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FORM 10-K

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal Year ended December 31, 2000

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission File Number **1-4329**

COOPER TIRE RUBBER COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE	34-4297750
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
Lima and Western Avenues, Findlay, Ohio	45840
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (419)423-1321

Securities registered pursuant to Section 12(b) of the Act:

(Title of each class)	(Name of each exchange on which registered)
Common Stock, \$1 par per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

State the aggregate market value of the voting stock held by non-affiliates of the registrant (computed by reference to the closing price on the Composite Tape for securities listed on the New York Stock Exchange as of March 5, 2001).

\$989,806,208

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

(Class)	(Outstanding at March 5, 2001)
Common Stock, \$1 par per share	72,543,627

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form10-K into which the document is incorporated:

Proxy statement dated March20, 2001 — Part III

EXHIBIT INDEX appears on pages 21 through 22

PART I

Item 1. BUSINESS

Cooper Tire Rubber Company (“Cooper” or the “Company”) was incorporated in the State of Delaware in 1930. The Company’s business is developing, manufacturing and marketing products for the transportation industry. The Company’s products are primarily rubber-based.

On January 28, 2000, the Company acquired Siebe Automotive (“Siebe”), the automotive fluid handling division of Invensys plc. Siebe manufactures automotive fluid handling systems, components, modules and sub-systems for sale to the world’s automotive original equipment manufacturers and large Tier 1 suppliers. The purchase included the operating assets of Siebe, with 16 operating locations extending across North and South America, Europe and Asia. This acquisition followed the acquisition of The Standard Products Company, which was completed on October 27, 1999. These acquisitions nearly doubled the size of the Company and quadrupled the Company’s automotive parts business.

On February 8, 2000, the Company announced its intent to explore strategic options for its plastics division, which consisted of the automotive exterior plastic trim and Holm Industries businesses, acquired in the Standard transaction. On April 28, 2000, the Company sold the Winnsboro, South Carolina automotive plastic trim production facility. On June 30, 2000, the Company completed the sale of Holm Industries, Inc. Holm is the largest supplier of seals for home and commercial refrigerators in North America. Net sales and operating losses derived from these sold businesses were \$26.1 million and \$659,000, respectively, for the October 27 through December 31, 1999 period and \$90.7 million and \$332,000, respectively, for the period in 2000 during which those businesses were owned by the Company. The Company is continuing its efforts to sell the remaining extruded plastic trim operations of the plastics division.

Additional information on the acquisitions and divestitures appears in the Acquisition note and the Divestitures and Net Assets Held for Sale note to the Financial Statements on pages 30 through 32 and in Exhibit (13) of this Annual Report on Form 10-K.

Restructuring

During the fourth quarter of 2000, the Company announced a comprehensive restructuring plan to significantly improve efficiencies and reduce costs throughout its worldwide operations. Additional information on these initiatives appears in the Restructuring note to the Financial Statements on page 32.

Business Segments

The Company has two reportable segments – Tire and Automotive. The Company’s reportable segments are each managed separately because they offer different products requiring different marketing and distribution strategies. Additional information on the Company’s operating segments, their products, markets and presence in particular geographic areas, appears in the Business Segments note to the Financial Statements on pages 40 and 41 and in Exhibit (13) of this Annual Report on Form 10-K. What follows is a detailed description of the business of each segment.

Tire Operations

The Tire segment produces automobile, truck and motorcycle tires and inner tubes primarily for sale in the replacement market to independent dealers (who sell approximately 72% of the replacement tires sold in the United States), wholesale distributors and large retail chains in the United States. A small percentage of its products are exported throughout the world. The segment does not sell directly to end users, and does not manufacture tires for sale to the automobile original equipment manufacturers (“OEMs”). The Cooper-Avon subsidiary in the United Kingdom manufactures the same products for sale to dealers in the United Kingdom and continental Europe. The segment also supplies equipment and materials to truck tire retread dealers, primarily in North America. The Company has a strategic alliance with Pirelli Tyres of Milan, Italy (“Pirelli”), which involves contractual arrangements but no joint equity holding. The goal of the alliance is to combine the best resources of both companies to improve their competitiveness in the North and South American replacement tire markets. It enables the segment to complete its multi-brand tire strategy by having tier one and upper tier one tires to offer to its independent dealers. This arrangement provides revenue to Cooper primarily through commissions on sales of Pirelli tires by Cooper dealers.

The Tire segment operates in a highly competitive industry, which includes a number of competitors larger than the Company. The Company’s sales of automobile and truck tires in 2000 represented approximately 15 percent of all domestic replacement tire sales. On the basis of North American tire manufacturing capacity, the Company believes it ranks fourth in size, behind Goodyear, Michelin and Bridgestone/Firestone,

among sixteen generally recognized producers of new tires. Those three companies are all substantially larger than the Company. All three compete with the segment in all distribution channels of the replacement tire market and serve the automotive OEMs as well. According to a recognized trade source, the Company ranked eighth in worldwide tire sales based on 1999 estimated sales volumes. At the lower end of the market, the segment faces additional competition from low-cost tire producers

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located in Asia and South America. The tread rubber industry has more than ten suppliers, one of which is believed to have a market share in excess of 50percent. These competitors include the retreading businesses of other major tire manufacturers. Management believes it is currently one of the largest suppliers of moldcure and precure rubber in North America.

Sales of the segment's tire products are affected by factors which include price, quality, availability, technology, warranty, credit terms and overall customer service. The segment has built close working relationships through the years with its independent dealers and believes those relationships have enabled it to obtain a competitive advantage in the replacement market. Competition in the retreading industry is based upon the price and quality of the products and services supplied.

Both the replacement tire and retreading businesses of the segment have broad customer bases, comprised primarily of independent tire dealer, large regional tire dealers, wholesale distributors and retail chains. Sales to the segment's largest customers do not individually account for ten percent or more of the consolidated net sales of the segment. Overall, a balanced mix of customers and the offering of both proprietary brand and private label tires helps to protect the segment from the adverse effects that could result from the loss of a major customer.

Automotive Operations

The Automotive segment produces body sealing systems, active and passive vibration control systems ("NVH"), and fluid handling systems primarily for the global automotive original equipment manufacturing and replacement markets. Additional information on the segment's products can be found in Exhibit13 on page 69.

Body sealing systems products supplied to the automotive manufacturing industry include flocked rubber and steel weatherstrip assemblies to seal vehicle windows; flocked rubber window channel assemblies and rubber window gaskets; and vehicle body and door dynamic sealing systems. These products form the sealing system of automotive vehicles, preventing water leakage and inhibiting wind noise from entering the vehicle. Attractiveness of design is an important feature of the sealing system. An increasing number of the segment's parts are sold to automotive OEMs as complete sealing systems. This is a departure from former practices, in which more suppliers furnished individual parts, and not complete systems.

NVH control systems are designed to assist with the minimization of vibration, noise and harshness experienced in the engine compartment such as molded rubber engine mounts and body cushions, and suspension components. Fluid systems transport fluids and vapors throughout a vehicle and include the modules and subsystems for heating and cooling, brake and fuel lines, emissions and power steering.

A substantial portion of the plastics division's assets have been sold. The remaining operations produce extruded plastic exterior products which serve as protective barriers preventing damage to the vehicle's sheet metal and can be an integral part of the vehicle's overall styling and appearance. The assets of the plastics division are held for sale and are included with prepaid expenses, deferred income taxes and other on the December31, 2000 balance sheet at their estimated fair market value.

Since most of the segment's automotive products are sold as original equipment directly to the OEMs for installation on new vehicles, or in a lesser number of cases, to Tier 1 suppliers who do the same, sales of such products are directly affected by the annual car production of OEMs. The segment does not have a backlog of orders at any point in time. Instead, original equipment sales are generally based upon purchase orders issued periodically by automobile manufacturers for each part which the segment produces. The purchase orders are for all or a percentage of the customers' estimated requirements and are binding, subject to car production levels. As time evolves, customers issue releases under those purchase orders, specifying quantities of the parts which the assembly plants require. The segment's sales and product development personnel work directly with the engineering and styling departments of the OEMs in the engineering and development of its various products. The segment maintains sales offices in strategic locations to provide support and service to its OEM customers.

The segment sales of its automotive products, though generally linked to light vehicle production, are also more closely linked to sales of the particular vehicle models for which the segment provides content. As a result, obtaining business on popular, high-volume vehicles can be important to the success of a supplier's business. The segment supplies products to virtually every OEM in the world. However, over two-thirds of its sales are to Ford, the Chrysler unit of DaimlerChrysler and General Motors. Revenues derived from Ford and the Chrysler unit of DaimlerChrysler approximated \$487million and \$367million, or 29percent and 22percent, respectively, of the segment's net sales in 2000. The loss of either of these customers would likely have a material adverse effect on the financial results of the Company. Through its joint venture with Nishikawa Rubber Company of Japan, the Company also has business with major Japanese automobile producers.

Significant consolidation among the OEMs in recent years has affected the segment. The trend toward consolidation has resulted in the creation of very large global customers which are increasingly requiring their customers to supply them on a global basis. Management believes its acquisitions have given the Company the size and geographic breadth to meet those customer demands. As the industry continues to consolidate, the segment may become even more dependent on each of its customers. As the Company expands its global position, however, it

spreads the risk over additional regions and the automobile manufacturers in those regions.

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Each product line in the Automotive segment operates in a highly competitive environment. The product lines compete with numerous major competitors in North America, Europe and South America. There are at least three major and several lesser competitors in each of the product lines and markets served by the segment. Some of these competitors compete in only one product line or in one geographic region while others may compete in more than one product line or geographic region. The Company believes that it is one of the three largest global producers of sealing systems and most of its fluid system products and is a significant competitor in the NVH business in North America which is highly fragmented and in which no one producer has a significant market share advantage over any other producer. The global consolidation that has taken place in the automotive supply industry has created larger and stronger competitors than previously existed. However, the acquisitions made by the Company have strengthened the segment's ability to compete in such an environment. Maintaining a strong competitive position is critical at a time when the Company's automotive customers are reducing their supply bases to exclude suppliers who cannot meet their increasingly rigorous requirements.

Although each automotive customer may emphasize a different component as its primary criteria, the automotive supply industry has historically competed in three areas in providing customer service: quality, cost and time. Time in this sense relates to on-time delivery, time to bring new products to market and manufacturing cycle time. The segment also believes engineering and design capabilities now play a greater role in the competitive process. Management believes the segment's commitment to continued investment in its engineering and design capability is crucial to achieving future business. The segment's ability to successfully apply continuous improvement methodologies to its engineering, design and manufacturing processes has enabled it in past years to achieve cost savings commitments made to its customers. Management also believes the ability to supply its customers globally is an increasingly important competitive criterion and that its acquisitions of Standard and Siebe have greatly enhanced its ability to meet its customers' global requirements.

Raw Materials

The primary raw materials used by the Company include synthetic and natural rubbers and rubber chemicals, polyester and nylon fabrics, steel tire cord, wire carriers and metals, carbon black and adhesives, which the Company acquires from multiple sources both within and outside the United States to provide greater assurance of continuing supplies for its manufacturing operations. Because of the similarity of raw materials used in the processes of both the Tire and Automotive segments, the Company's purchasing efforts for the two segments are substantially centralized, which has resulted in efficiencies and reduced administrative costs.

