madrid, Spain, sales office  
Madrid, Spain, distribution center

#### *Switzerland*

Ormalingen, Switzerland, sales office  
Ormalingen, Switzerland, distribution center

#### *United Kingdom*

Melksham, U.K., European headquarters  
Melksham, U.K., tires  
Melksham, U.K., technical center  
Melksham, U.K., distribution center





## Cooper Tire & Rubber Company Reports Continued Improvement in the Fourth Quarter

### Fourth Quarter Highlights

- Net income for the quarter improved by \$78 million to \$51 million, or 82 cents per share. Continuing operations contributed 62 cents per share.
- The sale of the Oliver retread operations resulted in a \$26.5 million gain.
- International Operations reported record sales of \$228 million, up 29 percent.
- Operating profit in North America improved to 7.7 percent of net sales from a loss of 1.7 percent.
- International Operations operating profit of \$3.8 million improved from a loss of \$4.8 million.
- Three million shares were repurchased for \$46 million.

**Findlay, Ohio, February 28, 2008 - Cooper Tire & Rubber Company (NYSE:CTB)** today reported net income of \$51 million, or 82 cents per share, for the quarter ended December 31, 2007. Income from continuing operations increased \$67 million from a loss of \$28 million for the same period last year, resulting in earnings per share of 62 cents from continuing operations. The substantial earnings improvement was accompanied by a new record of \$765 million in sales for the quarter, a 7 percent increase over the same period last year.

Improved pricing contributed to the dramatically increased earnings. The improvement was also supported by the ongoing cost and profit improvement initiatives successfully implemented throughout the year. As a result, operating profit improved to \$43 million in the fourth quarter of 2007, compared with an operating loss of \$18.7 million in the fourth quarter of 2006. Operating profit in the fourth quarter of 2006 includes \$48 million of impairment related to goodwill and indefinite-lived intangible assets. In previously issued 2006 financial statements, this amount was classified below operating profit.

Net income from continuing operations for the quarter includes a benefit of approximately \$12 million, or 19 cents per share, relating to adjustments to tax valuation allowances established in 2006 which are no longer required due to the reduction in the Company's net deferred tax asset position. During the quarter, asset write-downs totaled \$3.5 million.

For the year ended December 31, 2007, the Company's net income improved to \$120 million on \$2.9 billion of sales. This is a \$198 million improvement in net income over the prior year, and a 13.9 percent increase in net sales.

### **North American Tire Operations**

North American Tire generated \$45 million in operating profit from continuing operations in the quarter, an increase of \$56 million compared with the fourth quarter of 2007. This improvement was the result of the Company's cost savings and profit improvement initiatives and favorable pricing changes. These were partially offset by increased incentives, raw material costs, and lower unit volumes.

The Company's North American Tire operations reported sales of \$585 million in the quarter, up 4 percent compared with the fourth quarter of 2006. This increase was driven by improved pricing. During 2007, the Company improved margins in North America while maintaining market share at 2006 levels.

During the quarter, the Company recognized a \$26.5 million gain on the sale of the operations of the Oliver Rubber Company and received net cash proceeds of \$66 million.

For the year ended 2007, North American operations generated \$119 million of operating profit on \$2.2 billion of net sales. This is an improvement of \$159 million over operating profit during the same period a year ago.

### **International Tire Operations**

The Company's International Tire Operations reported sales of \$228 million in the quarter, an increase of 29 percent compared with the fourth quarter of 2006. The segment's operating profit improved by \$8.6 million to \$3.8 million from the prior year's fourth quarter loss of \$4.8 million. This increase was driven by higher unit volumes and pricing.

For the total year, operating profit for the segment improved to \$29 million, a \$19 million increase over the same period last year.

### **Management Commentary**

Commenting on the results, Cooper Chairman and CEO Roy Armes said, "In the fourth quarter we continued our momentum and delivered another strong quarter. This effective execution allowed us to deliver on promises to improve the bottom line of the company. The \$100 million in cost savings that we had pledged to achieve was realized, and we continued to position ourselves for improvement in 2008. The North American operations delivered revenue growth against a very strong comparable fourth quarter of

2006, and the manufacturing operations continued to see sequential improvements. Our International operations delivered strong revenue growth, and operating margins improved significantly over 2006.”

## **Outlook**

“We expect our turnaround to continue in 2008,” Armes continued. “There are always potential risks in raw materials and the general economy, but we are confident we will execute on the areas within our control. We expect continuing raw material price increases in 2008, and believe our price increases in each region will help to mitigate those effects.

