



Cooper reached more than 7,000 students in 2015 through the “Dream It. Do It.” program, including National Manufacturing Day events in October as well as ongoing outreach to schools throughout the year.

## TO OUR STOCKHOLDERS:

It was an exciting year for Cooper in 2015 as we took numerous steps around the globe to continue to transform and enhance our business. Our fourth quarter and full year 2015 performance was excellent, with unit volume increases in all regions and operating profit of \$354 million, or 11.9 percent of net sales, which is a record after excluding CCT,\* our former joint venture in China, from prior years. In fact, this result exceeds our mid-term financial goal which is to generate 8 to 10 percent operating profit margin.

### Record Operating Profit in Americas Tire Segment Drives Performance

Record operating profit in our Americas Tire Operations segment was the main driver of our outstanding operating profit performance. In the International Tire Operations segment, the absence of CCT, as well as other factors, resulted in an operating loss. Despite difficult end markets in some of our International regions, we continue to see encouraging trends in unit volumes and are optimistic about the future.

\*Cooper's former joint venture in China, Cooper Chengshan (Shandong) Tire Co. Ltd. (CCT), was divested by the company in the fourth quarter of 2014.

## Net Sales Increase to \$2.97 Billion

Full year sales for 2015 were \$2.97 billion. Excluding CCT, which contributed sales of \$546 million in 2014, this represents a 3.3 percent increase over 2014.

## Unit Volume Up 7 Percent and Up in all Regions in 2015

Compared to a year ago, total company unit volume, excluding CCT, increased 6.8 percent in 2015 driven by increases in all regions.

## Full Year Net Income of \$213 Million, or \$3.69 per Share

Net income was \$213 million, or \$3.69 per share, compared with \$214 million, or \$3.42 per share in 2014. The 2014 results included a gain of \$56 million net of tax from the sale of CCT.

## Balance Sheet Remains Strong; Cooper Delivers Value to Stockholders

Cooper continues to have a strong balance sheet and ample liquidity, which gives us the flexibility to invest appropriately in the business to support our strategic priorities while also continuing to return cash to our stockholders. Creating stockholder value remains our overarching goal. We have been focused on executing a balanced approach to capital allocation, which includes investing in our business and potential strategic acquisition opportunities, supporting our ongoing dividend, and an active share repurchase program. In fact, since we began share repurchases in August 2014 through February 19, 2016, Cooper has purchased 9.6 million shares for \$326 million, at an average price of \$34.00 per share. This amounted to 15 percent of the outstanding shares as of August 2014.



We announced on February 23, 2016, that Cooper extended and increased the share repurchase program by authorizing the repurchase of up to \$200 million of the company's outstanding common stock through December 31, 2017. This replaces the \$74 million remaining on the authorization from February 2015.

Cooper's stock price appreciated by 9.2 percent from December 31, 2014 to December 31, 2015, and we generated an 18 percent return on invested capital (ROIC) in 2015.

## Capital Expenditures of \$183 Million as we Invest in our Business

Capital expenditures totaled \$183 million in 2015 as we invested in the business in support of our strategic priorities and position ourselves for future growth.

- In the United States, our plant teams focused on modernizing our facilities to support the transition to produce and sell more high value, high margin products.
- In Europe, we invested in new tire building equipment in our Serbia facility that will allow us to build larger diameter tires and support growth in Eastern Europe and the Middle East.
- In Asia, we continued to invest in our plant capabilities to meet the requirements of our OE customers, a business that maintained a strong upward trajectory for us in 2015, with our China operations now serving multiple OE accounts.
- In Latin America, we focused on creating tires specifically for that market across three major brands: Cooper, Mastercraft and Starfire.