The Company did not experience any significant raw material shortages in 2000, nor have any shortages been experienced in the opening months of 2001. The Company has not experienced serious fuel shortages and none are foreseen in the near future. In 2000, the Company experienced upward price pressure for natural gas and for raw materials derived from petroleum such as carbon black, synthetic rubber and processing oils. A rise in gasoline costs during 2000, also related to petroleum, resulted in increases in transportation costs.

The Company has a purchasing office in Singapore to acquire natural rubber and various raw materials directly from producers in the Far East. This purchasing operation enables the Company to work directly with producers to improve the consistency of quality and to reduce the costs of materials, delivery and transactions. In addition, control over packaging methods enhances the Company's goal of using recyclable materials in the packaging of these raw materials.

The Company's contractual relationships with its raw material suppliers are generally based on purchase order arrangements. Certain materials are purchased pursuant to supply contracts which incorporate normal purchase order terms and establish minimum purchase amounts.

Working Capital

The Company maintains a strong working capital position. Inventories turn regularly and accounts receivable are well managed. The Company engages in a rigorous credit analysis of its independent tire dealers and monitors their financial positions. The Company does not generally experience difficulties in collecting its account receivables in the Automotive segment because most of its customers are large, well-capitalized automobile manufacturers.

Research, Development and Product Improvement

The Company generally directs its research activities toward product development, improvements in quality, and operating efficiency. A significant portion of basic research for the rubber industry is performed by raw material suppliers. The Company participates in such research with its suppliers. The Automotive segment's engineering and marketing personnel work closely with their customers to assist in the design and development of products to meet their changing requirements. Product development and design are important to the success of the Automotive segment and are one way in which the Company believes it differentiates itself from its competitors. Additionally, the Company forms strategic alliances with research firms and high-tech manufacturers to collaborate on new product development.

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The Company considers itself a leader in the application of computer technology to the development of new tire and automotive products. The Company has a product and technology agreement with the MSC. Software Corporation to further develop its advanced tire design and modeling system. The use of computer-aided design and sophisticated modeling programs reduce the Company's product development costs and the time necessary to bring new products to market. The ability to offer complete component design services and full vehicle analysis to automotive customers increases the Company's value as a partner in product design and development.

The Company continues to actively develop new passenger and truck tires. The Company conducts extensive testing of current tire lines, as well as new concepts in tire design, construction and materials. During 2000, approximately 64million miles of tests were performed on indoor test wheels and in monitored road tests. Uniformity equipment is used to physically monitor radial passenger, light truck and medium truck tires for high standards of ride quality. The Company continues to design and develop specialized equipment to fit the precise needs of its manufacturing and quality control requirements.

Construction of a new tire and vehicle test track in southern Texas was completed during 1999. Located on a 900-acre site near San Antonio, the Tire Vehicle Test Center contains a one-mile road course, a two-mile ride evaluation course and a 14-acre vehicle dynamics area for wet testing. The new track provides additional flexibility and capability for the development of new products and enhances the Company's speed-to-market.

Research and development expenditures amounted to approximately \$29.2million in 1998, \$39.9million in 1999, and \$99.5million in 2000.

Patents, Intellectual Property and Trademarks

The Company owns and/or has licenses to use patents and intellectual property covering various aspects in the design and manufacture of its products and in processes and equipment for the manufacture of its products. While the Company believes these assets as a group are of material importance, it does not consider any one asset or group of these assets to be of such importance that the loss or expiration thereof would materially affect its business considered as a whole or the business of either of its segments.

The Company owns and uses trademarks worldwide. While the Company believes such trademarks as a group are of importance, the only trademarks the Company considers material to its business are those using the words "Cooper", "Cooper-Standard", "Mastercraft" and "Avon". The Company believes all of its significant trademarks are valid and will have unlimited duration as long as they are adequately protected and appropriately used.

The Company has license and technology sharing agreements with Nishikawa Rubber Company, Ltd. for sales, marketing and engineering services on certain products sold by the Company. Under those agreements, the Company pays for services provided by Nishikawa and a royalty to Nishikawa on certain products for which Nishikawa provides design or development services.

Seasonal Trends

There is a year-round demand for passenger and truck replacement tires, but passenger replacement tire sales are generally strongest during the second and third quarters of the year. Winter tires are sold principally during the months of August through November. Sales to automotive customers are lowest during the months prior to model changeovers and during assembly plant shutdowns. These typically result in slower volume during July, August and December.

Environmental Matters

The Company recognizes the importance of compliance in environmental matters and has an organizational structure to supervise environmental activities, planning and programs. The Company also participates in activities concerning general industry environmental matters.

The Company's manufacturing facilities, in common with those of the industry generally, are subject to numerous laws and regulations designed to protect the environment. In general, the Company has not experienced difficulty in complying with these requirements and believes they have not had a material adverse effect on its financial condition or the results of its operations. The Company expects additional requirements with respect to environmental matters will be imposed in the future. The Company's 2000 expense and capital expenditures for environmental matters at its facilities were not material, nor is it expected that expenditures in 2001 for such uses will be material.

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Employee Relations

As of December 31, 2000, the Company employed 21,185 persons worldwide of whom 8,130 were salaried employees. Approximately 24 percent of the Company's employees were represented by labor unions as of December 31, 2000. The Company considers its labor relations to be favorable.

Foreign Operations

Prior to the acquisitions of Standard and Siebe, the Company's foreign operations consisted of Cooper-Avon Tyres Limited, based in Melksham, England and a plant in Piedras Negras, Mexico. Cooper-Avon, which was acquired in 1997, manufactures and sells tires primarily for the replacement tire industry in the United Kingdom. A small percentage of its production is exported, primarily to Western Europe. The Company's plant in Piedras Negras was acquired in 1986 and manufactures NVH control systems and sealing components for automobile assembly plants throughout North America.

The acquisitions of Standard and Siebe have added significant additional foreign operations to the Company. Standard produces vibration control components at a facility in Mitchell, Ontario, Canada, and has body sealing plants in Canada, Mexico, Brazil, the United Kingdom, France and Poland. Standard also has a minority equity interest in a firm in Korea and licensing and other contractual arrangements with Nishikawa Rubber Co. Ltd. of Japan.

Siebe also has an extensive foreign presence. Three quarters of its sales come from operations outside the United States. Almost one third of those foreign sales are made from Mexico. The remainder derive primarily from operations in Germany, United Kingdom, Australia, Spain, the Czech Republic, Canada and Brazil.

The experience of the Company has been that its foreign operations in Canada and Western Europe do not present materially different risks or problems from those encountered in its United States markets, although the cost and complexity of rationalizing automotive operations in certain European countries is far greater than would be the case in the United States. This is due primarily to labor laws in those countries that make reducing employment levels far more time-consuming and expensive than in the United States.

The Company expects the risks of conducting business in less developed markets, including Brazil, Mexico, Poland and the Czech Republic, will be greater than in the United States, Canadian and Western European markets. The Company must deal with several different issues, including but not limited to, more stringent governmental regulation, currency volatility, potential high interest and inflation rates, political instability and the general economic instability associated with emerging markets.

Additional information on the Company's foreign operations can be found in the Business Segments note to the Financial Statements on pages 40 and 41.

Forward Looking Information

Part I, Item 1. Business contains statements that may be characterized as "forward-looking statements" as that term is defined under the Private Securities Litigation Reform Act of 1995, regarding expectations for future financial performance, which involve uncertainty and risk. It is possible that the Company's future financial performance may differ from expectations due to a variety of factors including, but not limited to: changes in economic and business conditions in the world, increased competitive activity, the failure to achieve expected sales levels, consolidation among the Company's competitors and customers, technology advancements, unexpected costs and charges, fluctuations in raw material and energy prices and in particular changes in the price of crude oil, changes in interest and foreign exchange rates, regulatory and other approvals, the cyclical nature of the automotive industry, loss of a major customer or program, risks associated with integrating the operations of Standard and Siebe, and the failure to achieve synergies or savings anticipated in both acquisitions, risks associated with the restructuring plan and the failure to achieve the savings anticipated from the restructuring, litigation brought against the Company, including the litigation described in Item 3. Legal Proceedings herein and in Item 7. Management Discussion and Analysis herein, and other unanticipated events and conditions.

It is not possible to foresee or identify all such factors. Any forward-looking statements in this report are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Prospective investors are cautioned that any such statements are not a guarantee of future performance and actual results or developments may differ materially from those projected. The Company makes no commitment to update any forward-looking statement included herein, or to disclose any facts, events or circumstances that may affect the accuracy of any forward-looking statement.

Further information covering issues that could materially affect financial performance is contained in the Company's periodic filings with the SEC.

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Item2. PROPERTIES

The Company owns its headquarters facility which is adjacent to its Findlay, Ohio tire manufacturing facility.

The Company operates the following properties for the Tire segment:

Location	Use	Title
NORTH AMERICA		
Albany, GA	Manufacturing Facility Distribution Center	Leased
Asheboro, NC	Manufacturing Facility	Leased
Asheboro, NC	Manufacturing Facility	Owned
Athens, GA	Manufacturing Facility	Owned
Athens, GA	Offices	Leased
Buena Park, CA	Distribution Center	Owned
Cedar Rapids, IA	Distribution Center	Leased
Clarksdale, MS	Manufacturing Facility	Owned
Dallas, TX	Manufacturing Facility	Owned
Dayton, NJ	Distribution Center	Leased
Fife, WA	Distribution Center	Leased
Findlay, OH	Manufacturing Facility Distribution Center	Owned
Findlay, OH	Metal Fabrication Assembly Plant	Owned
Moraine, OH	Distribution Center	Owned
Salisbury, NC	Manufacturing Facility, Offices, Distribution Center	Owned
Salt Lake City, UT	Distribution Center	Owned
San Antonio, TX	Test Track	Owned
Texarkana, AR	Manufacturing Facility Distribution Center	Owned
Tupelo, MS	Manufacturing Facility Distribution Center	Owned/Leased
EUROPE		
Compiègne, France	Distribution Center	Leased
Dietikon, Switzerland	Distribution Center	Owned/Leased
Melksham, England	Manufacturing Facility Distribution Center	Owned
Messel, Germany	Distribution Center	Leased

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The Company operates the following properties for the Automotive segment:

Location	Use	Title
NORTH AMERICA		
Aguascalientes, Mexico	Manufacturing Facility	Owned
Auburn Hills, MI	Offices	Leased
Auburn, IN	Manufacturing Facility	Owned
Bowling Green, OH	Manufacturing Facility	Owned
Bowling Green, OH	Manufacturing Facility	Owned
Charlotte, NC	Distribution Center	Leased
Cleveland, OH (1)	Manufacturing Facility	Owned
Dearborn, MI	Offices	Leased
Dearborn, MI	Offices Distribution Center	Owned
El Dorado, AR	Manufacturing Facility	Owned
Fairview, MI	Manufacturing Facility	Owned
Gaylord, MI	Manufacturing Facility	Owned
Georgetown, Ontario, Canada	Manufacturing Facility	Owned
Goldsboro, NC	Manufacturing Facility	Owned
Goldsboro, NC	Distribution Center	Owned
Griffin, GA	Manufacturing Facility	Owned
Kittanning, PA (1)	Manufacturing Facility	Owned
Luzerne, Michigan	Manufacturing Facility	Owned
Mitchell, Ontario, Canada	Manufacturing Facility	Owned
Mt. Sterling, KY	Manufacturing Facility	Owned
Piedras Negras, Mexico	Manufacturing Facility	Owned
Rocky Mount, NC	Manufacturing Facility	Owned
Sault Ste Marie, Ontario, Canada	Manufacturing Facility	Owned
Spartanburg, SC (1)	Manufacturing Facility	Owned
Stratford, Ontario, Canada	Manufacturing Facility	Leased
Stratford, Ontario, Canada	Manufacturing Facility	Owned
Surgoinsville, TN	Manufacturing Facility	Leased
Torreón, Mexico	Manufacturing Facility	Owned
Torreón, Mexico	Manufacturing Facility	Owned

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SOUTH AMERICA

Itaquacucetuba, Brazil (1)	Manufacturing Facility	Owned
Sao Paulo, Brazil	Manufacturing Facility	Leased
Varginha, Brazil	Manufacturing Facility	Owned

ASIA

Adelaide, Australia	Manufacturing Facility	Owned
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EUROPE

Baclair, France	Manufacturing Facility	Leased
Bezons, France (1)	Manufacturing Facility	Owned
Bielsko-Biala, Poland	Manufacturing Facility	Owned
Buntingford, U.K	Manufacturing Facility	Owned
Getafe, Spain	Manufacturing Facility	Owned
Grunberg, Germany	Manufacturing Facility	Leased
Huntingdon, England (1)	Manufacturing Facility	Owned
Huntingdon, England	Offices and Mixing Facility	Owned
Lillebonne, France	Manufacturing Facility	Owned
Maesteg, Wales	Manufacturing Facility	Owned
Plymouth, England	Manufacturing Facility	Leased
Schelklingen, Germany	Manufacturing Facility	Owned
Sundern, Germany	Manufacturing Facility	Leased
Vitre, France	Manufacturing Facility	Leased
Zdar, Czech Republic	Manufacturing Facility	Owned

(1) Land and buildings held for sale.