“This continues to be an exciting time at Cooper and I am pleased by the attitude and focus of Cooper’s employees around the world,” Armes said. “We are optimistic that the actions we are taking and the plan we have developed will benefit all of Cooper’s stakeholders. We anticipate continued revenue growth and operational improvement in North America as we implement additional Six Sigma, LEAN and automation projects. Our International operations will also continue to increase in scale and have the opportunity to begin improving margins. This is the result of the continued ramp up of our recently constructed greenfield joint venture in China and the added capacity in our other Chinese joint venture. I believe we are well-positioned in 2008 to continue our improvement trend and are evolving into an even more customer-focused company through our products and services.”

Cooper’s management team will discuss the financial and operating results for the quarter in a conference call today at 11 a.m. Eastern time. Interested parties may access the audio portion of that conference call on the investor relations page of the Company’s web site at [www.coopertire.com](http://www.coopertire.com).

## **Company Description**

Cooper Tire & Rubber Company is a global company that specializes in the design, manufacture, marketing and sales of passenger car, light truck, medium truck tires and subsidiaries that specialize in motorcycle and racing tires. With headquarters in Findlay, Ohio, Cooper Tire has 67 manufacturing, sales, distribution, technical and design facilities within its family of companies located around the world. For more information, visit Cooper Tire's web site at: [www.coopertire.com](http://www.coopertire.com).

## **Forward-Looking Statements**

This report contains what the Company believes are “forward-looking statements,” as that term is defined under the Private Securities Litigation Reform Act of 1995, regarding projections, expectations or matters that the Company anticipates may happen with respect to the future performance of the industries in which the Company operates, the

economies of the United States and other countries, or the performance of the Company itself, which involve uncertainty and risk.

Such "forward-looking statements" are generally, though not always, preceded by words such as "anticipates," "expects," "believes," "projects," "intends," "plans," "estimates," and similar terms that connote a view to the future and are not merely recitations of historical fact. Such statements are made solely on the basis of the Company's current views and perceptions of future events, and there can be no assurance that such statements will prove to be true.

It is possible that actual results may differ materially from those projections or expectations due to a variety of factors, including but not limited to:

- changes in economic and business conditions in the world, especially the continuation of the global tensions and risks of further terrorist incidents that currently exist;
- increased competitive activity, including the inability to obtain and maintain price increases to offset higher production or material costs;
- the failure to achieve expected sales levels;
- consolidation among the Company's competitors and customers;
- technology advancements;
- fluctuations in raw material and energy prices, including those of steel, crude petroleum and natural gas and the unavailability of such raw materials or energy sources;
- changes in interest and foreign exchange rates;
- increases in pension expense resulting from investment performance of the Company's pension plan assets and changes in discount rate, salary increase rate, and expected return on plan assets assumptions;
- government regulatory initiatives, including the proposed and final regulations under the TREAD Act;
- changes in the Company's customer relationships, including loss of particular business for competitive or other reasons;
- the impact of labor problems, including a strike brought against the Company or against one or more of its large customers;
- litigation brought against the Company;
- an adverse change in the Company's credit ratings, which could increase its borrowing costs and/or hamper its access to the credit markets;
- the inability of the Company to execute its cost reduction/Asian strategies;
- the failure of the Company's suppliers to timely deliver products in accordance with contract specifications;
- the impact of reductions in the insurance program covering the principal risks to the Company, and other unanticipated events and conditions;
- the failure of the Company to achieve the full cost reduction and profit improvement targets set forth in presentations made by senior management and filed on Forms 8-K on September 7, 2006, October 31, 2006, April 5, 2007, and January 16, 2008; and

- inability or failure to implement the Company's strategic plan.

It is not possible to foresee or identify all such factors. Any forward-looking statements in this report are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances.

Prospective investors are cautioned that any such statements are not a guarantee of future performance and actual results or developments may differ materially from those projected.

The Company makes no commitment to update any forward-looking statement included herein or to disclose any facts, events or circumstances that may affect the accuracy of any forward-looking statement.

Further information covering issues that could materially affect financial performance is contained in the Company's periodic filings with the U. S. Securities and Exchange Commission ("SEC").

