



Company Update Third Quarter 2016

October 31, 2016



Safe Harbor Statement

This presentation contains what the company believes are forward-looking statements related to future financial results and business operations for Cooper Tire & Rubber Company. Actual results may differ materially from current management forecasts and projections as a result of factors over which the company may have limited or no control. Information on certain of these risk factors and additional information on forward-looking statements are included in the company's reports on file with the Securities and Exchange Commission and set forth at the end of this presentation.



Available Information

You can find Cooper Tire on the web at coopertire.com. Our company webcasts earnings calls and presentations from certain events that we participate in or host on the investor relations portion of our website (<http://coopertire.com/investors.aspx>). In addition, we also make available a variety of other information for investors on the site. Our goal is to maintain the investor relations portion of the website as a portal through which investors can easily find or navigate to pertinent information about Cooper Tire, including:

- our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file that material or furnish it to the Securities and Exchange Commission (“SEC”);
- information on our business strategies, financial results and selected key performance indicators;
- announcements of our participation at investor conferences and other events;
- press releases on quarterly earnings, product and service announcements and legal developments;
- corporate governance information; and
- other news and announcements that we may post from time to time that investors may find relevant.

The content of our website is not intended to be incorporated by reference into this presentation or in any report or document we file with or furnish to the SEC, and any references to our website are intended to be inactive textual references only.



Three Months Ended September 30, 2016 Financial Performance Highlights

(millions USD, except EPS)

<i>Net Sales by Segment</i>	<u>Q3 2016</u>		<u>Q3 2015</u>		<u>Change from Prior Year</u>
Americas Tire	\$ 673		\$ 702		-4.2%
International Tire	113		119		-5.1%
Eliminations	(35)		(39)		11.5%
Total Company	\$ 751		\$ 782		-4.0%
 <i>Operating Profit by Segment</i>		<u>OP %</u>		<u>OP %</u>	
Americas Tire	\$ 102	15.1	\$ 102	14.6	\$ (1)
International Tire	3	2.9	(5)	-4.5	9
Corporate	(26)		(15)		(11)
Eliminations	(0)		0		(1)
Total Company	\$ 78	10.4	\$ 82	10.5	\$ (4)
 Earnings Per Share (diluted) from continuing operations attributable to common stockholders	\$ 0.90		\$ 0.93		\$ (0.03)
 Cash and Cash Equivalents	\$ 450		\$ 424		\$ 26

Amounts are unaudited and may not add due to rounding.