The Company believes its properties have been adequately maintained, generally are in good condition and are suitable and adequate for the business of the Company as presently conducted.

The Company believes capacity is presently adequate to meet the demands of each segment's business.

Additional information concerning the Company's facilities appears in Exhibit (13) of this Annual Report on Form 10-K.

Item 3. LEGAL PROCEEDINGS

The Company is a defendant in unrelated product liability and other actions in Federal and state courts throughout the United States in which plaintiffs assert monetary damages. The Company does not believe any liability it may have for these matters will be material to its results of operations, cash flows or financial position.

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The Company has been named in 30 separate class action lawsuits filed against it in 28 separate state courts, plus the Commonwealth of Puerto Rico. One lawsuit purports to represent a national class, while in two others, the proposed class character has been voluntarily withdrawn by amendment. The lawsuits, all of which have been filed under the auspices of the same group of plaintiffs' attorneys, assert claims under the respective states' consumer protection and deceptive trade practices statutes, and comparable commercial law and other theories. They allege that the Company used certain materials and procedures in its process of manufacturing steel-belted radial tires which rendered an unspecified percentage of the tires unsafe, and failed to disclose those practices to purchasers of its tires. The suits are brought on behalf of all persons (excluding those who have sustained personal injury and/or property damage as a result of the alleged unlawful practices) in the respective states who purchased steel-belted radial tires manufactured by the Company from 1985 to the present, and still retain those tires. The lawsuits generally seek, on behalf of each class member, relief sufficient to secure replacement of their tires, statutory, compensatory and punitive damages, and costs and attorneys' fees. The Company has removed each of the actions to Federal court. Plaintiffs have undertaken a program to have each of the actions remanded to state court, and five of the actions have been remanded. On motion filed by the Company, the Federal Judicial Panel on Multidistrict Litigation has transferred most of the actions remaining in Federal court to the U. S. District Court for the Southern District of Ohio, for consolidated pre-trial handling, and it is expected that additional cases will likewise be transferred.

The Company believes that substantial defenses, both factual and legal, to the allegations contained in the lawsuits exist, and it intends to contest vigorously the claims made in these lawsuits. Since the litigation is still in its early stages, the Company is as yet unable to make a meaningful assessment of its impact, if any, on the financial condition, cash flow, or results of operations of the Company.

Item4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of security holders during the last quarter of the fiscal year ended December31, 2000.

PART II

Item5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Cooper Tire Rubber Company common stock is traded on the New York Stock Exchange under the symbol CTB. Information concerning the Company's common stock and related security holder matters (including dividends) is presented on pages 10, 11, 26, 27 through 29, 34 through 36 and 43 of this Annual Report on Form10-K.

Item6. SELECTED FINANCIAL DATA

(Dollar amounts in thousands except for per-share amounts)

	Net	Gross	Operating	Income Before	Income	Net	Earnings Per Share	
	Sales	Profit	Profit	Income Taxes	Taxes	Income	Basic	Diluted
1995	\$ 1,493,622	\$ 250,727	\$ 176,931	\$ 180,070	\$ 67,250	\$ 112,820	\$ 1.35	\$ 1.35
1996	1,619,345	252,796	172,922	172,092	64,208	107,884	1.30	1.30
1997	1,813,005	314,210	208,678	194,792	72,381	122,411	1.55	1.55
1998	1,876,125	330,365	209,535	198,217	71,250	126,967	1.64	1.64
1999	2,196,343	385,819	239,080	215,497	80,023	135,474	1.79	1.79
2000	3,472,372	532,557	252,481 (c)	160,156 (c)	63,422 (c)	96,734 (c)	1.31 (c)	1.31 (c)

	Stockholders'		Total	Working	Net Property,	Capital		Long-term
	Equity		Assets	Capital	Plant	Expenditures	Depreciation	Debt
1995	\$ 748,799	\$	1,143,701	\$ 272,216	\$ 678,876	\$ 194,894	\$ 63,313	\$ 28,574
1996	786,612		1,273,009	256,130	792,419	193,696	76,820	69,489
1997	833,575		1,495,956	354,281	860,448	107,523	94,464	205,525
1998	867,936		1,541,275	376,485	885,282	131,533	101,899	205,285
1999	975,634		2,757,645	549,563	1,227,069	149,817	120,977	1,046,463
2000	952,556		2,922,009	424,718	1,285,397	201,366	167,787	1,036,960

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	Return On Beginning Invested Capital(a)	Return On Beginning Equity	Return On Beginning Assets	Pretax Margin	Effective Tax Rate	Return On Sales
1995	25.8 %	17.0 %	10.9 %	12.1 %	37.3 %	7.6 %
1996	22.2	14.4	9.4	10.6	37.3	6.7
1997	24.4	15.6	9.6	10.7	37.2	6.8
1998	20.5	15.2	8.5	10.6	35.9	6.8
1999	22.4	15.6	8.8	9.8	37.1	6.2
2000	14.6 (d)	12.4 (d)	4.4 (d)	5.7 (d)	39.6	3.5 (d)

	Current	Long-term	Equity	Dividends	Common Shares	
	Ratio	Debt To	Per Share	Per Share	Average (000)	Year End (000)
		Capitalization				
1995	2.7	3.7 %	\$ 8.95	\$.27	83,646	83,662
1996	2.4	8.1	9.67	.31	83,214	81,367
1997	2.8	19.8	10.58	.35	79,128	78,760
1998	3.0	19.1	11.45	.39	77,598	75,791
1999	2.4	51.8	12.87	.42	75,837	75,810
2000	1.7 (b)	52.1	13.13	.42	73,585	72,544

	Number of Stockholders	Number of Employees	Research Development	Stock Price		Price/Earnings Average Ratio
				High	Low	
1995	6,721	8,284	\$ 16,000	\$ 29.63	\$ 22.25	19.2
1996	5,991	8,932	19,700	27.25	18.00	17.4
1997	5,281	10,456	21,700	28.44	18.00	15.0
1998	4,809	10,766	29,200	26.25	15.44	12.7
1999	4,801	21,586	39,900	25.00	13.25	10.7
2000	4,704	21,185	99,500	16.00	9.19	7.7 (d)

- (a) *Earnings before interest and income taxes divided by long-term debt plus stockholders' equity.*
- (b) *The Siebe acquisition was financed using short-term notes payable.*
- (c) *Amounts have been reduced by restructuring charges of \$38,699 (\$24,274 after tax, \$.33 per share).*
- (d) *Computed prior to the restructuring charges.*

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Consolidated Results of Operations

Consolidated net sales in 2000 reached a record-setting level of \$3.5 billion, an increase of \$1.3 billion, or 58 percent, from 1999 levels. The acquisitions of The Standard Products Company ("Standard") on October 27, 1999 and Siebe Automotive ("Siebe") on January 28, 2000 accounted for approximately \$1.2 billion of the increase. The sales increase in 2000 followed a \$320 million, or 17 percent, increase in the Company's sales in 1999 from 1998. The acquisition of Standard added \$188 million to the Company's total sales in 1999.

Operating profit was \$253 million in 2000, nearly six percent higher than the \$239 million generated in 1999. This increase was attributable to the operating profit of Standard and Siebe, offset by the impacts in 2000 of restructuring costs, operating losses of closed or sold facilities, and additional goodwill amortization related to the acquisitions of Standard and Siebe. The Company recorded \$39 million (\$24 million after tax, \$.33 per share) in restructuring charges for reorganization plans finalized after the Standard and Siebe acquisitions. Operating losses in 2000, resulting from ongoing costs related to the closing of a French automotive sealing facility and from production difficulties experienced at an automotive plastic trim facility prior to its sale, totaled \$19 million (\$12 million after tax, \$.17 per share). Operating losses of these businesses in 1999 were nearly \$4 million (\$3 million after tax, \$.03 per share).

Net income was \$97 million in 2000, 29 percent lower than the \$135 million generated in 1999. Excluding the restructuring charges and non-recurring losses of the closed or sold facilities, 2000 earnings were \$133 million, slightly lower than 1999 earnings of \$138

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million. Net income in 1999 increased by nearly seven percent over 1998's results. Earnings per share were \$1.31 in 2000, \$1.79 in 1999 and \$1.64 in 1998. Earnings per share for 2000, excluding the restructuring charges, were \$1.64 and, excluding the restructuring charges and non-recurring losses of closed or sold facilities, were \$1.81.

Selling, general and administrative expenses were 6.5percent of net sales in 2000, compared to 6.6percent in 1999 and 6.4percent in 1998. Spending levels in 2000 reflect the higher general and administrative costs associated with the acquired operations.

Interest expense was \$97million in 2000, compared to \$24million in 1999, reflecting the higher debt levels incurred with the acquisitions of Standard and Siebe. Interest expense in 1999 was \$9million higher than in 1998, reflecting the acquisition of Standard.

Other income increased from \$862,000 in 1999 to \$5million in 2000. Income from unconsolidated subsidiaries which were part of the Standard acquisition were responsible for this increase. The most significant of these is Nishikawa Standard Company, a partnership of which the Company and Nishikawa Rubber Co., Ltd. of Japan each own 50percent. The partnership, which has production facilities in Indiana, manufactures automotive sealing components for automotive companies operating in the United States, including those based in Japan. During 1998, other income of \$4million reflected a gain resulting from the sale of a warehouse.

The effective income tax rate of 39.6percent in 2000 is higher than the 37.1 percent in 1999 due to the impact of nondeductible goodwill attributable to the acquisitions of Standard and Siebe. The lower 1998 rate of 35.9percent resulted from foreign tax benefits.

The Company has recorded valuation allowances to reflect the estimated potential tax benefits which may not be realized, principally due to the inability of certain of the foreign subsidiaries acquired with Standard and Siebe to utilize available net operating loss carryforwards of approximately \$47million and \$28million at December31, 2000 and 1999, respectively. Net operating loss carryforwards expire in years 2001 through 2015.

