



WE MAKE TIRES FOR PEOPLE.

2011 SHAREHOLDER LETTER

TO OUR SHAREHOLDERS:

The turbulent environment of 2011 was an excellent opportunity to successfully demonstrate the benefits of the improved foundation we are building. I am excited to report that in a very volatile market we were able to continue making progress toward our longer-term vision. The significant improvements achieved during the last several years allowed us to deliver excellent business performance during difficult periods. The forward progress we have demonstrated is a key factor underlying our optimism for the future. The entire team at Cooper is well-aligned to a common vision, one that will create value for all Company stakeholders.

2011 IN REVIEW

As a backdrop, in last year's letter to shareholders I described how the Company intended to produce 10 percent more tires in 2011 than in 2010, to meet the strong demand for our products and to rebuild inventory levels to improve our service to customers. The year 2011 started off strong in the first quarter, as positive conditions carried forward from 2010. Our operating results during the first quarter illustrated this momentum.

During the second quarter there was a sudden and dramatic change in market conditions, as U.S. gas prices surged and the global economy tightened. This impacted our largest customer base, which, when coupled with a short-term dislocation between our pricing and the market, negatively affected sales. This difference from the market resulted from our attempt to offset rapidly rising raw material costs, which allowed our competition a short-term opportunity to take advantage of our pricing situation. We quickly adjusted, posting a solid performance during the second quarter as proof of our agility.

During the third quarter, this quick recovery enabled us to outperform the market. Unfortunately, industry demand had weakened. We responded in part by adjusting production to manage inventory levels with projected demand. Raw material prices peaked again in the third quarter, climbing 38 percent above the prior year's mark and reaching an all time high on our raw material index.

Against these challenges the third quarter was still our first-ever billion dollar sales quarter!

The fourth quarter presented different challenges, in a markedly changed environment from the year's beginning. During the quarter we locked out our workers represented by the United Steelworkers at our Findlay, Ohio facility. This resulted in increased costs to protect the supply of tires to our customers, but we continued to adapt, and posted a solid operating result for the quarter.

GLOBAL • TOP LINE PROFITABLE GROWTH • SUSTAINABLE COST COMPETITIVE POSITION • QUALITY • EMBOLDEN THE ORGANIZATION



HIGHLIGHTS OF 2011

Our more visible successes during the year in a volatile economic environment included the Company's first two quarters ever with sales in excess of \$1 billion, our **10TH CONSECUTIVE PROFITABLE QUARTER** on a fully reported earnings-per-share basis, and numerous recognitions of our new products as best-in-class by well-known, independent organizations.



DISCOVERER A/T³

We launched a record number of new products in 2011, and they accounted for almost 25 percent of our net sales.

Along the way, we also earned the Partner-in-Progress award for our work with Sears, and our Texarkana, Arkansas, plant was recognized as the "National Employer of the Year" by the Texas Veterans Commission. We made visible **LONG-TERM INVESTMENTS** of money and resources, increasing ownership levels at Cooper Kunshan Tire, Corporacion de Occidente, and Cooper Tire & Rubber Company de Mexico, as well as agreeing to purchase assets in Serbia. These investments complement ongoing investments at our legacy facilities, targeted to **ENHANCE COMPETITIVENESS**. Meanwhile we successfully rolled out a re-branding initiative of the Cooper Tire brand that better connects consumers to the great qualities and value we offer.

LOOKING FORWARD

Our focus is on tactics for achieving our three strategic imperatives:

- **Building a sustainable cost-competitive position;**
- **Driving top-line profitable growth; and**
- **Building bold organizational capabilities.**

These goals should position us as the best company to do business with in the eyes of our customers. In every instance, we view these imperatives through the lens of delivering value to our customers and the consumer while improving returns for our shareholders.

For 2012, we expect that industry demand for tires will vary by region and growth will remain sluggish. Demand in developing markets, including the PRC, should exceed that of mature tire markets which historically grow in the range of 1 to 3 percent. We intend to launch new products and meet consumer needs, so that we can exceed industry growth rates.

