Deutsche Bank Global Auto Industry Conference
January 11, 2017

Brad Hughes, President & Chief Executive Officer
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 SEC and at the end of this presentation.
Leading Global Tire Company

- More than **100 years in the tire industry**
- **5th largest** tire manufacturer in North America and **12th largest** worldwide based on revenues
- Externally report **two regions**: Americas Tire Operations and International Tire Operations
- Internally organized across **four business segments**: North America, Latin America, Europe and Asia
- More than **10,000 employees** across four continents
- Focus on replacement Passenger Car Radial (PCR), Light Truck (LT), **SUV** and Truck and Bus Radial (TBR) Tires, as well as a growing OE business in Asia
- Cooper is in the middle innings of a **business transformation**
  - **Drive Topline Profitable Growth** → Mix Enhancement and Investing in R&D, Technology and New Products
  - **Build Competitive Cost Position** → Investing in Automation, Reduction in procurement spend and other operating improvements.
  - **Build Capabilities & Enablers to Support Strategy** → Key investments in Cooper Production System (CPS), OE, TBR, ERP and Technical & Business Development
Business Overview
Our Value Proposition

To be our customers' best value/service supplier

Great Products + Great Value + Great Service
### 2015 – A Year of Successful Execution

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$2.9B*</td>
<td>$3.0B</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>8.8%</td>
<td>11.9%</td>
</tr>
<tr>
<td>EPS (diluted)</td>
<td>$2.53</td>
<td>$3.69</td>
</tr>
</tbody>
</table>

* 2014 Excluding divested JV entity in China (CCT)
### Nine Months Ended September 30
Margin Enhancement Continues

<table>
<thead>
<tr>
<th></th>
<th>Sept YTD 2015</th>
<th>Sept YTD 2016*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>$2.2B</td>
<td>$2.1B</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>11.5%</td>
<td>13.1%</td>
</tr>
<tr>
<td><strong>EPS (dilated)</strong></td>
<td>$2.65</td>
<td>$3.24</td>
</tr>
</tbody>
</table>

*GAAP—includes $11.5 million non-cash pension settlement charge.*
Why Invest in Cooper?

**Experienced Management Team with Proven Track Record**
- Nearly 200 years of combined auto/tire industry experience
- Generating strong total shareholder returns relative to peers

**Macro Environment Supportive of Strategic Growth Objectives**
- Positive outlook for global tire demand – CAGR approximately 4.1%
- Majority of Cooper’s growth led by emerging markets, particularly China and Latin America
- Continued demand shift to higher value/higher margin products
- Balanced supply and demand, with stable pricing in NA market in recent years

**Middle Innings of Exciting Transformation**
- Focus on replacement tires (not OE) in the U.S.
- Capacity additions and manufacturing upgrades make for strong manufacturing footprint that Cooper is able to leverage globally
- New product development, *shift to premium/HVA products in key markets* enhance topline performance
- Company already achieving key profitability targets

**Financial Strength/Discipline & Commitment to Returning Value to Shareholders**
- Strong balance sheet, with $450 million in cash and cash equivalents as of September 30, 2016, and low debt profile provide financial flexibility to pursue growth opportunities
- *Disciplined management team is a good steward of capital - ROIC average 15% over past seven years*
- Company committed to dividend and share repurchase
Macro-Economic Environment
Global Tire Demand Continues Positive Trajectory
China Leads Overall Market Growth

- Robust overall market growth
- OE makes up 40% of total demand
- Replacement growing faster

- Conservative market growth estimate
- Replacement makes up 80% of volume
- OE and Replacement growing at similar rate

- Moderate overall market growth
- Replacement makes up 78% of volume

- Solid overall market growth
- Replacement makes up 74% of volume
- OE growing faster than Replacement due to increase in new vehicle sales

