



## A Strategic Plan that is Driving Results

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2016 Annual Report



## To our stockholders:

We are pleased to report that Cooper is performing well due to the strong execution of our strategic plan, which continued throughout last year's successful transition in the CEO and Chairman roles. We are proud to be leading this great organization, which produced outstanding results in 2016.

**Record operating profit margin:** With full year 2016 operating profit of \$384 million and an all-time record full year operating profit margin of 13.1 percent, Cooper achieved above and beyond our mid-term target of 8 to 10 percent operating profit margin.

**Unit volume up:** Our focus on driving unit volume growth in 2016 resulted in an increase of nearly 3 percent for the full year and nearly 8 percent in the fourth quarter. These increases were driven by higher unit volume in both our Americas and International business segments, including double-digit growth in our Latin America and Asia markets.

**EPS increased:** Full year 2016 net income was \$248 million, or diluted earnings per share of \$4.51. That compares to \$213 million, or \$3.69 per share, in 2015.

**Balanced approach to capital allocation:** Cooper ended 2016 with \$504 million of cash. That's after investing \$175 million back into the business, completing the acquisition of a majority interest in Chinese truck and bus radial (TBR) tire maker GRT, paying out our 179th consecutive quarterly dividend, and buying back over 3 million shares of our stock for \$108 million. In fact, since share repurchases began in August 2014, through Feb. 14, 2017, our company has repurchased nearly 13 million shares at an average price of \$34.15. And, in February 2017, we announced an increased and extended share repurchase program of up to \$300 million in company stock through Dec. 31, 2019.

**International segment that flipped to profit:** Formerly operating at a loss, our International segment flipped to a profit during 2016, helped in large part by our strong focus in Asia on growing our business with original equipment auto manufacturers.

Going forward, Cooper will continue to adhere to our core value proposition, which is to deliver great products at a great value with great customer service. Our three strategic imperatives remain unchanged:

- Driving topline profitable growth
- Developing a competitive cost structure and improving profitability
- Building organizational capabilities

Cooper is highly confident in the strength of our business model, which has been enhanced through a number of initiatives including:

- Product mix improvement
- Improved technical capabilities with enhanced speed to market of exciting new products
- Leveraging our global manufacturing footprint and near-sourcing strategy where the majority of products sold in a region are produced in that region
- Growth in emerging markets such as the OE expansion in Asia and broader market penetration in Latin America
- Operational excellence
- Growth of our truck and bus radial (TBR) tire business

We value the more than 10,400 employees around the world, who make our success happen, as well as our loyal customers, and you, our stockholders. We are a company that has been in business for more than 100 years, yet Cooper has many opportunities to continue to improve and transform our business in the decades to come. We are excited about the future and thank you for your support.



**Bradley E. Hughes**  
President & Chief Executive Officer



**Thomas P. Capo**  
Chairman

# STOCKHOLDER INFORMATION

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## Executive Offices

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

## For Information

Tire products	800-854-6288
Investor Relations	419-424-4165
Website	<a href="http://www.coopertire.com">www.coopertire.com</a>

## Annual Meeting

The 2017 Annual Meeting of Stockholders of Cooper Tire & Rubber Company will be held at The Westin Hotel, Detroit Metropolitan Airport, 2501 Worldgateway Place, Detroit, Michigan 48242, Friday, May 5, 2017 at 10:00 a.m. Eastern Daylight Time. All stockholders are cordially invited to attend. Proxy material is sent or made available to stockholders.

## Transfer Agent & Registrar

Computershare Inc.  
PO Box 30170  
College Station, TX 77842-3170

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/investor](http://www.computershare.com/investor)  
<https://www-us.computershare.com/investor/contact>

Stockholders requiring a change of name, address or ownership of shares, 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, 2016, filed with the Securities and Exchange Commission. On May 9, 2016, 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

Thomas P. Capo<sup>1, 2</sup>  
Non-Executive Chairman of the Board,  
Former Chairman of the Board  
Dollar Thrifty Automotive Group, Inc.

Steven M. Chapman<sup>3</sup>  
Group Vice President, China and Russia  
Cummins, Inc.

Susan F. Davis<sup>3</sup>  
Former Executive Vice President,  
Asia-Pacific Region  
Johnson Controls

John J. Holland<sup>2</sup>  
President  
Greentree Advisors LLC

Bradley E. Hughes  
President & Chief Executive Officer  
Cooper Tire & Rubber Company

Gary S. Michel<sup>2</sup>  
Senior Vice President and  
President, Residential Heating,  
Ventilation and Air Conditioning  
Ingersoll Rand

John H. Shuey<sup>1, 2</sup>  
Former Chairman of the Board,  
President and Chief Executive Officer  
Amcast Industrial Corporation

Robert D. Welding<sup>1, 3</sup>  
Former Non-Executive Chairman  
Public Safety Equipment (Int'l) Limited

<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

Brenda S. Harmon  
Senior Vice President and  
Chief Human Resources Officer

Bradley E. Hughes  
President & Chief Executive Officer

Ginger M. Jones  
Senior Vice President and  
Chief Financial Officer

Stephen Zamansky  
Senior Vice President,  
General Counsel and Secretary

## Other Corporate Officers

James P. Keller  
Senior Vice President

Thomas N. Lause  
Vice President and Treasurer

Jack J. McCracken  
Assistant General Counsel  
and Assistant Secretary



***COOPERTIRES***<sup>®</sup>

**COOPER TIRE & RUBBER COMPANY**

701 Lima Avenue, Findlay, Ohio 45840

[www.coopertire.com](http://www.coopertire.com)