Our global manufacturing footprint will also continue to evolve as we invest in efforts to build a high quality, low cost, near source network that delivers great value to our customers and consumers.

We expect raw material costs to remain at elevated levels. The industry has shown an ability to demonstrate pricing discipline to help offset the volatility of raw material costs, but these changes in price typically lag the changes in raw material costs.

Other 2011 successes are less visible from outside the Company, but equally important. We continued working with our customers to better understand their needs. **THIS OUTREACH WAS A GLOBAL EFFORT**, stretching from relationship-building events with dealers in China, to expanded product offerings tailored to the local market in Mexico, to the U.S. where senior management spends significant time interacting with our customers. Investing in these relationships provide several benefits including better insights into the changing marketplace and a desire by our customers to see Cooper Tire succeed.

We continue to place a high priority on safety. As a result, a remarkable three facilities reached the milestone of 1 million man-hours worked without a lost-time incident.

We also continued implementing an ERP system, effectively completing an initial launch at our Mickey Thompson subsidiary and enhancing corporate human resources functions. ERP's deployment will make us more agile and offer better visibility of the business across the entire enterprise. With better visibility and agility, we will create even more value.

OUR INTERNATIONAL OPERATIONS HAD \$1.5 BILLION IN NET SALES having grown \$800 million in the last five years, even as they laid the groundwork for further expansion and success. The segment has added millions of units of high quality, competitive capacity while continually upgrading the mix of tire products. With the **PROJECTED GROWTH OF INTERNATIONAL MARKETS**, including China, this additional capacity will be a key part of our future. We also have invested in expanding our distribution networks in high growth regions, helping position us for profitable growth in the coming years. A balanced portfolio helps the Company better manage risks.

We will continue to maintain a strong balance sheet while investing in opportunities that will strengthen the Company. Our capital expenditures will increase compared with recent years, but we believe they will still represent a reasonable balance between the strength of our balance sheet and our goals for growth.

Cooper's management team, supported by our Board of Directors and an excellent group of employees, is committed to delivering value for Company stakeholders. Thank you for your continued confidence in our direction and actions.



Roy Armes
Chairman of the Board,
President and
Chief Executive Officer

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

Annual Meeting

The 2012 Annual Meeting of Stockholders of Cooper Tire & Rubber Company will be held at The Westin Hotel, Detroit Metropolitan Airport, 2501 World Gateway Place, Detroit, Michigan 48242, on Friday, May 11, 2012 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

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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, 2011, filed with the Securities and Exchange Commission. On May 9, 2011, 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
Chairman of the Board,
President and Chief Executive Officer,
Cooper Tire & Rubber Company

Thomas P. Capo¹
Former Chairman of the Board,
Dollar Thrifty Automotive Group, Inc.

Steven M. Chapman^{1, 2}
Group VP, China and Russia
Cummins, Inc.

John J. Holland^{2, 3}
President,
The International Copper Association

John F. Meier^{2, 3, 4}
Chairman of the Board,
Applied Industrial Technologies

Cynthia Niekamp¹
Senior Vice President,
Automotive Coatings, PPG Industries, Inc.

John H. Shuey^{1, 2}
Former Chairman of the Board,
President and Chief Executive Officer,
Amcast Industrial Corporation

Richard L. Wambold³
Former Chairmen of the Board and Chief
Executive Officer, Pactiv Corporation

Robert D. Welding³
Former Non-Executive Chairman,
Public Safety Equipment (Int'l) Limited