The effects of inflation did not have a material effect on the results of operations of the Company in 2000, 1999 and 1998.

Business Segments

The Company has two reportable segments – Tire and Automotive. The Company's reportable segments are each managed separately because they offer different products requiring different marketing and distribution strategies.

The Tire segment produces automobile, truck and motorcycle tires and inner tubes which are sold nationally and internationally in the replacement tire market to independent dealers, wholesale distributors and large retail chains, and supplies equipment and materials to the truck tire retreading industry.

The Automotive segment produces body sealing systems, active and passive vibration control systems ("NVH"), and fluid handling systems primarily for the global automotive original equipment manufacturing and replacement markets.

Tire Segment

Overview

Sales of passenger car and light truck tire replacement units in the U. S. market increased by approximately 3.3percent over 1999. The increased replacement sales resulting from the well-publicized August recall of certain Firestone tires accounted for a significant percentage of this increase. Higher raw material costs impacted all of the tire producers, but attempts to obtain price increases to offset those higher costs were unsuccessful, due, at least until the Firestone recall, to global overcapacity, excess inventories, and the increased presence of foreign producers exporting low-priced tires to the U. S. market.

Sales

Sales for the Tire segment were \$1.8billion in 2000, an increase of \$245 million, or nearly 16percent, from 1999. The acquisition of Oliver Rubber Company ("Oliver") as part of the Standard acquisition contributed \$133million of the increase.

Tire unit sales, including both passenger and truck sizes, increased by five percent from 1999. Passenger tire shipments increased more than one percent from 1999. Light truck tire shipments increased more than 16percent, significantly outpacing the industry's four percent growth in this category in 2000. A strong emphasis on serving the light truck tire market with quality, leading edge products for all categories of the market, together with the introduction of significant new product offerings, accounted for the segment's excellent performance in the light truck tire

market. Increased sales of the Company's proprietary brand tires, and sales arising from the Firestone recall, contributed to the sales increase in 2000. A price increase announced in October 2000, to become

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effective on January 1, 2001, was a factor in an increase in sales in the fourth quarter of 2000, as customers made purchases in advance of the price increase. The adverse impacts of low-priced tire imports and a large customer's shift away from the marketing of private brand tires partially offset those gains.

Sales in 1999 at \$1.6 billion increased \$113 million or nearly eight percent from 1998. The acquisition of Oliver in 1999 accounted for \$27 million of this increase. Increased sales to certain private brand customers and continued growth in Cooper's proprietary brands contributed to the improvement, as did increasing demand for light truck tires. Growth in the Company's tire shipments continued to outpace the replacement tire industry in 1999 but was limited by capacity constraints.

Operating Profit

The Tire segment recorded restructuring charges of nearly \$6 million during 2000. Charges of \$2 million were recorded at the Company's subsidiary in the United Kingdom. The remaining \$4 million resulted from the decision to close Oliver facilities in Wadsworth, Ohio; Export, Pennsylvania; Paris, Texas; Dallas, Texas; and Athens, Georgia, where both a distribution facility and Oliver's administrative headquarters will be closed early in 2001. The closings were due to excess capacity and a decision to more closely integrate Oliver's operations with those of the Company's tire business, rather than continue to operate Oliver as a stand-alone business.

Operating profit increased four percent from \$176 million in 1999 to \$184 million in 2000. The majority of the increase was attributable to the inclusion of Oliver's performance for a full year in 2000. Operating margin was 10.2 percent in 2000, a decrease from 11.3 percent in 1999. Operating margin exclusive of the restructuring charges in 2000 was 10.5 percent.

An increase in raw material costs of over \$30 million, due primarily to increases in the price of petroleum, was the principal reason for the decline in the segment's margins in 2000. Improvements in product mix and pricing, due to a higher percentage of the segment's sales in 2000 consisting of higher-margin proprietary brand tires, and due also to lower plant costs resulting from manufacturing efficiency initiatives, partially offset the impact of higher raw material costs. In addition, a benefit was realized from the settlement of a tax dispute, allowing the reversal of a \$3 million reserve accrued in prior years.

Exchange rates adversely impacted the segment's performance in 2000. The strength of the British pound versus the euro depressed exports to the European continent of tires produced by the Company's subsidiary in the United Kingdom. The strong U. S. dollar adversely affected exports of tires produced in the United States and facilitated low-priced imports into the United States.

Over the past two years, the North American replacement tire industry has continued to experience intense competitive pricing due to global overcapacity, high inventory levels, increased sales of low-priced tires from South America and Asia and the strategic approaches of various competitors. These factors prevented the segment from realizing price increases which were sought during 2000 to offset higher raw material costs. As a result, the Company's margins were adversely impacted. However, inventory levels in the domestic replacement industry were significantly reduced in the latter months of 2000, due in substantial part to the increased demand created by the Firestone recall. As a result, the segment, in October 2000, announced price increases for its tire products effective January 1, 2001.

Operating profit in 1999 increased nearly 14 percent over 1998, from \$155 million to \$176 million. Operating margins were 11.3 percent in 1999, an improvement from 10.7 percent in 1998. Increased volume, favorable raw material costs and cost savings measures were the reasons for these improvements. Transition costs associated with the conversion of the Texarkana plant to continuous operations, increases in selling, general and administrative expenses and the lower margins of the Oliver business partially offset their impact.

Outlook

The year 2001 will be a challenging one for the Tire segment. As the demand for replacement tires created by the Firestone recall abates, and as lower automobile production reduces the portion of tire manufacturing capacity which is devoted to producing original equipment tires, the overcapacity issue that has impacted the replacement tire industry in past years may reappear. Also, a decline in consumer confidence as economic conditions become increasingly uncertain could cause reductions in spending on replacement tires. Finally, overcapacity among tire producers in South America and Asia, coupled with a continuation of the strength of the U. S. dollar, are likely to result in continued high levels of imports of low-priced, lower-end tires into the U. S. replacement market.

Demand in the domestic replacement tire industry in 2001 is expected to remain at the same level as in 2000, reflecting the loss of the demand created in 2000 by the Firestone recall and a softening in the general economy. The segment is, however, projecting an increase in its unit sales for the year. Improvements in the segment's profitability will depend on raw material costs, which are largely dependent on the price of petroleum, and its ability to obtain price increases sufficient to recover last year's increases in those costs and offset further increases that may occur this year. The segment is cautiously optimistic that the price increase which became effective at the beginning of the year will be realized.

throughout the course of the year. The Company expects that opportunities for future sales growth will most likely be in its sales of proprietary brand tires to its independent dealers. The segment's ability to offer a

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tier one brand tire to its dealers through its alliance with Pirelli is expected to continue to enhance its performance in 2001 as that relationship continues to develop and strengthen.

While the performance of the segment's subsidiary in the United Kingdom was disappointing last year, a strategic decision has been made to streamline the various product lines offered by the subsidiary and focus on a smaller number of premium tires. The weakening of the pound versus the euro, and the strengthening of the euro versus the dollar, could also favorably impact the performance of the subsidiary in 2001.

Oliver and the rest of the commercial truck tire unit are facing a challenging year. The heavy truck industry was severely impacted by higher fuel prices in 2000, and the economics of that industry are likely to remain poor in 2001. In addition, Oliver's largest customer terminated its agreement with the Company effective December 31, 2000. The business will rely on the cost reductions to be realized from its restructuring, plus increased efforts to improve market share, to aid its performance in 2001.

The Company is also defending itself against numerous class action lawsuits involving its tires. Additional information about the lawsuits is included in the "Contingencies" section of this Management's Discussion and Analysis.

Automotive Segment

Overview

The Company's Automotive segment serves automotive original equipment manufacturers all over the world. The year 2000 was a year of record sales in the automotive industry. Production in North America reached 17.2 million vehicles, which was the highest level ever recorded and an increase of one percent over 1999 levels. Production in Europe was 19.0 million vehicles versus 18.9 million in 1999. Production in Brazil reached 2.1 million, up from 1.7 million vehicles in 1999, when a currency crisis led to a severe economic contraction.

The share of the North American market held by the three U.S.-based automotive manufacturers, General Motors, Ford and the Chrysler unit of DaimlerChrysler, declined by approximately 2 percentage points in 2000 from 1999 levels. This decline has adversely impacted the segment, because a greater percentage of its North American sales in 2000 were to those three customers. A significant part of the Company's global strategy for its automotive business is to increase its level of sales to automotive manufacturers based outside of the United States.

Notwithstanding the performance of the automotive industry for all of 2000, production levels slowed significantly in North America in the fourth quarter of the year, especially among the U.S.-based automotive producers. Competitive product offerings from foreign-based manufacturers, especially in the popular minivan and sport utility vehicle segments, accentuated the production decline of the U.S.-based automotive manufacturers.

Automotive suppliers, such as the Company, operate in an environment in which price reductions are generally expected by its customers on at least an annual basis. Emphasis on continuous improvement, lean manufacturing and other cost reduction initiatives are required to operate successfully in this environment.

Sales

Sales for the Automotive segment increased from \$644 million in 1999 to \$1.7 billion in 2000. The acquisitions of Standard and Siebe were responsible for the sales increase in this segment.

Sales in 2000 were especially strong in North America due to record production levels in the industry. Approximately 77 percent of the segment's sales in 2000 were in North America, 20 percent in Europe, and three percent in Brazil and Australia. Sales at the segment's four facilities in Mexico increased significantly to \$145 million in 2000, as programs awarded in earlier years, including sealing components for Chrysler's PT Cruiser, ramped up to full production during the year, and as the fluid systems unit completed the relocation of approximately 35 percent of its production to Mexico from other locations in North America. Although the segment does business with all of the world's automakers, approximately 76 percent of its global sales are to Ford, DaimlerChrysler, and General Motors. Sales of fluid systems benefited from the combining of the acquired Siebe operations with those of the Company's hose business, as the segment became able to offer pre-assembled hose and tube modules to its customers.

Nearly all of the segment's foreign sales were of body sealing components and fluid handling systems. Approximately 30 percent of the total sales of each of these product lines were derived from foreign operations. The relatively high concentration of European production in the United Kingdom adversely impacted the sales of the segment's European operations due to the strength of the British pound during the year.

Sales late in 2000 reflected the significant decline in North American vehicle production which occurred during the fourth quarter, as an

unexpectedly rapid slowdown in vehicle sales took hold. This slowdown left the automobile companies with high levels of

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inventory, which led to much lower production levels during the quarter. DaimlerChrysler, the segment's second largest customer, was especially hard hit by the slowdown, and the segment's sales to its Chrysler unit declined substantially in the quarter.

Automotive sales in 1999 increased 49percent from \$432million in 1998 to \$644 million. Two months of sales from Standard's automotive businesses, totaling \$165million, were included in 1999's sales. Other growth resulted from new contracts for NVH control systems on the GM Silverado/Sierra pickup and sport utility vehicle, the new Saturn LS sedan and the Ford Focus.

Operating Profit

Operating profit in 2000 was \$69million, an increase of nearly ten percent over 1999. Operating margins were four percent in 2000, versus 9.7percent in 1999. The reduction in operating margin was due to several factors. First, a restructuring charge of \$33million was recorded in 2000. This charge related to a decision to close or downsize 19 facilities in North America and Europe. In addition, an automotive sealing facility in Kittanning, Pennsylvania was closed during the year. Costs of \$3million associated with that closing were accrued in the recording of the acquisition of Standard.