<table>
<thead>
<tr>
<th></th>
<th>China</th>
<th>U.S. &amp; Canada</th>
<th>Western Europe</th>
<th>Latin America</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>234 307 442</td>
<td>310 348 364</td>
<td>319 317 339</td>
<td>121 137 173</td>
</tr>
<tr>
<td>America</td>
<td>58% 60% 64%</td>
<td>15% 20% 20%</td>
<td>22% 22% 22%</td>
<td>29% 26% 28%</td>
</tr>
<tr>
<td></td>
<td>42% 40% 36%</td>
<td>85% 80% 80%</td>
<td>78% 78% 78%</td>
<td>71% 74% 72%</td>
</tr>
<tr>
<td>Europe</td>
<td>4.7%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Europe</td>
<td>1.4%</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Europe</td>
<td>7%</td>
<td>1%</td>
<td>1%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: LMC Data (Mar, 2016), RMA (Mar, 2016), TRAC (Mar, 2016)
Passenger Tires Shifting with Global Trends

In the mature U.S. and European replacement tire markets, the shift to H-rated and above tires continues…

…while in emerging markets, significant mix transition is projected in Mexico with China’s current OE and future replacement market dominated by H-rated and above tires.

Source: RMA, IHS, JATO, ETRMA, Solidiance, Internal Cooper analysis

2015-2020 CAGR

TR  -3.5%
HR+  3.0%

2015-2020 CAGR

TR  -1.5%
HR+  3.5%

2015-2020 CAGR

TR  -1.5%
HR+  6.0%

2015-2020 CAGR

HR+  96%

Source: RMA, IHS, JATO, ETRMA, Solidiance, Internal Cooper analysis
With this report, we conclude: net additional capacity stays under control and plants’ Capacity Utilization Rate (CUR) should stay at a high level during the next few years.
- Deutsche Bank Research, September 2016

Global P/LT HVA Tire Supply & Demand to Remain Balanced Through 2020, Supporting Stable Pricing Environment

- Goldman Sachs Research, January 2016

- Global HVA capacity still below global HVA demand
- Continued trend toward HVA consumes some existing production capacity
- Capacity still well-balanced globally, although capacity is shifting between regions (more additions in NA)

Within our estimates we take into account known capacity conversions from low-value add (LVA) tires to high-value add (HVA) tires, which we believe convert at roughly two-thirds previous capacity.
- Goldman Sachs Research, May 2015

Units in Millions

<table>
<thead>
<tr>
<th></th>
<th>Capacity Additions</th>
<th>Demand Increases</th>
</tr>
</thead>
<tbody>
<tr>
<td>HVA</td>
<td>41</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>10</td>
</tr>
</tbody>
</table>

HVA | Total Capacity Additions | Total Demand Increases |
---|--------------------------|------------------------|
HVA | 115                      | 108                    |

Source: Goldman Sachs Equity Research
Cooper’s Raw Material Price Index

- Industry has experienced downward trend in raw materials since 2011
- Raw materials began increasing in second half of 2016:
  - Cooper’s global operational structure centered around succeeding within an increasingly competitive environment
  - Cooper’s pricing posture market-facing to remain competitive

*Expect Q4 2016 Increase*
Pending TBR Tariff Background

• United Steel Workers petitioned ITC seeking import duties on TBR tire imports from China into the U.S. in January 2016
• DOC and ITC are investigating implementing anti-dumping and countervailing duties – the potential impact on industry could be significant
  • About 50% of U.S. TBR tires are imported
  • China produces about 45% of the world’s TBR tires
• DOC announced its preliminary CVD tariff rate on June 28, 2016 and it was effective as of July 5, 2016
• The preliminary AD tariff rate was announced on August 29, 2016, and was amended on Oct. 7, 2016. It is retroactive to June 8, 2016
• Combined, the two rates (minus a 0.41% offset) equal 50.17% for Cooper/GRT
• Estimated tariff impact is included in Cooper’s 2016 full-year guidance
• Final decision expected in March 2017

Diversifying TBR Sourcing

• Cooper executed first step in diversification of TBR sourcing through GRT investment in China:
  • Investment of 600 million RMB (approximately $87 million USD) including acquisition costs and initial investments in operation/ramp up
  • GRT facility will ultimately produce approximately 2.5 million TBR tires annually within existing footprint with room for expansion
  • China is largest producer and consumer of TBR tires in the world – own sourcing critical
• Cooper committed to evaluating other options for additional TBR supply, inside and outside of China
Transformation
# In the Middle Innings of a Strategic Transformation