¹ Member of the Audit Committee

² Member of the Nominating and Governance
Committee

³ Member of the Compensation Committee

⁴ Lead Director

Executive Officers

Roy V. Armes
Chairman of the Board,
President and Chief Executive Officer

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

Bradley E. Hughes
Vice President and
Chief Financial Officer

Harold C. Miller
Vice President

Christopher E. Ostrander
Vice President

Stephen Zamansky
Vice President, General Counsel
and Secretary

Other Corporate Officers

Donald P. Ingols
Vice President

James P. Keller
Vice President

Jack J. McCracken
Assistant Secretary

Gregory E. Meyers
Assistant General Counsel

Carl R. Montalbine
Vice President

Charles F. Nagy
Assistant Treasurer

Stephen O. Schroeder
Vice President and Treasurer

COOPER TIRE & RUBBER COMPANY



NORTH AMERICA

- Summer, WA
- Corona, CA
- Rancho Cucamonga, CA
- Grand Prairie, Texas
- Pearsall, Texas
- Texarkana, AR
- Clarkdale, MS
- Tupelo, MS
- Franklin, IN
- Findlay, OH
- Stow, OH
- Allentown, PA
- Albany, GA
- Findlay, Ohio - tires
- Guadalajara, Mexico - tires
- Kruševac, Serbia - tires
- Kunshan, China - tires
- Melksham, United Kingdom - tires
- Rongcheng City, China - tires
- Texarkana, Arkansas - tires
- Tupelo, Mississippi - tires

SOUTHEAST ASIA

- Albany, Georgia
- Allentown, Pennsylvania
- Baotou, China
- Changchun, China
- Chengdu, China
- Chongqing, China
- Compiegne, France
- Corona, California
- Findlay, Ohio
- Franklin, Indiana
- Grand Prairie, Texas
- Guadalajara, Mexico
- Guiyang, China

Distribution Centers

- Kruševac, Serbia
- Kunming, China
- Kunshan, China
- Lanzhou, China
- Lüzhou, China
- Madrid, Spain
- Melksham, United Kingdom
- Milan, Italy
- Münster-Breitfeld, Germany
- Nanchang, China
- Ormaingén, Switzerland
- Rancho Cucamonga, California
- Shijiazhuang, China
- Shanghai, China
- Stow, Ohio
- Summer, Washington
- Tangshan, China
- Texarkana, Arkansas
- Tupelo, Mississippi
- Urumuqi, China
- Wuhan, China
- Xi'an, China
- Xiamen, China
- Zhangjiagang, China
- Zhengzhou, China

ASIA

- Urumuqi, China
- Beijing, China
- Lanzhou, China
- Shijiazhuang, China
- Tangshan, China
- Rongcheng City, China
- Zhangjiagang, China
- Kunshan, China
- Chongqing, China
- Guiyang, China
- Kunming, China
- Lüzhou, China
- Xiamen, China
- Compiegne, France
- Corona, California
- Findlay, Ohio, company headquarters
- Guadalajara, Mexico
- Madrid, Spain
- Melksham, United Kingdom, European headquarters
- Milan, Italy
- Münster-Breitfeld, Germany
- Ormaingén, Switzerland
- Rongcheng City, China
- Shanghai, China
- Stow, Ohio

Sales Offices

- Compiegne, France
- Corona, California
- Findlay, Ohio, company headquarters
- Guadalajara, Mexico
- Madrid, Spain
- Melksham, United Kingdom, European headquarters
- Milan, Italy
- Münster-Breitfeld, Germany
- Ormaingén, Switzerland
- Rongcheng City, China
- Shanghai, China
- Stow, Ohio

EUROPE

- Melksham, United Kingdom
- Münster-Breitfeld, Germany
- Compiegne, France
- Ormaingén, Switzerland
- Milan, Italy
- Kruševac, Serbia
- Findlay, Ohio (2)
- Melksham, United Kingdom
- Pearsall, Texas
- Shanghai, China
- Findlay, Ohio
- Texarkana, Arkansas
- Tupelo, Mississippi
- Cooper Service Stores
- Purchasing Office
- Singapore, Southeast Asia

Technical Centers

- Findlay, Ohio (2)
- Melksham, United Kingdom
- Pearsall, Texas
- Shanghai, China
- Findlay, Ohio
- Texarkana, Arkansas
- Tupelo, Mississippi
- Cooper Service Stores
- Purchasing Office
- Singapore, Southeast Asia



COOPERTIRES