Second, the segment suffered several nonrecurring losses which impacted its operating margins during 2000. The closure of a sealing plant in France, where production ended in April2000, reduced operating profit by \$11million. Losses resulting from production difficulties experienced at the segment's automotive plastics plant in Winnsboro, South Carolina, which was sold at the end of April2000, totaled \$8million.

Third, results from operations were especially weak in the sealing business in Europe, where overcapacity, poor product pricing, and a significant presence in the United Kingdom (where the strong British pound hurt sales of products exported to other European countries) plagued the segment's efforts to achieve profitability. Results in the fluid systems business in Europe were profitable, but not in an amount sufficient to offset the losses experienced by the sealing business.

On the positive side, performance in 2000 benefited from North American fluid systems production in Mexico, where the cost structure is significantly lower than in the United States. Prior to the Company's acquisition of Siebe in January2000, nearly all North American fluid systems production resided in the United States. The performance of the North American sealing business in 2000 benefited from the greater raw material buying power that resulted from the ability to combine its purchasing with that of the Company's tire business. In addition, cost reductions achieved in Brazil during the year enabled the segment to break even there in 2000 despite a continued sluggish economy.

Operating profit in 1999 was \$63million, an increase of more than 15percent over 1998. Operating margins, however, declined from 12.6percent in 1998 to 9.7percent in 1999. This decline reflects the acquisition of Standard, price reductions demanded by customers, product mix and the favorable impact in 1998 of a \$2million recovery of previously expensed costs related to a dispute with a former owner of a plant site. Manufacturing efficiencies offset some of the adverse impact of price reductions.

Outlook

The downturn that impacted the domestic automotive industry in the fourth quarter of 2000 has continued in the first quarter of 2001. Light vehicle production by General Motors, Ford, and the Chrysler unit of DaimlerChrysler in the first quarter of 2001 is expected to be approximately 20percent lower than in the same quarter last year, when production rates were at historically high levels. While production levels are expected to improve over the remainder of the year as excess inventories are worked off, North American production will likely be at least five percent lower than in 2000. As a result, the segment's unit sales will likely decrease by a commensurate amount, and perhaps more, if the decline in the market share of the three U.S.-based auto companies that has occurred in each of the past two years continues in 2001. This is because a greater proportion of the segment's North American sales are to those companies than to foreign manufacturers producing vehicles in North America.

The segment also faces the challenge of further price reductions for its products. In addition to previously negotiated price decreases that took effect at the beginning of the year, DaimlerChrysler announced in late 2000 that it was unilaterally implementing five percent price decreases for all components supplied to it. Because approximately 30percent of the segment's North American sales are to DaimlerChrysler, such a reduction would adversely impact the segment's results of operations. Negotiations are being conducted with DaimlerChrysler with respect to those price decreases. The outcome of those discussions, and their impact both on current contracts and on the segment's future relationship with DaimlerChrysler, cannot presently be determined with any certainty.

The segment was awarded a large amount of incremental new business in 2000, most of which will launch beginning in 2003. Among the most significant of this new business are sealing systems for the Ford F-Series truck, Ford Focus, and GM/Isuzu pickup truck. The former represents a major penetration into the truck business at Ford, while the latter two represent global platforms. The Company would not have been

considered for this business but for the acquisitions of Standard and Siebe.

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In 2001, the segment's North American volume will be adversely impacted by the discontinuance of several programs, and by reduced volumes on other vehicles. New business commencing in 2001 will not be sufficient to offset this volume decline. The closure of four production plants in North America as part of the segment's restructuring plan will significantly reduce the segment's cost structure, and is intended to position the segment for improved profitability in the future. Successful implementation of the restructuring plan in a timely fashion is essential to the segment's ability to meet its performance targets for 2001.

In Europe, the segment is aggressively integrating its sealing and fluid systems businesses under one administrative structure, to create efficiencies and eliminate duplicative overhead. This integration will also better enable both the sealing and fluid systems businesses to establish a presence in all parts of Europe, where each previously had a greater presence in some European countries than in others. Within the European sealing systems business, the creation of one administrative structure will also eliminate duplicative administrative and technical functions that previously existed in the United Kingdom and France. In addition, the segment will increase its manufacturing presence in Poland and the Czech Republic, to avail itself of the lower cost structure that exists in those countries. These actions, which constitute a significant part of the segment's restructuring plan, will substantially reduce the break-even point of the European operations, which are projected to be profitable in 2001 at currently expected volumes.

The Brazilian sealing operation will also report under the European administrative structure, thus better integrating operations in that country into the European business, which deals directly with the units of the automotive customers which have responsibility for many aspects of Brazilian operations. Substantial cost reductions were made in Brazil in 2000, including the commencement of the integration of the separate Siebe and Standard operations there. Given expected economic conditions and current sales levels, the segment believes it will be profitable in Brazil in 2001.

Company Summary

The Company will not be content in 2001 merely to weather the potential economic downturn through cost reduction efforts, although timely implementation of its restructuring plan and a continued emphasis on new manufacturing initiatives and other efforts to create operating efficiencies are critical to the continued success of its businesses. The Company will continue to seek opportunities to further develop both of its business segments. The Tire segment will seek opportunities, most likely through strategic alliances with foreign companies, to obtain low-cost production capabilities that will enhance its ability to compete at the lower end of the replacement tire market. The Automotive segment intends to further strengthen its global operations through alliances with foreign partners, including Nishikawa Rubber Co., Ltd. of Japan and Jin Young Standard Inc. of Korea, in the body sealing unit and the ContiTech unit of Continental A.G. in the NVH unit. The segment will also continue to expand upon the opportunities created by the combining of the Company's hose and Siebe's fluid systems businesses to provide value-added modular components to its customers.

The Company has agreed to invest \$2.9million in RubberNetwork.com LLC, a limited liability company established by six manufacturers in the tire and rubber industry to achieve cost savings in the procurement of raw materials and indirect materials and supplies through the application of e-business technology. RubberNetwork.com is designed to offer its members the benefits of aggregation of purchases, cataloguing of parts lists, reverse auctions, and supply chain services. The Company will use it to procure materials for both its Tire and Automotive segments. The Company's investment commitment in RubberNetwork.com is to be funded over a three-year period. This e-business will commence limited operations in the second quarter of 2001, and is expected to be fully functional before the end of the year.

Liquidity and Capital Resources

Working capital at \$425million is down \$125million from December 31, 1999. The current ratio of 1.7 is down from 2.4 at last year-end. Total debt, as a percent of total capitalization, is 55.9percent compared to 52.4percent one year ago. These changes reflect the increase in short-term debt primarily related to the acquisition of Siebe.

Net cash provided by operating activities, at \$231million in 2000, is \$20 million higher than in 1999.

Net cash used in investing activities during 2000 reflects the acquisition of Siebe for \$223million. Pretax proceeds from the sale of the Holm and Winstboro businesses provided \$110million. Capital expenditures in 2000 were \$201million, an increase of \$52million over the prior year. The Company continues to invest in new technology and strategic growth initiatives. Capital expenditures in 2001 are expected to approximate \$190million. The Company's capital expenditure commitments at December 31, 2000 are not material to its consolidated financial position or cash flows.

Financing activities in 2000 provided cash of \$56million. Commercial paper of \$323million was issued during the year to fund the acquisition of Siebe and seasonal working capital requirements. Cash from the sale of businesses was used to pay down commercial paper during the second quarter. During 2000, the Company purchased 3,314,800 of its common shares at a cost of \$42million. These repurchases were made

under a program approved in May1997 and under an additional program to repurchase up to 10,000,000 common shares which was authorized by the Company's Board of Directors in May2000. During 1998, the Company purchased \$55million of its common shares. Dividends paid on the Company's common shares were \$31million, \$32million and \$30million in 2000, 1999 and 1998, respectively.

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On September 1, 2000, the Company amended and restated the \$350 million credit agreement with a group of eight banks. The agreement includes credit facilities of \$150 million expiring August 31, 2005 and \$200 million expiring August 31, 2001, with provisions for extending the facilities beyond these dates upon approval of the bank group. The credit facilities support issuance of commercial paper. At December 31, 2000 there was \$127 million outstanding under these arrangements.

The Company established a \$1.2 billion universal shelf registration in November 1999, of which \$400 million remains available at December 31, 2000. Securities that may be issued under this shelf registration include debt securities, preferred stock, fractional interests in preferred stock represented by depositary shares, common stock, and warrants to purchase debt securities, common stock or preferred stock.

The Company expects that, given current business projections, adequate liquidity will be provided by cash flows from operations and its credit facilities to fund debt service obligations, capital expenditures, dividends on its common shares and working capital requirements during 2001.

Contingencies

The Company is a defendant in unrelated product liability actions in Federal and state courts throughout the United States in which plaintiffs assert monetary damages. The Company does not believe any liability it may have for these matters will be material to its results of operations, cash flows or financial position.

The Company has been named in 28 separate class action lawsuits filed against it in 26 separate state courts, plus the Commonwealth of Puerto Rico. One lawsuit purports to represent a national class, while in two others, the proposed class character has been voluntarily withdrawn by amendment. The lawsuits, all of which have been filed under the auspices of the same group of plaintiffs' attorneys, assert claims under the respective states' consumer protection and deceptive trade practices statutes, and comparable commercial law and other theories. They allege that the Company used certain materials and procedures in its process of manufacturing steel-belted radial tires which rendered an unspecified percentage of the tires unsafe, and failed to disclose those practices to purchasers of its tires. The suits are brought on behalf of all persons (excluding those who have sustained personal injury and/or property damage as a result of the alleged unlawful practices) in the respective states who purchased steel-belted radial tires manufactured by the Company from 1985 to the present, and still retain those tires. The lawsuits generally seek, on behalf of each class member, relief sufficient to secure replacement of their tires, statutory, compensatory and punitive damages, and costs and attorneys' fees. The Company has removed each of the actions to Federal court. Plaintiffs have undertaken a program to have each of the remaining actions remanded to state court, and four of the actions have been remanded. On motion filed by the Company, the Federal Judicial Panel on Multidistrict Litigation has transferred most of the actions remaining to the U. S. District Court for the Southern District of Ohio, for consolidated pre-trial handling, and it is expected that additional cases will likewise be transferred. The Company believes that substantial defenses, both factual and legal, to the allegations contained in the lawsuits exist, and it intends to contest vigorously the claims made in these lawsuits. Since the litigation is still in its early stages, the Company is as yet unable to make a meaningful assessment of its impact, if any, on the financial condition, cash flow, or results of operations of the Company.

New Accounting Standards

For a discussion of recent accounting pronouncements and their impact on the Company, see the "Significant Accounting Policies — Accounting pronouncements" note to the financial statements.

Forward-Looking Statements

This report contains "forward-looking statements," as that term is defined under the Private Securities Litigation Reform Act of 1995, regarding expectations for future financial performance, which involve uncertainty and risk. It is possible that the Company's future financial performance may differ from expectations due to a variety of factors including, but not limited to: changes in economic and business conditions in the world, increased competitive activity, the failure to achieve expected sales levels, consolidation among the Company's competitors and customers, technology advancements, unexpected costs and charges, fluctuations in raw material and energy prices and in particular changes in the price of crude oil, changes in interest and foreign exchange rates, regulatory and other approvals, the cyclical nature of the automotive industry, loss of a major customer or program, risks associated with integrating the operations of Standard and Siebe, and the failure to achieve synergies or savings anticipated in both acquisitions, risks associated with the restructuring plan and the failure to achieve the savings anticipated from the restructuring, litigation brought against the Company, including the litigation described under "Contingencies" herein, and other unanticipated events and conditions.