Nine Months Ended September 30, 2016 Financial Performance Highlights

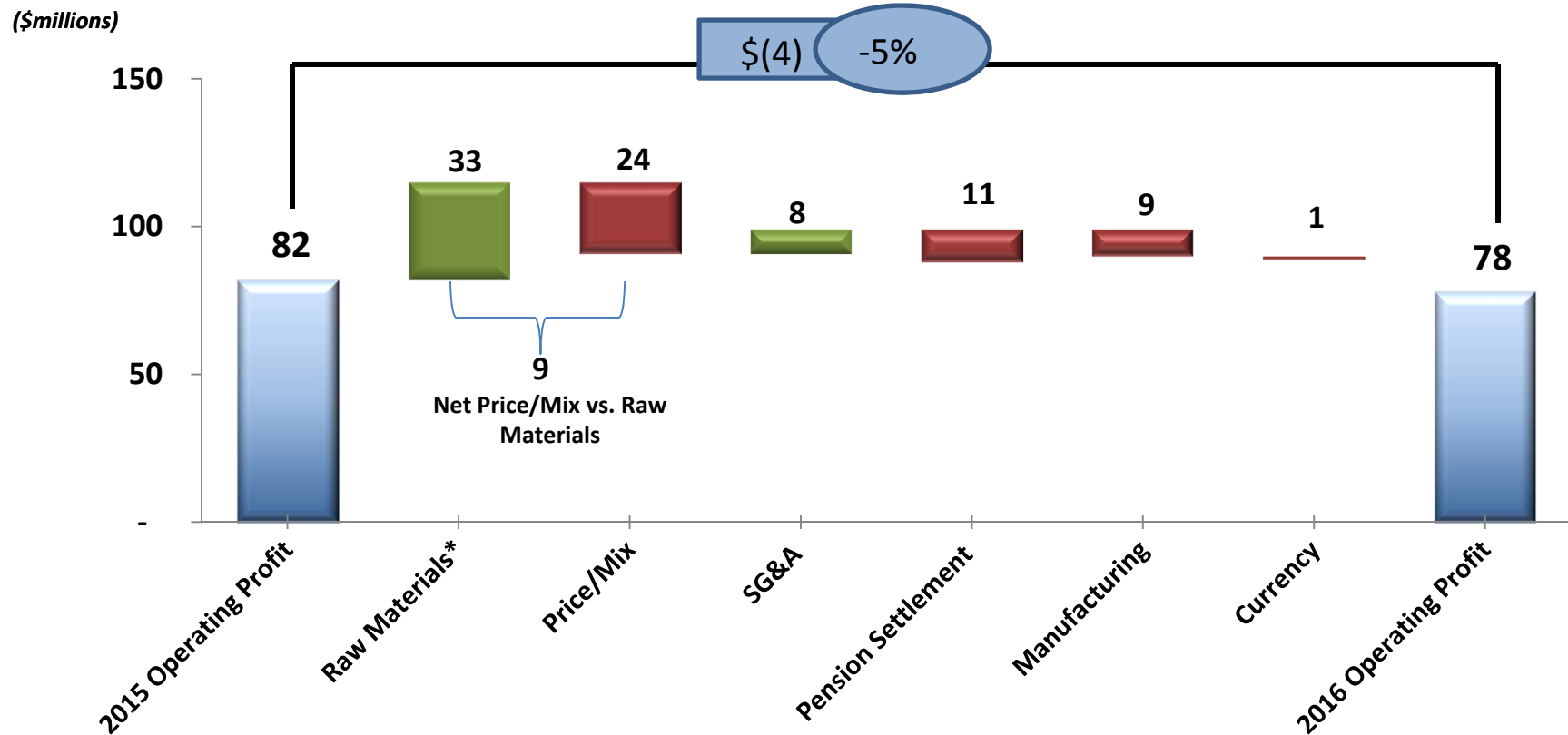
(millions USD, except EPS)

<i>Net Sales by Segment</i>	<u>9 Months Ended September 30, 2016</u>		<u>9 Months Ended September 30, 2015</u>		<u>Change from Prior Year</u>			
Americas Tire	\$	1,907	\$	1,974	-3.4%			
International Tire		340		351	-3.2%			
Eliminations		(105)		(127)	17.3%			
Total Company	\$	2,141	\$	2,197	-2.6%			
 <i>Operating Profit by Segment</i>								
				<u>OP %</u>				
Americas Tire	\$	324	17.0	\$	301	15.3	\$	23
International Tire		5	1.4		(12)	-3.4		16
Corporate		(48)			(40)			(8)
Eliminations		(1)			3			(4)
Total Company	\$	279	13.0	\$	252	11.5	\$	27
 Earnings Per Share (diluted) from continuing operations attributable to common stockholders	\$	3.23		\$	2.65		\$	0.58
 Cash and Cash Equivalents	\$	450		\$	424		\$	26

Amounts are unaudited and may not add due to rounding.