## Technology Drives Award-Winning Products

Cooper continued to develop advanced technologies and innovative new products at our Global Technical Center and executed them at our regional Technical Centers in North America, Europe and Asia. Product introductions continued to play a significant role in driving growth for Cooper in 2015, and exciting new products are set to release in 2016 as well. In the U.S., Cooper dramatically expanded the size range of its luxury sport utility and crossover tire, the Discoverer SRX, by rolling out 30 new sizes. We also launched the Cooper Discoverer STT Pro to rave reviews. In Asia, we introduced the Cooper Zeon ECO C1, an environmentally friendly tire with low rolling resistance, and in Europe, we introduced the Cooper Zeon 4XS Sport high-performance SUV tire as well

as the Cooper Zeon CS8 passenger car tire. In 2015, Cooper also announced the development of our first tire—the CS1—designed exclusively for the Latin America market. We learned in mid-December of 2014 that the Discoverer STT Pro and Discoverer SRX in North America, as well as the Discoverer UTS and Weather Master Ice 100 tires in Asia, earned 2015 Good Design Awards from The Chicago Athenaeum: Museum of Architecture and Design and the European Centre for Architecture Art Design and Urban Studies.



Cooper CEO Roy Armes and Li Zhihua, General Manager and Executive Director of Qingdao Yiyuan Investment Co., meet in China to celebrate the planned joint venture.

## Joint Venture Agreement with GRT to Provide Additional TBR Tire Supply

In Asia, we signed a joint venture agreement that was announced in early 2016. Cooper plans to acquire 65 percent of Qingdao Ge Rui Da Rubber Co., Ltd. (GRT). This transaction is expected to close late in the second quarter or in the third quarter of 2016. The focus of this joint venture is securing an additional global source of truck and bus radial (TBR) tires. This is a strong strategic fit within our existing manufacturing network and further optimizes Cooper's global footprint. Longer-term, we also see an opportunity to manufacture passenger car radial (PCR) tires at GRT.

## Letter of Agreement with Fate Opens Sales Networks in Argentina

In 2015, we also broadened our global reach and capabilities with the signing of a letter of intent in November with Fate, Argentina's largest tire manufacturer. Initially, Fate will become a distributor of Cooper branded passenger, light truck and SUV tires in Argentina. Over time, our two companies may also work together on other cooperative ventures, which may include tire production, offtake arrangements and possible cooperation on research and development activities. In addition, Cooper continues to utilize our Mexico tire production and sales and marketing capabilities to expand market share in that region.



The Cooper Superfeel Center located in Beijing, China opened in March 2015.

## Teaming with Dealers in China to open Superfeel Centers

In July, it was announced that Cooper Asia is teaming with local dealer partners in China to open several Superfeel Centers. These centers offer an expansive array of tires for passenger cars, SUVs and other vehicle types in an enhanced shopping environment that also offers a host of tire related and auto services. Currently, there are seven Superfeel Centers in major Chinese cities.



Cooper is studying the Guayule plant as an alternative natural rubber source for tires.

## Cooper Leads Sustainable Tire Innovation Projects

In April, Cooper announced that its work was completed under a grant to develop advanced tire technology aimed at increasing vehicle fuel efficiency. The grant, awarded by the U.S. Department of Energy, called for Cooper to develop technology for light vehicle tires that would deliver a minimum



three percent improvement in fuel efficiency while lowering average tire weight by at least 20 percent. Cooper developed technologies that exceeded the project's goals, delivering an annual fuel efficiency improvement of 5.5 percent and weight reduction ranging from 23 percent to 37 percent in concept tires. While we have more work to do to fully assess commercial viability of the features behind this performance, Cooper has taken leaps forward in developing new tire technologies with strong potential for consumer benefit.

Similarly, Cooper is driving innovation when it comes to advancements in materials. We are the lead entity in the Biomass Research and Development Initiative (BRDI) working under a grant from the U.S. Department of Agriculture to conduct research on developing the Guayule plant as an alternative natural rubber source for the tire industry. Cooper's engineers, working under this grant, have completed tire builds with multiple 100 percent Guayule components. In August 2015, we hosted the industry's first ride and drive event on Guayule concept tires, which showed performance to be equal or superior to tires made using traditional Hevea natural rubber. The BRDI group, led by Cooper, continues its work and expects to have a prototype tire made with 100 percent of the natural and synthetic rubber replaced by Guayule natural rubber as early as 2017.



Cooper held the tire industry's first ride and drive using tires made from multiple 100 percent Guayule components.



Race car driver Arie Luyendyk Jr. appeared in a Cooper safety video for National Tire Safety Week.