Cooper Tire & Rubber Company  
Consolidated Statements of Income

(Dollar amounts in thousands except per share amounts)

	Quarter Ended December 31		Year Ended December 31	
	2006	2007	2006	2007
Net sales	\$ 715,099	\$ 765,130	\$ 2,575,218	\$ 2,932,575
Cost of products sold	643,516	672,000	2,382,150	2,617,161
Gross profit	71,583	93,130	193,068	315,414
Selling, general and administrative	40,406	50,117	187,111	177,507
Impairment of goodwill and indefinite-lived intangible asset	47,973	-	47,973	-
Restructuring charges	1,921	-	3,236	3,515
Operating profit (loss)	(18,717)	43,013	(45,252)	134,392
Interest expense	11,805	11,465	47,165	48,492
Interest income	(2,935)	(5,710)	(10,067)	(18,004)
Debt extinguishment	-	1,017	(77)	2,558
Dividend from unconsolidated subsidiary	-	-	(4,286)	(2,007)
Other income - net	(576)	(1,662)	(1,992)	(12,677)
Income (loss) from continuing operations before income taxes and noncontrolling shareholders' interests	(27,011)	37,903	(75,995)	116,030
Income tax benefit (expense)	(2,491)	2,582	5,338	(15,835)
Income (loss) from continuing operations before noncontrolling shareholders' interests	(29,502)	40,485	(70,657)	100,195
Noncontrolling shareholders' interests	1,290	(2,015)	(3,663)	(8,760)
Income (loss) from continuing operations	(28,212)	38,470	(74,320)	91,435
Income (loss) from discontinued operations, net of income taxes	579	(13,943)	(4,191)	1,660
Gain on sale of discontinued operations, net of income taxes	-	26,475	-	26,475
Net income (loss)	<u>\$ (27,633)</u>	<u>\$ 51,002</u>	<u>\$ (78,511)</u>	<u>\$ 119,570</u>
Basic earnings (loss) per share				
Income (loss) from continuing operations	\$ (0.46)	\$ 0.62	\$ (1.21)	\$ 1.48
Income (loss) from discontinued operations	\$ 0.01	\$ (0.23)	\$ (0.07)	\$ 0.03
Gain on sale of discontinued operations	\$ -	\$ 0.43	\$ -	\$ 0.43
Net income (loss)	\$ (0.45)	\$ 0.83	\$ (1.28)	\$ 1.93
Diluted earnings (loss) per share				
Income (loss) from continuing operations	\$ (0.46)	\$ 0.62	\$ (1.21)	\$ 1.46
Income (loss) from discontinued operations	\$ 0.01	\$ (0.22)	\$ (0.07)	\$ 0.03
Gain on sale of discontinued operations	\$ -	\$ 0.42	\$ -	\$ 0.42
Net income (loss)	\$ (0.45)	\$ 0.82	\$ (1.28)	\$ 1.91
Weighted average shares outstanding				
Basic	61,345	61,684	61,338	61,938
Diluted	61,345	62,432	61,338	62,712
Depreciation	\$33,589	\$33,961	\$127,693	\$131,007
Amortization	\$1,357	\$1,402	\$4,908	\$5,925
Capital expenditures	\$63,009	\$37,201	\$186,190	\$140,972
Segment information				
Net sales				
North American Tire	\$561,213	\$585,276	\$1,995,150	\$2,209,822
International Tire	176,528	227,980	680,164	881,297
Eliminations	(22,642)	(48,126)	(100,096)	(158,544)
Segment profit (loss)				
North American Tire	(11,448)	45,004	(39,523)	119,440
International Tire	(4,835)	3,837	9,427	28,902
Eliminations	(568)	(891)	(1,673)	(572)
Unallocated corporate charges	(1,866)	(4,937)	(13,483)	(13,378)

CONSOLIDATED BALANCE SHEETS

	December 31	
	2006	2007
<b>Assets</b>		
Current assets:		
Cash and cash equivalents .....	\$221,611	\$345,947
Short-term investments .....	-	49,765
Accounts receivable .....	395,523	354,939
Inventories .....	337,867	304,560
Other current assets .....	17,644	134,713
Assets of discontinued operations .....	59,699	-
Total current assets .....	1,032,344	1,189,924
Net property, plant and equipment .....	970,633	991,776
Goodwill .....	24,439	24,439
Restricted cash .....	7,550	2,791
Intangibles and other assets .....	200,549	87,938
	<u>\$2,235,515</u>	<u>\$2,296,868</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Notes payable .....	\$126,129	\$86,384
Payable to noncontrolling owner .....	19,527	10,364
Trade payables and accrued liabilities .....	363,654	433,005
Income taxes .....	4,695	1,450
Liabilities of discontinued operations .....	13,483	1,332
Total current liabilities .....	527,488	532,535
Long-term debt .....	513,213	464,608
Postretirement benefits other than pensions .....	258,579	244,491
Other long-term liabilities .....	217,743	163,723
Long-term liabilities of discontinued operations .....	8,913	10,185
Noncontrolling shareholders' interests .....	69,688	89,035
Stockholders' equity .....	639,891	792,291
	<u>\$2,235,515</u>	<u>\$2,296,868</u>

\* Amounts do not add due to rounding.

Certain amounts from 2006 have been reclassified to conform to 2007 presentation.