Operating Profit Walk Total Company Q3 2015 to Q3 2016

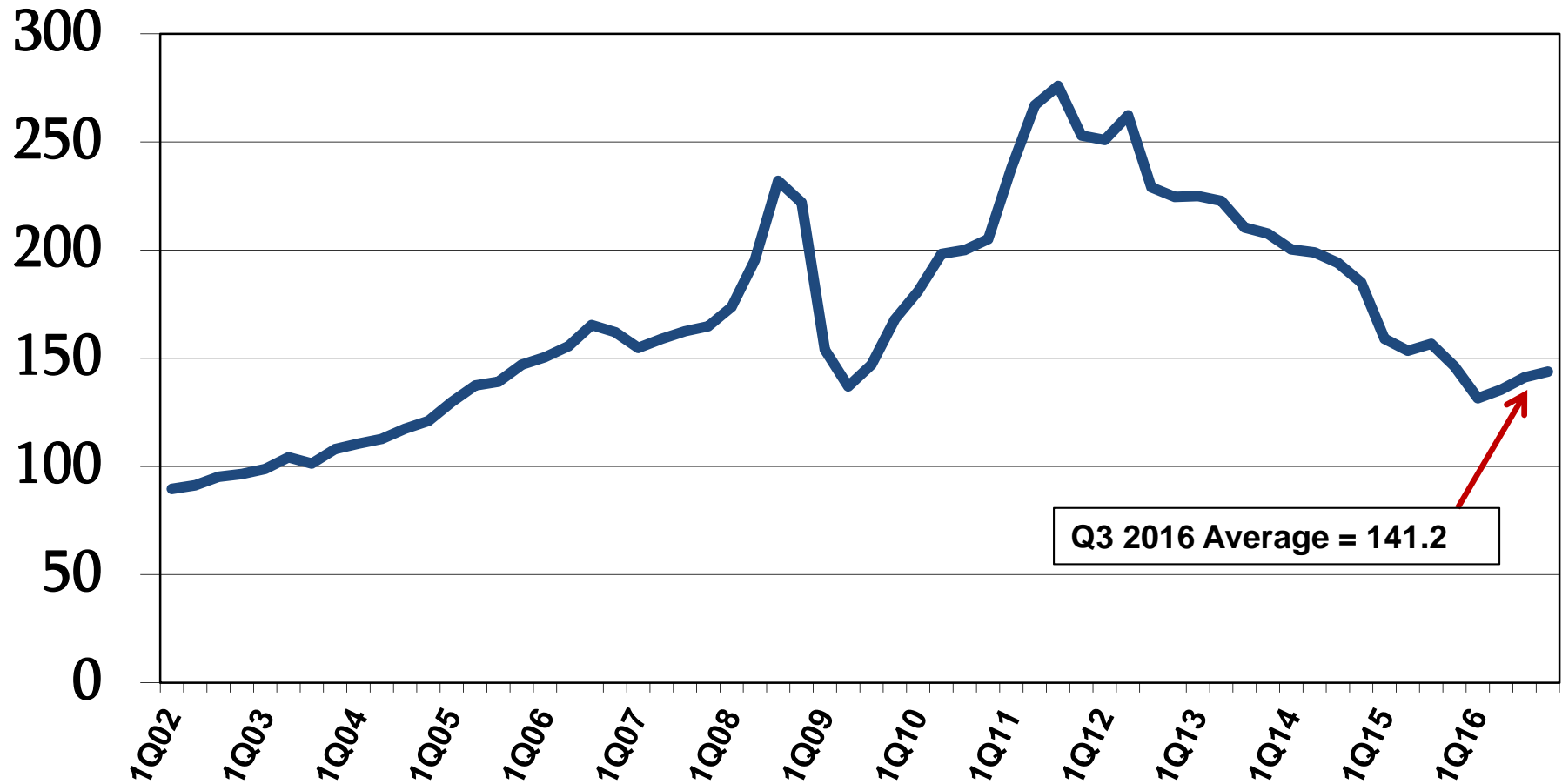


Amounts are unaudited and may not add due to rounding.

* Raw material costs are inclusive of tariffs, including the preliminary tariffs on truck and bus radial tires imported from China into the United States.