## TRANSFORMATION TIMELINE – A Track Record of Successful Execution

<table>
<thead>
<tr>
<th>Phase I (Progress to date)</th>
<th>Phase II (Medium-term)</th>
<th>Phase III (Long-term)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improve Manufacturing Cost Base and Footprint:</td>
<td>• Drive mix and margin enhancement</td>
<td>• Achieve $5-6B in net sales</td>
</tr>
<tr>
<td>• Opened, acquired and grew plants in Mexico, China and Serbia</td>
<td>• Continue transition to HVA/premium brand products in North America</td>
<td></td>
</tr>
<tr>
<td>• Invested in automation and plant modernization</td>
<td>• New product launches across global footprint</td>
<td></td>
</tr>
<tr>
<td>• Reduced product complexity</td>
<td>• Achieve 8% – 10% OP Margin</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Enhance Technical Capabilities:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Relocated and expanded Asia Technical Center and refocused R&amp;D agenda to market needs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Established Global Technical Center</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Reduced product development cycle time to launch more products at faster pace</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Built technical capabilities to penetrate and win in OE, TBR and premium PCR segments</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Continue global expansion in key target markets through established footprint:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Leverage LATAM footprint to grow in region</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Organic and acquisitive growth in PCR/TBR segments in China</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Continue grow China OE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Leverage global sourcing for growth in Europe</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Continued focus on plant optimization and cost management across the global footprint</td>
<td></td>
</tr>
</tbody>
</table>
Strong and Expanding Global Manufacturing Footprint

- January, 2016: Signed agreement to acquire 65% ownership of GRT.
- Adds TBR capacity in China for global markets.
- Site will ultimately produce approximately 2.5 million TBR tires annually.

November 2015: LOI signed with FATE to distribute Cooper products and opportunity to explore other opportunities.
- Facility in San Fernando, Argentina.
- FATE produces passenger, light truck, SUV and TBR tires.
Cost Structure and Global Manufacturing Footprint Provide Foundation for Growth

Americas Tire Operations
- Mix and Margin Enhancement → HVA Mix
- Pursue OE Business Selectively
- Grow in Commercial Vehicles
- Leverage Footprint to Grow in LATAM

International Tire Operations
- Grow in China PCR/TBR Segments
- Continue to Grow in China OE Market
- Profitable Growth in Western Europe
- Leverage Sourcing for Growth in Eastern Europe

Global Sourcing
Product Portfolio Management
Automation
Cost Effectiveness

Globally Competitive Cost Structure on Every Tire Produced
Investment in R&D and Technology
New Product Launches

- Reduced product development cycle time to launch new products at a faster pace
- Relocated and expanded Asia technical center and refocused R&D agenda on market needs
- Built technical capabilities to penetrate and win in OE, TBR, and premium PCR segments

Emphasis on Investing in R&D and Technology = Award Winning Products and Increased Technical Capabilities

The Cooper Discoverer SRX and Discoverer A/TW received “recommended buy” from Consumer Reports April 2015

The Cooper Zeon ECO C1 was awarded the “Best Energy Saving Tire for 2016” at the Auto Magazine and A Car awards ceremony. December 2015

The Cooper Zeon RS3-G1 is an exciting new all-season passenger car tire for high performance vehicles and drivers. Alongside a sleek race-inspired sidewall, the tire’s tread compound and design deliver a host of leading innovative features to create grip, stability and durability. The product has been given the name G1 because it holds up to 1g on corners! The G1 was named a 2016 GOOD DESIGN™ Award winner December 2016.