It is not possible to foresee or identify all such factors. Any forward-looking statements in this report are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Prospective investors are cautioned that any such

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statements are not a guarantee of future performance and actual results or developments may differ materially from those projected. The Company makes no commitment to update any forward-looking statement included herein, or to disclose any facts, events or circumstances that may affect the accuracy of any forward-looking statement.

Further information covering issues that could materially affect financial performance is contained in the Company's periodic filings with the SEC.

Item7a. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to fluctuations in interest rates and currency exchange rates from its financial instruments. The Company actively monitors its exposure to risk from changes in foreign currency exchange rates and interest rates. Derivative financial instruments are used to reduce the impact of these risks. See the "Significant Accounting Policies — Derivative Financial Instruments" and "Fair Value of Financial Instruments" notes to the financial statements for additional information.

The Company has estimated its market risk exposures using sensitivity analysis. These analyses measure the potential loss in future earnings, cash flows or fair values of market sensitive instruments resulting from a hypothetical ten percent change in interest rates or foreign currency exchange rates.

A ten percent decrease in interest rates would adversely affect the fair value of the Company's fixed-rate, long-term debt by approximately \$60million at December31, 1999 and approximately \$57million at December31, 2000. A ten percent increase in the interest rates for the Company's floating rate long-term debt obligations would not be material to the Company's results of operations and cash flows.

The Company's exposure to changes in interest rates from its short-term notes payable issuances is not significant as such notes, which are not material to its financial position at December31, 1999 and 2000, are issued at current market rates.

At December31, 2000, the Company has derivative financial instruments that hedge foreign currency denominated intercompany loans. Gains or losses on the foreign currency denominated loans are offset by changes in the values of derivative financial instruments. The Company's unprotected exposures to earnings and cash flow fluctuations due to changes in foreign currency exchange rates are not significant at December31, 1999 and 2000.

Item8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated statements of financial position at December31, 1999 and 2000 and consolidated statements of income, cash flows, and stockholders' equity for each of the three years in the period ended December31, 2000, the independent auditor's report thereon, and the Company's unaudited quarterly financial data for the two-year period ended December31, 2000 are presented on pages 24 through 43 of this Annual Report on Form10-K and are incorporated herein by reference.

Item9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Item10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning the Company's directors appears on pages 3 through 6, 25, 26 and 29 of the Company's Proxy Statement dated March20, 2001 and is incorporated herein by reference. The names, ages, and all positions and offices held by all executive officers of the Company, as of the same date, are as follows:

Name	Age	Executive Office Held	Business Experience
-------------	------------	------------------------------	----------------------------

Thomas A. 49 Chairman of the Board,
Dattilo President and Chief Executive
Officer and Director

Chairman of the Board and Chief Executive Officer since April 28, 2000. President
and Chief Operating Officer since January 1999. Director since February 1999.
Formerly with Dana

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			Corporation since 1977, having served as President, Sealing Products since 1998 and in senior management positions at Dana Corporation subsidiaries since 1985.
John Fahl	6	Executive	
	4	Vice President and Director	Executive Vice President since June 16, 2000. Vice President from 1978 through 2000. Director since 1992. President of Cooper Tire since 1994. Corporate Director of Purchasing from 1966 to 1978.
Mark F. Armstrong	5	Vice President	Vice President since March 2000. President, North American Tire Division, Cooper Tire since December 2000. Vice President, Sales and Marketing, Cooper Tire from March through December 2000. Vice President, Sales, Tire Division from 1994 to March 2000. Vice President, House Brand Sales from 1991 to 1994.
William S. Klein	6	Vice President	Vice President since 1984. Executive Vice President, Cooper Tire since 2000. Senior Vice President, Global Manufacturing and Technology Development, 1999 to 2000. Vice President-Tire Operations from 1975 to 1999.
James S. McElya	5	Vice President	Vice President since February 2000. President, Cooper-Standard Automotive since May 2000. President, Global Fluid Systems Division, Cooper-Standard Automotive from January through May 2000. Previously, President, of Siebe Automotive Worldwide from 1996 through 2000. Formerly served as President, Handy and Harman Automotive, as a Corporate Vice President and Officer Handy and Harman, and in other senior management positions since 1974.
Roderick F. Millhof	6	Vice President	Vice President since 1998. Executive Vice President, Cooper-Standard Automotive since May 2000. President, Global Sealing Division, Cooper-Standard Automotive from 1999 to May 2000. President, Engineered Products Operations from 1998 to 1999. Formerly Vice President Sales/Marketing of Engineered Products Operations from 1988 through 1998.
D. Richard Stephens	5	Vice President	Vice President since March 2001. President, International Tire Division, Cooper Tire since December 2000. Vice President, Technical and Commercial Tire Operations, Cooper Tire from March 2000 to December 2000. Vice President, Technical from 1994 to March 2000. Director, Technical from 1990 to 1994.

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Richard D. Teeple	5	Vice President, General Counsel and Secretary	Vice President since 1990. General Counsel since 1983. Secretary since January 2001.
Philip G. Weaver	4	Vice President and Chief Financial Officer	Assistant General Counsel from 1979 to 1983. Associate Counsel from 1977 to 1979. Vice President and Chief Financial Officer since 1999. Tire Operations Vice President from 1994 through 1999 and Tire Operations Controller from 1990 through 1994.
Eileen B. White	5	Corporate Controller	Corporate Controller since 1997. Assistant Corporate Controller from 1994 to 1997. Manager, Financial Research and Compliance from 1986 to 1994.
	0		

Each such officer shall hold such office until a successor is selected and qualified.

Item 11. EXECUTIVE COMPENSATION

Information regarding executive compensation appears on pages 15 through 24 of the Company's Proxy Statement dated March 20, 2001 and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information concerning the security ownership of certain beneficial owners and management of the Company's voting securities and equity securities appears on pages 28 and 29 of the Company's Proxy Statement dated March 20, 2001 and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULE, AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

The financial statements listed in the accompanying index to financial statements and financial statement schedules are filed as part of this Annual Report on Form 10-K.

2. Financial Statement Schedule

The financial statement schedule listed in the accompanying index to financial statements and financial statement schedule is filed as part of this Annual Report on Form 10-K.

3. Exhibits

The exhibits listed on the accompanying index to exhibits are filed as part of this Annual Report on Form 10-K.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the last quarter of the fiscal year ended December 31, 2000.

INDEX TO FINANCIAL STATEMENTS, SCHEDULE AND EXHIBITS

	Page(s) Reference
FINANCIAL STATEMENTS:	
Consolidated Statements of Income for the years ended December31, 1998, 1999 and 2000	24
Consolidated Balance Sheets at December31, 1999 and 2000	25-26
Consolidated Statements of Stockholders' Equity for the years ended December31, 1998, 1999 and 2000	27
Consolidated Statements of Cash Flows for the years ended December31, 1998, 1999 and 2000	28
Notes to Financial Statements	29-41
Report of Independent Auditors	42
SUPPLEMENTARY INFORMATION:	
Quarterly Financial Data (Unaudited)	43
FINANCIAL STATEMENT SCHEDULE:	
II. Valuation and qualifying accounts	44
EXHIBITS:	
(3)	Certificate of Incorporation and Bylaws
(i)	Certificate of Incorporation, as restated and filed with the Secretary of State of Delaware on May17, 1993, is incorporated herein by reference from Exhibit3(i) of the Company's Form10-Q for the quarter ended June30, 1993 Certificate of Correction of Restated Certificate of Incorporation as filed with the Secretary of State of Delaware on November24, 1998 is incorporated by reference from Exhibit3(i) of the Company's Form10-K for the year ended December31, 1998
(ii)	Bylaws, as amended May5, 1987, are incorporated herein by reference from Exhibit19 of the Company's Form10-Q for the quarter ended June30, 1987
(4)	(i) Prospectus Supplement dated March20, 1997 for the issuance of \$200,000,000 notes is incorporated herein by reference from FormS-3 – Registration Statement No.33-44159 (ii) Amended and Restated Rights Agreement, dated May11, 1998, between the Company and The Fifth Third Bank as Rights Agent is incorporated herein by reference from Exhibit4 to the Company's Form8-K dated May15, 1998 (iii) Prospectus Supplement dated December8, 1999 for the issuance of an aggregate \$800,000,000 notes is incorporated herein by reference from FormS-3 – Registration Statement No.333-89149
(10)	(i) Description of management contracts, compensatory plans, contracts, or arrangements is incorporated herein by reference from pages 7 through 12 of the Company's Proxy Statement dated March20, 2001 (ii) Amended and Restated Employment Agreement dated as of June6, 2000 between Cooper Tire Rubber Company and Thomas A. Dattilo is incorporated herein by reference from Exhibit (10)(i) of the Company's Form10-Q for the quarter ended June30, 2000 (iii) Amended and Restated Employment Agreement dated as of June6, 2000 between Cooper Tire Rubber Company and John Fahl is incorporated herein by reference from Exhibit (10)(ii) of the Company's Form10-Q for the quarter ended June30, 2000 (iv) Employment Agreement dated as of June6, 2000 between Cooper Tire Rubber Company and James S. McElya is incorporated herein by reference from Exhibit (10)(iii) of the Company's Form10-Q for the quarter ended June30, 2000 (v) Amended and Restated Employment Agreement dated as of June6, 2000 between Cooper Tire Rubber Company and Roderick F. Millhof is incorporated herein by reference from Exhibit (10)(iv) of the Company's Form10-Q for the quarter ended June30, 2000 (vi) Cooper Tire Rubber Company Change in Control Severance Pay Plan effective August24, 2000

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(v Cooper Tire Rubber Company Executive Financial Planning Assistance is incorporated herein by reference from Exhibit (10) of the
ii) Company's Form 10-Q for the quarter ended September 30, 2000

The following related documents are incorporated by reference:

a) 1981 Incentive Stock Option Plan — Form S-8 Registration Statement No. 2-77400, Exhibit 15(a)	
b) 1986 Incentive Stock Option Plan — Form S-8 Registration Statement No. 33-5483, Exhibit 4(a)	
c) Thrift and Profit Sharing Plan — Form S-8 Registration Statement No. 2-58577, Post-Effective Amendment No. 6, Exhibit 4	
d) 1991 Stock Option Plan for Non-Employee Directors — Form S-8 Registration Statement No. 33-47980 and Appendix to the Company's Proxy Statement dated March 26, 1991	
e) 1996 Stock Option Plan — Form S-8 Registration Statement No. 333-09619 and Appendix to the Company's Proxy Statement dated March 26, 1996	
f) 1998 Employee Stock Option Plan and 1998 Incentive Compensation Plan — Form S-8 Registration Statement No. 333-83309 and Appendix to the Company's Proxy Statement dated March 24, 1998	
g) 1998 Non-Employee Directors Compensation Deferral Plan — Form S-8 Registration Statement No. 333-83589 and Appendix to the Company's Proxy Statement dated March 24, 1998	
h) 2001 Incentive Compensation Plan — Appendix A to the Company's Proxy Statement dated March 20, 2001	
(12) Computation of Ratio of Earnings to Fixed Charges	64
(13) Annual report to security holders, Form 10-Q or quarterly report to security holders	65-70
(21) Subsidiaries of the Registrant	71-72
(23) Consent of Independent Auditors	73
(24) Power of Attorney	74