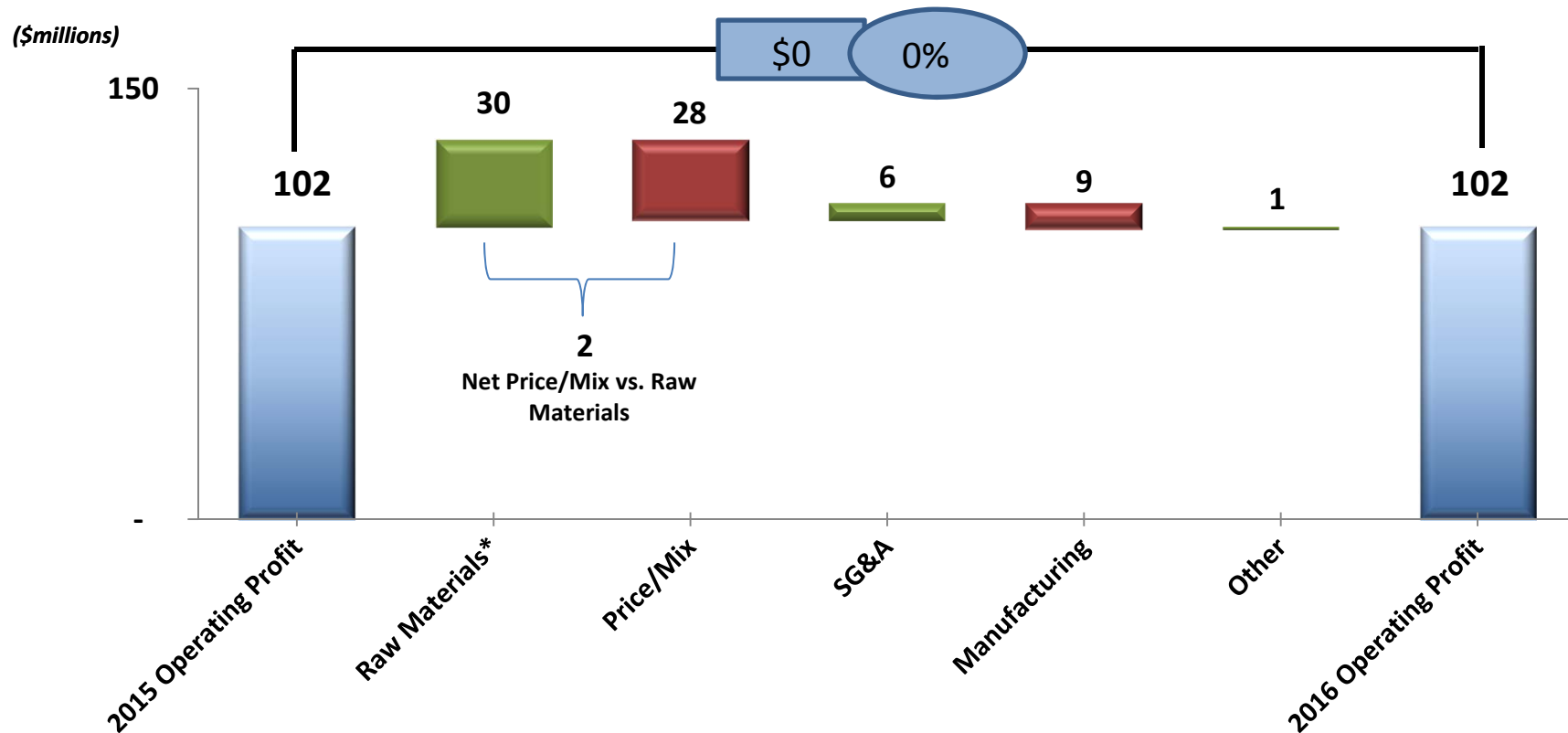


CTB Raw Material Price Index North America



Q4 2016 is an estimate

Operating Profit Walk Americas Tire Operations Q3 2015 to Q3 2016

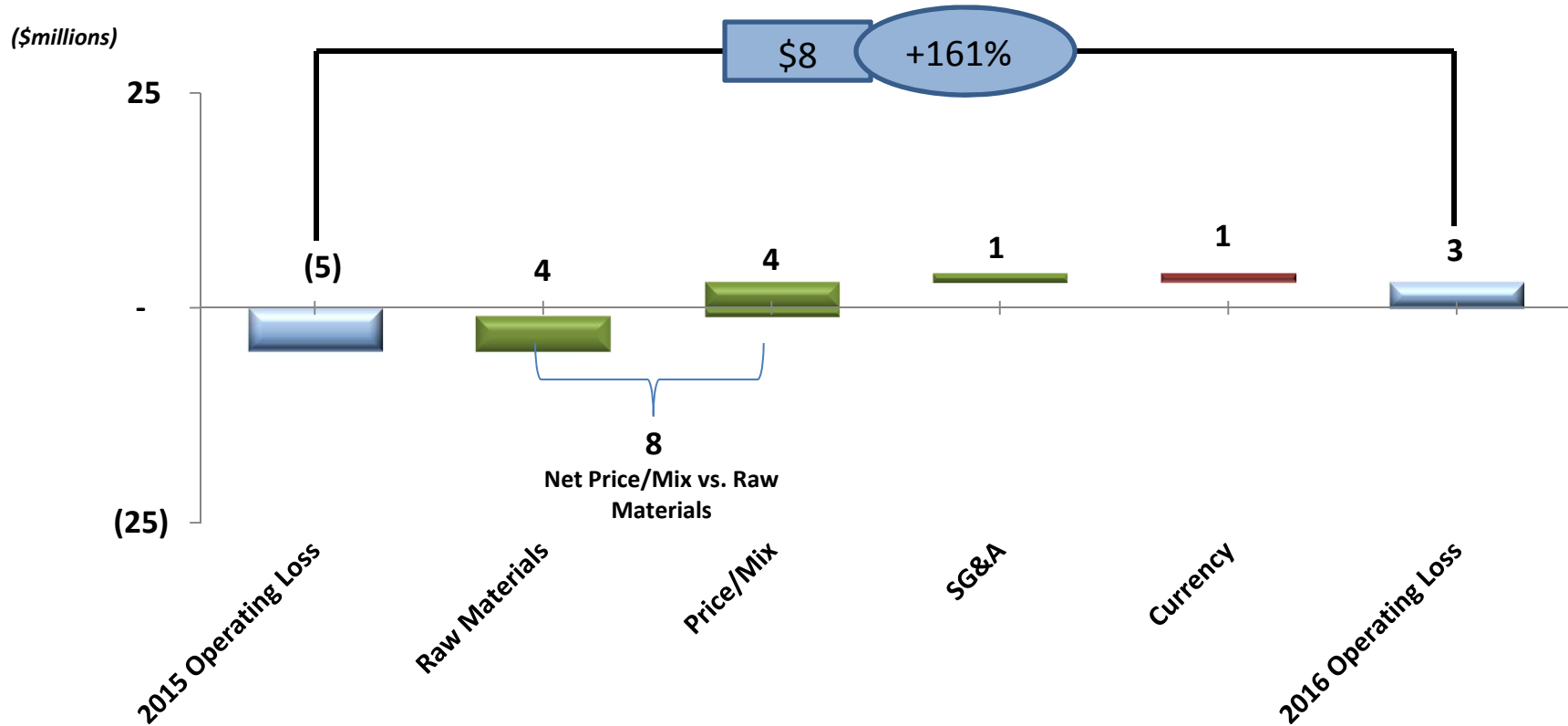


Amounts are unaudited and may not add due to rounding.

* Raw material costs are inclusive of tariffs, including the preliminary tariffs on truck and bus radial tires imported from China into the United States.



Operating Profit Walk International Tire Operations Q3 2015 to Q3 2016



Amounts are unaudited and may not add due to rounding.



Non-GAAP Measures

Non-GAAP financial measures should be considered in addition to, not as a substitute for, operating profit, net income, earnings per share, total debt or other financial measures prepared in accordance with generally accepted accounting principles (“GAAP”). The Company’s methods of determining these non-GAAP financial measures may differ from the methods used by other companies for these or similar non-GAAP financial measures. Accordingly, these non-GAAP financial measures may not be comparable to measures used by other companies.