## Tire Safety Shifts into High Gear

In 2015, Cooper shifted its tire safety awareness efforts into high gear by teaming up with two notable names in auto racing—Arie Luyendyk Jr. and Tristan Nunez. On behalf of Cooper, Luyendyk shared tire safety information during the Rubber Manufacturers Association's National Tire Safety Week in May by hosting a special video tutorial. He also appeared on national news media outlets to emphasize the importance of tire safety and deployed social media platforms to reach consumers, especially young drivers. In all, the campaign created 85 million audience impressions. Tristan Nunez is not only an up and coming auto racer, he's an advocate for teen distracted driving prevention. In October, Cooper joined then 19-year-old Nunez to address safety issues during National Teen Driver Safety Week. Among other efforts, Nunez appeared at the National Organizations for Youth Safety (NOYS) Summit where he demonstrated tire safety tips and addressed dozens of high school students charged with going back to their schools to conduct peer education efforts. He also reached out through social and traditional media, generating hundreds of thousands of audience impressions. Cooper is committed to continued efforts to address tire safety and educating consumers, especially teens, about how to stay safe on the road.

## Inspiring Future Talent

In October, Cooper joined The Manufacturing Institute's "Dream It. Do It." initiative, becoming part of a network of organizations in the U.S. that share the goal of enhancing the image of careers in manufacturing among youth and addressing the widening skills gap in the nation's manufacturing workforce pipeline. In Cooper's first year of involvement, we focused our efforts on National Manufacturing Day events for middle school students, as this is a critical age when young people are forming their first opinions about future careers. In all, more than 4,000 8th grade students participated in highly interactive events hosted by our company that involved a wide range of Cooper employees from researchers and engineers who design, develop and test tires to tire builders, production workers and facility maintenance personnel.

## Confident in Where We're Going: 2016 and Beyond

Our performance in 2015 gives us confidence that Cooper is making the right investments in the business to help us compete effectively. Our focus in 2016 continues to be guided by our strategic plan, which calls for:

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

Thank you for your support during my nearly 10 years leading Cooper. As previously announced, I plan to retire as Chairman, Chief Executive Officer and President effective August 31, 2016. Consistent with Cooper's succession plan, the Board of Directors plans to elect our Chief Operating Officer, Brad Hughes, as President and Chief Executive Officer effective upon my retirement. He is also expected to join our company's Board of Directors at that time. In conjunction with this transition, current Lead Independent Director Tom Capo is expected to become the Non-Executive Chairman of the Board effective upon my retirement.

These appointments are in line with our long-term leadership succession plan and we expect a smooth and orderly transition. It has been my honor and privilege to lead Cooper. This is the right time for me to pass on the torch of leadership at Cooper because our company is in a position of strength. Our business model today is solid, resilient and sustainable into the future. In addition, we have a talented, capable leader in Brad ready to take over the reins. In his more than six years with the company, Brad has demonstrated that he is the right choice to lead Cooper into the future. His many years in the auto industry with Ford Motor Company and his tenure as our Chief Financial Officer, President of International Operations, and Chief Operating Officer, position Brad well to succeed. I have every confidence that Brad will be tremendously effective at leading Cooper to even greater success in the years to come.



Thousands of students like this 8th grader from Findlay, Ohio, learned about raw materials used in tires as part of National Manufacturing Day events.



A handwritten signature in black ink that reads "Roy V. Armes". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Roy V. Armes  
Chairman, Chief Executive Officer  
and President

# STOCKHOLDER 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 419-424-4165  
Website [www.coopertire.com](http://www.coopertire.com)

## Annual Meeting

The 2016 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 6, 2016 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, 2015, filed with the Securities and Exchange Commission. On May 12, 2015, 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, Chief Executive  
Officer and President  
Cooper Tire & Rubber Company

Thomas P. Capo<sup>2, 4</sup>  
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  
Executive Vice President, Asia-  
Pacific Region  
Johnson Controls

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

John F. Meier<sup>1, 3</sup>  
Former Chairman of the Board  
and Chief Executive Officer  
Libbey Inc.

Gary S. Michel  
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

<sup>4</sup> Lead Director

## Executive Officers

Roy V. Armes  
Chairman, Chief Executive Officer  
and President

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

Bradley E. Hughes  
Senior Vice President and  
Chief Operating Officer

Ginger M. Jones  
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