All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedules, or because the information required is included in the financial statements or the notes thereto.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COOPER TIRE RUBBER COMPANY
/s/ Thomas A. Dattilo

THOMAS A. DATTILO, Chairman of the Board,
President, and Chief Executive Officer

Date: March 22, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
THOMAS A. DATTILO	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	March 22, 2001
JOHN FAHL	Executive Vice President and Director	March 22, 2001
PHILIP G. WEAVER	Vice President and Chief Financial Officer (Principal Financial Officer)	March 22, 2001
EILEEN B. WHITE	Corporate Controller (Principal Accounting Officer)	March 22, 2001
ARTHUR H. ARONSON*	Director	March 22, 2001
EDSEL D. DUNFORD*	Director	March 22, 2001
DEBORAH M. FRETZ*	Director	March 22, 2001
DENNIS J. GORMLEY*	Director	March 22, 2001
JOHN F. MEIER*	Director	March 22, 2001
BYRON O. POND*	Director	March 22, 2001
RONALD L. ROUDEBUSH*	Director	March 22, 2001
JOHN H. SHUEY*	Director	March 22, 2001

*By: /s/ Richard N. Jacobson
RICHARD N. JACOBSON, Attorney-in-fact

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CONSOLIDATED STATEMENTS OF INCOME

Years ended December 31

(Dollar amounts in thousands except per-share amounts)

	1998	1999	2000
Net sales	\$ 1,876,125	\$ 2,196,343	\$ 3,472,372
Cost of products sold	1,545,760	1,810,524	2,939,815
Gross profit	330,365	385,819	532,557
Restructuring	—	—	38,699
Amortization of goodwill	—	2,550	15,553
Selling, general and administrative	120,830	144,189	225,824
Operating profit	209,535	239,080	252,481
Interest expense	15,224	24,445	97,461
Other — net	(3,906)	(862)	(5,136)
Income before income taxes	198,217	215,497	160,156
Provision for income taxes	71,250	80,023	63,422
Net income	\$ 126,967	\$ 135,474	\$ 96,734
Basic and diluted earnings per share	\$ 1.64	\$ 1.79	\$ 1.31

See Notes to Financial Statements, pages 29 to 41.

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CONSOLIDATED BALANCE SHEETS

December 31

(Dollar amounts in thousands except per-share amounts)

Assets	1999	2000
Current assets:		
Cash and cash equivalents	\$ 71,127	\$ 45,795
Accounts receivable, less allowances of \$9,319 in 1999 and \$11,000 in 2000	545,155	588,841
Inventories:		
Finished goods	168,290	192,357
Work in process	25,185	32,882
Raw materials and supplies	80,488	71,221
Prepaid expenses, deferred income taxes and other	273,963	296,460
	55,183	100,129
	Total current assets	945,428
		1,031,225
Property, plant and equipment:		
Land and land improvements	46,492	47,737
Buildings	378,327	414,355
Machinery and equipment	1,414,654	1,562,737
Molds, cores and rings	122,270	138,588
	1,961,743	2,163,417
Less accumulated depreciation and amortization	734,674	878,020
	Net property, plant and equipment	1,227,069
		1,285,397
Goodwill, net of accumulated amortization of \$2,550 in 1999 and \$17,237 in 2000	433,312	439,443
Intangibles and other assets	151,836	165,944
	\$ 2,757,645	\$ 2,922,009

See Notes to Financial Statements, pages 29 to 41.

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December31

Liabilities and Stockholders' Equity	1999	2000
Current liabilities:		
Notes payable	\$ 13,148	\$ 154,997
Accounts payable	175,686	186,284
Accrued liabilities	188,038	220,448
Income taxes	5,100	29,585
Current portion of long-term debt	13,893	15,193
Total current liabilities	395,865	606,507
Long-term debt	1,046,463	1,036,960
Postretirement benefits other than pensions	181,267	187,748
Other long-term liabilities	61,409	75,791
Deferred income taxes	97,007	62,447
Stockholders' equity:		
Preferred stock, \$1 per share par value; 5,000,000 shares authorized; none issued	—	--
Common stock, \$1 per share par value; 300,000,000 shares authorized; (83,799,352 in 1999) 83,848,027 shares issued	83,799	83,848
Capital in excess of par value	3,538	3,982
Retained earnings	1,049,599	1,115,389
Cumulative other comprehensive loss	(6,053)	(53,642)
	1,130,883	1,149,577
Less: (7,989,600 in 1999) 11,304,400 shares in treasury at cost	(155,249)	(197,021)
Total stockholders' equity	975,634	952,556
	\$ 2,757,645	\$ 2,922,009

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CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollar amounts in thousands except per-share amounts)

	Common Stock \$1 Par Value	Capital In Excess of Par Value	Retained Earnings	Cumulative Other Comprehensive Income (Loss)	Common Shares in Treasury	Total
Balance at January 1, 1998	\$ 83,760	\$ 3,101	\$ 849,270	\$ (2,305)	\$ (100,251)	\$ 833,575
Net income			126,967			126,967
Other comprehensive income:						
Minimum pension liability adjustment, net of \$4,729 tax effect				(7,595)		(7,595)
Cumulative currency translation adjustment				33		33
Comprehensive income						119,405
Purchase of treasury shares					(54,998)	(54,998)
Stock compensation plans	21	195				216
Cash dividends — \$.39 per share			(30,262)			(30,262)
Balance at December 31, 1998	83,781	3,296	945,975	(9,867)	(155,249)	867,936
Net income			135,474			135,474
Other comprehensive income:						
Minimum pension liability adjustment, net of \$3,494 tax effect				5,502		5,502
Cumulative currency translation adjustment				(1,688)		(1,688)
Comprehensive income						139,288
Stock compensation plans	18	242				260
Cash dividends — \$.42 per share			(31,850)			(31,850)
Balance at December 31, 1999	83,799	3,538	1,049,599	(6,053)	(155,249)	975,634
Net income			96,734			96,734
Other comprehensive income:						
Minimum pension liability adjustment, net of \$9,703 tax effect				(15,556)		(15,556)
Cumulative currency translation adjustment				(32,033)		(32,033)
Comprehensive income						49,145
Purchase of treasury shares					(41,772)	(41,772)
Stock compensation plans	49	444				493
Cash dividends — \$.42 per share			(30,944)			(30,944)
Balance at December 31, 2000	\$ 83,848	\$ 3,982	\$ 1,115,389	\$ (53,642)	\$ (197,021)	\$ 952,556

See Notes to Financial Statements, pages 29 to 41.

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CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31
(Dollar amounts in thousands)

	1998	1999	2000
Operating activities:			
Net income	\$ 126,967	\$ 135,474	\$ 96,734
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	101,899	120,977	167,787
Amortization of goodwill and intangibles	1,298	4,600	20,994
Deferred income taxes	5,202	1,095	(4,876)
Changes in operating assets and liabilities, net of effects of businesses acquired and sold:			
Accounts receivable	(27,379)	6,526	(28,954)
Inventories and prepaid expenses	1,544	(15,920)	(49,756)
Accounts payable and accrued liabilities	(744)	(36,842)	(11,167)
Other liabilities	(3,675)	(4,835)	40,487
Net cash provided by operating activities	205,112	211,075	231,249
Investing activities:			
Property, plant and equipment	(131,533)	(149,817)	(201,366)
Acquisition of businesses, net of cash acquired	—	(594,139)	(222,755)
Proceeds from sale of businesses	—	—	109,990
Other	3,569	187	2,136
Net cash used in investing activities	(127,964)	(743,769)	(311,995)
Financing activities:			
Issuance of debt	27,836	832,846	322,669
Payment on debt	(30,604)	(241,336)	(194,207)
Purchase of treasury shares	(54,998)	—	(41,772)
Payment of dividends	(30,262)	(31,850)	(30,944)
Issuance of common shares	216	260	493
Net cash provided by (used in) financing activities	(87,812)	559,920	56,239
Effects of exchange rate changes on cash	(280)	1,935	(825)
Changes in cash and cash equivalents	(10,944)	29,161	(25,332)
Cash and cash equivalents at beginning of year	52,910	41,966	71,127
Cash and cash equivalents at end of year	\$ 41,966	\$ 71,127	\$ 45,795

See Notes to Financial Statements, pages 29 to 41.

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Notes to Financial Statements

(Dollar amounts in thousands except per-share amounts)

Significant Accounting Policies

Principles of consolidation - The consolidated financial statements include the accounts of the Company and its subsidiaries. Newly acquired businesses are included in the consolidated financial statements from the dates of acquisition. All material intercompany accounts and transactions have been eliminated.

The equity method of accounting is followed for investments in 20percent to 50percent owned companies. The cost method is followed in those situations where the Company's ownership is less than 20percent and the Company does not have the ability to exercise significant influence over the affiliate.

The Company's investment in Nishikawa Standard Company (NISCO), a 50percent owned joint venture in the United States, is accounted for under the equity method. The Company's investment in NISCO at December 31, 1999 and 2000 was \$19,224 and \$23,205, respectively, and is included in other assets in the accompanying Consolidated Balance Sheets.

Cash and cash equivalents - The Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

Inventories - Inventories are valued at cost, which is not in excess of market. Inventory costs have been determined by the last-in, first-out (LIFO) method for substantially all domestic inventories. Costs of other inventories have been determined principally by the first-in, first-out (FIFO) method.

Property, plant and equipment - Assets are recorded at cost and depreciated or amortized using the straight-line or accelerated methods over the following expected useful lives:

Buildings and improvements	15 to 50 years
Machinery and equipment	5 to 14 years
Furniture and fixtures	5 to 10 years
Molds, cores and rings	4 to 10 years

Goodwill and intangibles - Goodwill, which represents the excess of purchase price over the fair value of net assets acquired, is amortized over 30 years. Intangibles include trademarks, technology and intellectual property which are amortized over their useful lives which range from 5 years to 40 years. The Company evaluates the recoverability of goodwill and intangible assets based on undiscounted projected cash flows excluding interest and taxes when any impairment is indicated.

Earnings per common share - Net income per share is computed on the basis of the weighted average number of common shares outstanding each year, plus common stock equivalents related to dilutive stock options and other dilutive stock units. The number of shares used in the computation of per share data was 77,597,873 in 1998, 75,837,168 in 1999 and 73,584,757 in 2000. Diluted earnings per share includes the dilutive effect of stock options and other stock units. The impact of stock options and other stock units in the computation of diluted earnings per share did not result in amounts different from basic earnings per share.

Derivative financial instruments - Derivative financial instruments are utilized by the Company to reduce foreign currency exchange risks. The Company has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instrument activities. The Company does not enter into financial instruments for trading or speculative purposes.

Gains and losses on fair value hedges used to hedge currency fluctuations on transactions denominated in foreign currencies and offsetting losses and gains on hedged transactions are recorded in other-net in the Consolidated Statements of Income.

Advertising expense - Expenses incurred for advertising include production and media and are generally expensed when incurred. Dealer-earned cooperative advertising expense is recorded when earned. Advertising expense for 1998, 1999 and 2000 was \$27,754, \$31,748 and \$41,555, respectively.

Stock-based compensation - The Company accounts for employee stock option plans in accordance with Accounting Principles Board Opinion (APB)No.25, "Accounting for Stock Issued to Employees." Additional disclosures required under Statement of Financial Accounting Standard (SFAS)No.123, "Accounting for Stock-Based Compensation," are included in the Stock-Based Compensation note.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of (1)revenues and expenses during the reporting period, and (2)assets and liabilities, as well as disclosure of contingent assets and liabilities, at the date of the financial statements. Actual results could differ from those estimates.