Pursuant to the requirements of SEC Regulation G, detailed reconciliations between the Company’s GAAP and non-GAAP financial results were posted, by incorporation within this presentation, on the Company’s Investor Relations website at <http://coopertire.com/investors.aspx> on the day the Company’s operating and financial results were announced for the quarter ended September 30, 2016 and management presented certain non-GAAP financial measures during a conference call with analysts and investors. Investors are advised to carefully review and consider this information as well as the GAAP financial results that are disclosed in the Company’s earnings releases and annual and quarterly SEC filings.



Non-GAAP Measures

Return on Invested Capital (ROIC)

Management is using non-GAAP financial measures in this document because it considers them to be important supplemental measures of the Company's performance. Management also believes that these non-GAAP financial measures provide additional insight for analysts and investors in evaluating the Company's financial and operating performance.

The Company defines ROIC as the trailing four quarters' net income before interest, after tax, divided by the total invested capital, which is the average of ending debt and equity for the last five quarters. The Company believes ROIC is a useful measure of how effectively the Company uses capital to generate profits.

Calculation of Return on Invested Capital October 1, 2015 – September 30, 2016

Operating profit	\$ 382
Provision for income taxes	(123)
Net interest tax effect	(7)
Net operating profit after tax	\$ 252
Total invested capital	\$ 1,351
Return on invested capital	18.6%



Non-GAAP Measures

Calculation of Trailing Four Quarter Income and Expense Inputs

Quarter-ended:	Operating profit	Provision for income taxes	Income before income taxes	Interest expense	Interest income	Net Interest Expense
December 31, 2015	\$ 103	\$ (36)	\$ 96	\$ (5)	\$ 1	\$ (5)
March 31, 2016	91	(28)	87	(7)	1	(6)
June 30, 2016	110	(35)	106	(6)	1	(5)
September 30, 2016	78	(24)	74	(7)	1	(6)
Total	\$ 382	\$ (123)	\$ 363	\$ (25)	\$ 4	\$ (22)

Trailing Four Quarter Net Interest Tax Effect Calculation

Income before income taxes	\$ 363
Provision for income taxes	(123)
Effective income tax rate	33.9%
Net interest expense	(22)
Net interest tax effect	\$ (7)



Non-GAAP Measures

Calculation of Total Invested Capital Trailing Five Quarters

	Equity	Long-term Debt	Current Portion of Long-term Debt	Short-term Notes Payable	Total Invested Capital
September 30, 2015	\$ 965	\$ 297	\$ 1	\$ 18	\$ 1,280
December 31, 2015	1,018	296	1	12	1,327
March 31, 2016	1,054	296	1	8	1,358
June 30, 2016	1,085	296	1	4	1,386
September 30, 2016	1,097	296	1	12	1,405
Average Balance	\$ 1,044	\$ 296	\$ 1	\$ 11	\$ 1,351

Non-GAAP Measures

Adjusted Operating Profit, Earnings and Earnings per Share

Management is using non-GAAP financial measures in this document because it considers them to be important supplemental measures of the Company's performance. The Company uses adjusted operating profit, net income and earnings per share to evaluate the performance of the Company's operations exclusive of certain items affecting comparability of results from period to period. The Company believes that information about operating profit, net earnings and earnings per share exclusive of these items is useful to investors, particularly where the impact of the excluded items is significant in relation to reported earnings, because the measure allows for comparability between periods of the operating performance of the Company's business and allows investors to evaluate the impact of the excluded items separately from the impact of the operations of the business.