The Cooper Discoverer STT Pro & Cooper Discoverer SRX tires won the 2015 GOOD DESIGN™ Award from the Chicago Museum of Architecture and Design and the European Centre for Architecture Art Design and Urban Studies. December 2015

The Cooper Discoverer UTS & Cooper Weather Master Ice 100 tires won the 2015 GOOD DESIGN™ Award December 2015

The Cooper Zeon RS3-A received another leading consumer magazine Recommended by another leading consumer magazine January 2015

The Discoverer A/TW received Innovator of the Year award from Canadian Tire. September 2015

Vendor Innovation Award

Recommended by another leading consumer magazine
Financial Strength and
Returning Value to Shareholders
Strong Balance Sheet Provides Financial Flexibility

Healthy Balance Sheet

Cash and cash equivalents ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q4 '07</th>
<th>Q4 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>346</td>
<td>505</td>
</tr>
</tbody>
</table>

+46%

Debt/Enterprise value

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td>38</td>
<td>16</td>
</tr>
</tbody>
</table>

-22%

1. Debt is short-term debt, current portion of long-term debt and long-term debt

Ample Financing Flexibility

- $400M Cash flow facility
- $150M Accounts receivable securitization program
- Credit lines at Global Operations

Recent Credit Rating Upgrades

- Moody’s to Ba3
- S&P to BB
**Balanced Approach to Capital Allocation**

**Investing for Growth**
- Capital to support organic growth and margin improvement - plant optimization and operational efficiency
- Track record of efficiently deploying capital to return value to shareholders

**Dividend**
- Announced 179th consecutive dividend payment on October 27, 2016
- Continued commitment to quarterly dividend

**Share Repurchases**
- Completed $399 million in share repurchases from August 2014 through October 26, 2016 (approximately 18% of outstanding)
- Additional $128 million remaining and authorized through December 31, 2017

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**Weighted Average ROIC = 15%**

<table>
<thead>
<tr>
<th>Year</th>
<th>ROIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>16%</td>
</tr>
<tr>
<td>2010</td>
<td>17%</td>
</tr>
<tr>
<td>2011</td>
<td>12%</td>
</tr>
<tr>
<td>2012</td>
<td>22%</td>
</tr>
<tr>
<td>2013</td>
<td>11%</td>
</tr>
<tr>
<td>2014</td>
<td>13%</td>
</tr>
<tr>
<td>2015</td>
<td>18%</td>
</tr>
</tbody>
</table>

**2016E**

- CapEx: $180
- M&A: $26
- Share Repurchases: $200
- Dividend: $24

**2015**

- CapEx: $145
- M&A: $200
- Share Repurchases: $109
- Dividend: $87

**2014**

- CapEx: $27
- M&A: $26
- Share Repurchases: $24
- Dividend: $108

**2013**

- CapEx: $180
- M&A: $145
- Share Repurchases: $183
- Dividend: $87

1. Return on Invested Capital, including non-controlling equity. Non-GAAP Measure. Refer to appendix for definition and reconciliation to GAAP.
2. 2016 guidance as communicated on October 31, 2016. Numbers in graph in millions ($000,000).
Why Invest in Cooper?

Experienced Management Team with Proven Track Record
- Nearly 200 years of combined auto/tire industry experience
- Generating strong total shareholder returns relative to peers

Macro Environment Supportive of Strategic Growth Objectives
- Positive outlook for global tire demand – CAGR approximately 4.1%
- Majority of Cooper’s growth led by emerging markets, particularly China and Latin America
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Financial Strength/Discipline & Commitment to Returning Value to Shareholders
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- Disciplined management team is a good steward of capital - ROIC average 15% over past seven years
- Company committed to dividend and share repurchase
Risk Factors

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 product liability claims, 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 ventures, 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, including the failure to integrate them into operations or their related financings may impact liquidity and capital resources;
- changes in the company's relationship with its joint-venture partners 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 sufficient 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.
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.
## Financial Performance
### Nine Months Ended September 30, 2016

(millions USD, except EPS)

<table>
<thead>
<tr>
<th></th>
<th>9 Months Ended September 30, 2016</th>
<th>9 Months Ended September 30, 2015</th>
<th>Change from Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales by Segment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas Tire</td>
<td>$1,907</td>
<td>$1,974</td>
<td>-3.4%</td>
</tr>
<tr>
<td>International Tire</td>
<td>340</td>
<td>351</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Eliminations</td>
<td>(105)</td>
<td>(127)</td>
<td>17.3%</td>
</tr>
<tr>
<td>Total Company</td>
<td>$2,141</td>
<td>$2,197</td>
<td>-2.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Operating Profit by Segment</strong></th>
<th>OP %</th>
<th>OP %</th>
<th>OP %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas Tire</td>
<td>17.0</td>
<td>15.3</td>
<td>23</td>
</tr>
<tr>
<td>International Tire</td>
<td>1.4</td>
<td>(3.4)</td>
<td>16</td>
</tr>
<tr>
<td>Corporate</td>
<td>(48)</td>
<td>(40)</td>
<td>(8)</td>
</tr>
<tr>
<td>Eliminations</td>
<td>(1)</td>
<td>3</td>
<td>(4)</td>
</tr>
<tr>
<td>Total Company</td>
<td>13.0</td>
<td>11.5</td>
<td>27</td>
</tr>
</tbody>
</table>

| **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.
## Preliminary TBR Tariffs

### Preliminary Tariffs on Chinese-Produced TBR Tires Imported into the U.S.
Expected to be finalized March 2017
As of 11/1/2016

<table>
<thead>
<tr>
<th></th>
<th>CVD</th>
<th>AD**</th>
<th>Offsets***</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooper/GRT</td>
<td>20.22%</td>
<td>30.36%</td>
<td>-0.41%</td>
<td>50.17%</td>
</tr>
<tr>
<td>PCT</td>
<td>20.22%</td>
<td>30.36%</td>
<td>-0.41%</td>
<td>50.17%</td>
</tr>
<tr>
<td>Guizhou Tyre*</td>
<td>23.80%</td>
<td>30.36%</td>
<td>-0.41%</td>
<td>53.75%</td>
</tr>
<tr>
<td>Double Coin</td>
<td>17.06%</td>
<td>30.36%</td>
<td>-0.41%</td>
<td>47.01%</td>
</tr>
<tr>
<td>Aeolus</td>
<td>20.22%</td>
<td>30.36%</td>
<td>-0.41%</td>
<td>50.17%</td>
</tr>
<tr>
<td>Other - separate rate</td>
<td>20.22%</td>
<td>30.36%</td>
<td>-0.41%</td>
<td>50.17%</td>
</tr>
<tr>
<td>Other - PRC-wide rate</td>
<td>20.22%</td>
<td>30.36%</td>
<td>-0.41%</td>
<td>50.17%</td>
</tr>
</tbody>
</table>

* Only company for which the preliminary CVD is retroactive.
** Preliminary AD retroactive for all companies.
*** Expected to change to 12.61% when rates become final.
Qingdao Ge Rui Da Rubber (GRT)

• Established in 2014 after Qingdao Yiyuan Investment purchased the assets of the then idle facility
• Employs approximately 600 workers
• Existing 1 million-square-foot manufacturing facility
• Estimated full production capacity of facility:
  – Approximately 2.5 TBR tires annually
  – Nearly same number of passenger car tires could be produced in the future
• Land at the site for further expansion, if needed
Non-GAAP Measures

Non-GAAP financial measures should be considered in addition to, not as a substitute for, net earnings, 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 the appendix to this presentation. 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.
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 from continuing operations 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.

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Operating profit</td>
<td>$354</td>
<td>$300</td>
<td>$241</td>
<td>$397</td>
<td>$163</td>
<td>$188</td>
<td>$156</td>
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<td>Provision for income</td>
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<td>(112)</td>
<td>(79)</td>
<td>(116)</td>
<td>(32)</td>
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<td>0</td>
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<td>taxes, net of</td>
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<tr>
<td>valuation allowance</td>
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</tr>
<tr>
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<tr>
<td>Net interest tax</td>
<td>(8)</td>
<td>(9)</td>
<td>(10)</td>
<td>(8)</td>
<td>(8)</td>
<td>(4)</td>
<td>0</td>
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<tr>
<td>effect</td>
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<tr>
<td>Net operating profit</td>
<td>$229</td>
<td>$180</td>
<td>$151</td>
<td>$272</td>
<td>$124</td>
<td>$164</td>
<td>$157</td>
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<tr>
<td>after tax</td>
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<td></td>
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<tr>
<td>Total invested</td>
<td>$1,272</td>
<td>$1,421</td>
<td>$1,392</td>
<td>$1,265</td>
<td>$1,019</td>
<td>$942</td>
<td>$963</td>
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<tr>
<td>capital</td>
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<tr>
<td>Return on</td>
<td>18%</td>
<td>13%</td>
<td>11%</td>
<td>22%</td>
<td>12%</td>
<td>17%</td>
<td>16%</td>
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<tr>
<td>invested capital</td>
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## Non-GAAP Measures