Three months ended September 30, 2016

	Net Sales	Cost of products sold	Gross profit	Selling, general and administrative expense	Pension settlement charge	Operating profit	Operating profit %
Reported (GAAP)	\$ 751	\$ 598	\$ 153	\$ 63	\$ 11	\$ 78	10.4%
Pension settlement charge	\$ -	\$ -	\$ -	\$ -	\$ (11)	\$ 11	-
Adjusted (Non-GAAP)	\$ 751	\$ 598	\$ 153	\$ 63	\$ -	\$ 90	11.9%



Non-GAAP Measures

Three months ended September 30, 2016

	Income before income taxes	Provision for income taxes	Net income	Net income attributable to noncontrolling shareholder interests	Net income attributable to Cooper Tire & Rubber Company
Reported (GAAP)	\$ 74	\$ 24	\$ 50	\$ 1	\$ 49
Pension settlement charge	\$ 11	\$ 4	\$ 8	\$ -	\$ 8
Adjusted (Non-GAAP)	\$ 86	\$ 28	\$ 58	\$ 1	\$ 57

Three months ended September 30, 2016

	Net income attributable to Cooper Tire & Rubber Company	Weighted average number of shares outstanding - Diluted	Diluted earnings per share
Reported (GAAP)	\$ 49	54,680	\$ 0.90
Pension settlement charge	\$ 8	-	\$ -
Adjusted (Non-GAAP)	\$ 57	54,680	\$ 1.04



Risks

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

- volatility in raw material and energy prices, including those of rubber, steel, petroleum-based products and natural gas or the unavailability of such raw materials or energy sources;
- the failure of the company's suppliers to timely deliver products or services in accordance with contract specifications;
- changes to tariffs or the imposition of new tariffs or trade restrictions, including changes related to the anti-dumping and countervailing duties for passenger car and light truck tires imported into the United States from China; and duties from the ongoing investigation into truck and bus tires imported into the United States from China;
- changes in economic and business conditions in the world, including changes related to the United Kingdom's referendum on withdrawal from the European Union;
- increased competitive activity including actions by larger competitors or lower-cost producers;
- the failure to achieve expected sales levels;
- changes in the company's customer relationships, including loss of particular business for competitive or other reasons;
- the ultimate outcome of litigation brought against the company, including stockholders lawsuits relating to the terminated Apollo merger as well as product liability claims, in each case which could result in commitment of significant resources and time to defend and possible material damages against the company or other unfavorable outcomes;
- a disruption in, or failure of, the company's information technology systems, including those related to cyber security, could adversely affect the company's business operations and financial performance;
- changes in pension expense and/or funding resulting from the Company's pension strategy, investment performance of the Company's pension plan assets and changes in discount rate, salary increase rate, and expected return on plan assets assumptions, or changes to related accounting regulations;
- government regulatory and legislative initiatives including environmental and healthcare matters;
- volatility in the capital and financial markets or changes to the credit markets and/or access to those markets;
- changes in interest or foreign exchange rates;
- an adverse change in the company's credit ratings, which could increase borrowing costs and/or hamper access to the credit markets;
- failure to implement information technologies or related systems, including failure by the company to successfully implement an ERP system;
- the risks associated with doing business outside of the United States;
- the failure to develop technologies, processes or products needed to support consumer demand;
- technology advancements;
- the inability to recover the costs to develop and test new products or processes;
- the impact of labor problems, including labor disruptions at the company, its joint venture, or at one or more of its large customers or suppliers;
- failure to attract or retain key personnel;
- consolidation among the company's competitors or customers;
- inaccurate assumptions used in developing the company's strategic plan or operating plans or the inability or failure to successfully implement such plans;
- risks relating to acquisitions, such as the proposed acquisition of a majority interest in China based Qingdao Ge Rui Da Rubber Co., Ltd., including the failure to successfully complete acquisitions or integrate them into operations or their related financings may impact liquidity and capital resources;
- changes in the company's relationship with its joint-venture partner or suppliers, including any changes with respect to the production of Cooper-branded products by CCT, the company's former joint venture in China;
- the ability to find alternative sources for products supplied by CCT;
- the inability to obtain and maintain price increases to offset higher production or material costs;
- inability to adequately protect the company's intellectual property rights; and
- inability to use deferred tax assets.