### Total Invested Capital

<table>
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<tr>
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<tbody>
<tr>
<td></td>
<td>Dec. 31</td>
<td>Sep. 30</td>
<td>June 30</td>
<td>March 31</td>
<td>Dec. 31</td>
<td>Sep. 30</td>
<td>June 30</td>
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<tr>
<td>Equity</td>
<td>1,018</td>
<td>965</td>
<td>947</td>
<td>894</td>
<td>1,088</td>
<td>1,050</td>
<td>1,158</td>
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<tr>
<td>Long-term debt</td>
<td>296</td>
<td>297</td>
<td>298</td>
<td>298</td>
<td>326</td>
<td>326</td>
<td>328</td>
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<tr>
<td>Current portion of long-term debt</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>16</td>
<td>16</td>
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<tr>
<td>Short-term notes payable</td>
<td>12</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>16</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Total invested capital</td>
<td>1,327</td>
<td>1,280</td>
<td>1,261</td>
<td>1,243</td>
<td>1,461</td>
<td>1,455</td>
<td>1,422</td>
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### Net Interest Tax Effect

<table>
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</thead>
<tbody>
<tr>
<td>Income from continuing operations before income taxes</td>
<td>$334</td>
<td>$349</td>
<td>$213</td>
<td>$368</td>
<td>$134</td>
<td>$160</td>
<td>$116</td>
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<tr>
<td>Provision for income taxes</td>
<td>(118)</td>
<td>(112)</td>
<td>(79)</td>
<td>(116)</td>
<td>135</td>
<td>(20)</td>
<td>0</td>
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<tr>
<td>Valuation allowance release</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>167</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provision for income taxes, net of valuation allowance release</td>
<td>$ (118)</td>
<td>$ (112)</td>
<td>$ (79)</td>
<td>$ (116)</td>
<td>$(32)</td>
<td>$(20)</td>
<td>0</td>
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<tr>
<td>Effective income tax rate</td>
<td>35.4%</td>
<td>32.0%</td>
<td>37.3%</td>
<td>31.5%</td>
<td>23.7%</td>
<td>12.5%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Interest expense</td>
<td>$ (24)</td>
<td>$ (28)</td>
<td>$ (28)</td>
<td>$ (30)</td>
<td>$ (36)</td>
<td>$ (37)</td>
<td>$ (47)</td>
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<tr>
<td>Interest income</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>5</td>
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<tr>
<td>Net interest expense</td>
<td>$ (22)</td>
<td>$ (27)</td>
<td>$ (27)</td>
<td>$ (27)</td>
<td>$(33)</td>
<td>$(31)</td>
<td>$(42)</td>
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<tr>
<td>Net interest tax effect</td>
<td>$ (8)</td>
<td>$ (9)</td>
<td>$ (10)</td>
<td>$ (8)</td>
<td>$ (8)</td>
<td>$ (4)</td>
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### Total Invested Capital

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
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<tbody>
<tr>
<td></td>
<td>Dec. 31</td>
<td>Sep. 30</td>
<td>June 30</td>
</tr>
<tr>
<td>Equity</td>
<td>698</td>
<td>517</td>
<td>494</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>329</td>
<td>330</td>
<td>324</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>21</td>
<td>27</td>
<td>21</td>
</tr>
<tr>
<td>Short-term notes payable</td>
<td>132</td>
<td>139</td>
<td>136</td>
</tr>
<tr>
<td>Total invested capital</td>
<td>$1,180</td>
<td>$1,012</td>
<td>$976</td>
</tr>
</tbody>
</table>

---

**Cooper Tires**

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