Revenue recognition - Revenues are recognized when goods are shipped to customers. Shipping and handling costs are generally recorded in cost of sales.

Research and development - Costs are charged to expense as incurred and amounted to approximately \$29,200, \$39,900 and \$99,500 in 1998, 1999 and 2000, respectively.

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Accounting pronouncements – In June 1998 the Financial Accounting Standards Board issued SFAS No.133, “Accounting for Derivative Instruments and Hedging Activities.” This Statement establishes accounting and reporting standards which require all derivative instruments be recorded on the balance sheet as either an asset or liability measured at their fair value. The pronouncement requires changes in the derivatives’ fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Certain provisions of SFAS No.133 were amended by SFAS No.138, “Accounting for Certain Derivative Instruments and Certain Hedging Activities.” The Company will adopt these Statements effective January 1, 2001. Based on the Company’s review of its derivative positions, the adoption of these Statements is not expected to have a material effect on the Company’s consolidated financial position, results of operations or cash flows.

In September 1999, the Emerging Issues Task Force reached a consensus on Issue 99-5, “Accounting for Pre-Production Costs Related to Long-Term Supply Arrangements.” This issue addresses the accounting treatment for pre-production costs incurred by original equipment manufacturers (OEM) suppliers to perform certain services related to the design and development of the parts they will supply the OEM as well as the design and development costs to build molds, dies and other tools that will be used in producing the parts. The Company adopted this consensus on January 1, 2000 on a prospective basis and the adoption had no material effect on the Company’s consolidated financial position, results of operations or cash flows.

In December 1999 the SEC released Staff Accounting Bulletin (SAB) No.101, “Revenue Recognition in Financial Statements.” The bulletin provides the staff’s view in applying generally accepted accounting principles to selected revenue recognition issues. The SEC subsequently issued SAB No.101A and 101B, which delayed the implementation date of SAB No.101 until no later than the fourth quarter of fiscal years beginning after December 15, 1999. The Company adopted this bulletin during the fourth quarter of 2000 with no material effect on its consolidated financial position, results of operations or cash flows.

Acquisition

On October 27, 1999, the Company acquired The Standard Products Company (“Standard”) for consideration (including direct costs of the acquisition) of approximately \$594,139 plus \$270,000 for the assumption and retirement of Standard’s debt. Standard became a wholly-owned subsidiary of the Company.

Standard is a leading supplier of sealing, plastic trim and vibration control systems for the worldwide automotive original equipment industry. In addition, Standard’s Holm Industries Inc. (“Holm”) is the largest supplier of seals for home and commercial refrigerators in North America and Oliver Rubber Company is a leading manufacturer of tread rubber and equipment for the retread industry.

The Standard acquisition was accounted for as a purchase transaction. The total purchase price has been allocated to fixed assets, liabilities and tangible and identifiable intangible assets based on independent appraisals of their respective fair values. The excess purchase price over the estimated fair value of the net assets acquired is allocated to goodwill. Goodwill is being amortized on a straight-line basis over 30 years. The operating results of Standard have been included in the consolidated financial statements of the Company since the date of acquisition.

The purchase price and the final allocation are as follows:

Net working capital acquired, exclusive of debt	\$ 59,756
Net assets of businesses held for sale	124,856
Property, plant and equipment	296,214
Other non-current assets	73,005
Goodwill	366,251
	920,082
Assumed debt and other liabilities	(325,943)
Aggregate purchase price	\$ 594,139

The following unaudited pro forma consolidated results of operations are presented as if the acquisition of Standard had occurred on January 1, 1998 and 1999, respectively. Proforma adjustments are included to give effect to depreciation, amortization of goodwill and intangible assets, interest expense on acquisition debt and certain other adjustments, together with related income tax effects.

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Year ended December 31, 1998		
	As Reported	Pro Forma As Adjusted
Net sales	\$ 1,876,125	\$ 2,956,770
Net earnings	\$ 126,967	\$ 118,058
Earnings per share	\$ 1.64	\$ 1.52

Year ended December 31, 1999		
	As Reported	Pro Forma As Adjusted
Net sales	\$ 2,196,343	\$ 3,120,329
Net earnings	\$ 135,474	\$ 106,492
Earnings per share	\$ 1.79	\$ 1.40

The pro forma net earnings and earnings per share for the year ended December 31, 1999 include a special charge recorded by Standard prior to the acquisition in the amount of \$15,300 net of taxes (\$.20 per share).

The unaudited pro forma information is not necessarily indicative of the results of operations that would have occurred had the purchase been made at the beginning of the periods presented or the future results of the combined operations.

The Company acquired Siebe Automotive ("Siebe"), the automotive fluid handling division of Invensys plc, on January 28, 2000. Siebe manufactures automotive fluid handling systems, components, modules and sub-systems for sale to the world's automotive original equipment manufacturers and large Tier 1 suppliers. The purchase included the operating assets of Siebe Automotive, with 16 operating locations extending across North and South America, Europe and Asia.

The Company financed the \$222,755 acquisition, including transaction costs and net of a \$28,000 post-closing purchase price adjustment, by issuing commercial paper. The Company's consolidated financial results and financial position subsequent to the date of the acquisition reflect Siebe operations. The purchase price has been preliminarily allocated to fixed assets, working capital, intangible assets and other liabilities as follows:

Net working capital acquired, exclusive of debt	\$ 20,857
Property, plant and equipment	98,570
Other non-current assets	10,198
Goodwill	101,364
	230,989
Assumed debt and other liabilities	(8,234)
Aggregate purchase price	\$ 222,755

The acquisition does not meet the thresholds for a significant acquisition and therefore no pro forma financial information is presented.

Divestitures and Net Assets Held for Sale

The Company acquired the Plastics Division, which included Holm, as part of its acquisition of Standard. On April 28, 2000 the Company sold the Winnsboro, South Carolina automotive plastic trim production facility. On June 30, 2000 the Company completed the sale of Holm. The proceeds from the sales of these operations totaled \$109,990 and were used primarily to reduce commercial paper borrowings. Net sales and operating losses derived from these sold businesses was \$26,057 and \$659, respectively, in 1999 and \$90,665 and \$332, respectively, in 2000.

The Company is continuing its efforts to sell the remaining extruded plastic trim operations of the Plastics Division. Net assets held for sale related to these operations are included with prepaid expenses, deferred income

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taxes and other on the December 31, 2000 balance sheet at their estimated fair market value. Results of the remaining operations are immaterial to the Company's consolidated results of operations.

Restructuring

In connection with the 1999 acquisition of Standard, a restructuring accrual of \$12,900 was assumed for employee separation costs and other exit costs relating to a plan for the reorganization and closing of certain manufacturing facilities in Europe. The Company evaluated this plan and determined that an additional accrual of \$5,000 was required. The plan calls for the termination of 460 employees, of whom 134 were terminated in 1999 and 303 in 2000. The remaining employee terminations will occur by the end of the second quarter of 2001.

In addition, the Company accrued \$3,200 for employee separation and other exit costs to close Standard's automotive sealing plant in Kittanning, Pennsylvania. The plan calls for the termination of 160 employees, all of whom were terminated in 2000. Completion of the plan is expected to occur by the end of the second quarter of 2001.

The following table summarizes the restructuring accruals recorded in the final purchase price allocation:

	Employee Separation Costs	Other Exit Costs	Total
Restructuring accrual for closure of certain European manufacturing facilities	\$ 15,000	\$ 2,900	\$ 17,900
Cash payments in 1999	(900)	(100)	(1,000)
Accrual at December 31, 1999	14,100	2,800	16,900
Restructuring accrual for closure of Kittanning automotive sealing plant	1,900	1,300	3,200
Cash payments in 2000	(13,900)	(1,300)	(15,200)
Accrual at December 31, 2000	\$ 2,100	\$ 2,800	\$ 4,900

During the fourth quarter of 2000, the Company approved a comprehensive restructuring plan to significantly improve efficiencies and reduce costs throughout its worldwide operations. As a result of this restructuring plan, the Company recorded a pre-tax charge of \$34,300, consisting of \$25,700 in employee separation costs, \$4,100 in other related exit costs and \$4,500 in asset impairments. The restructuring plan will affect 22 manufacturing and administrative operations and reduce headcounts by approximately 1,100 employees. The Company has targeted the end of 2001 for full implementation of the plan. The following table summarizes the restructuring accrual recorded in 2000:

	Employee Separation Costs	Other Exit Costs	Asset Impairments	Total
Original accrual	\$ 25,700	\$ 4,100	\$ 4,500	\$ 34,300
Write-off of assets	—	—	(4,500)	(4,500)
Cash payments	(800)	—	—	(800)
Accrual at December 31, 2000	\$ 24,900	\$ 4,100	\$ —	\$ 29,000

Also included in the restructuring costs in the Consolidated Statement of Income is \$4,400 of employee separation costs at a tire production facility in the United Kingdom, employee relocation costs at an administrative site in North America and asset relocation and re-launch costs associated with the closing or consolidation of the Kittanning and European manufacturing facilities.

Inventories

Under the LIFO method, inventories have been reduced by approximately \$44,783 and \$52,476 at December 31, 1999 and 2000, respectively, from current cost which would be reported under the first-in, first-out method. Approximately 76 percent and 68 percent of the Company's inventories have been valued under the LIFO method at December 31, 1999 and 2000, respectively.

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Debt

On September 1, 2000 the Company amended and restated the \$350,000 credit agreement with a group of eight banks. The agreement provides up to \$150,000 in credit facilities until August 31, 2005 and \$200,000 in credit facilities until August 31, 2001 with provisions for extending the agreements beyond these dates upon approval of the bank group. The credit facility supports issuance of commercial paper. Borrowings under this credit facility, including the issuance of commercial paper, amounted to \$127,000 at December 31, 2000 which is included in notes payable. The loans may be denominated in either U.S. Dollars or certain other currencies based upon Eurodollar interest rates or the agent bank's base rate. In addition, the terms of the Credit Agreement permit the Company to request bid rate loans from banks participating in the agreement. Borrowings under the Credit Agreement bear a margin linked to the Company's long-term credit ratings from Moody's and Standard Poor's. There are no compensating balances required and the facility fees are not material.

On July 10, 2000 the Company allowed the second \$350,000 Credit Agreement with six banks to expire. Management decided that this additional credit facility was no longer needed based on the liquidity and capital resource plans of the Company.

The Company established a \$1,200,000 universal shelf registration in November 1999, of which \$400,000 remains available at December 31, 2000. Securities that may be issued under this shelf registration include debt securities, preferred stock, fractional interests in preferred stock represented by depositary shares, common stock, and warrants to purchase debt securities, common stock or preferred stock.

The 6.55 percent notes are placed directly with three insurance companies and are secured. Principal payments of \$12,500 are required each December through 2003.

The following table summarizes the long-term debt of the Company at December 31, 1999 and 2000:

	1999	2000
7.25% notes due 2002	\$ 225,000	\$ 225,000
7.75% notes due 2009	350,000	350,000
8% notes due 2019	225,000	225,000
7.63% notes due 2027	200,000	200,000
6.55% notes due 2001 through 2003	50,000	37,500
Capitalized leases and other	10,356	14,653
	1,060,356	1,052,153
Less current maturities	13,893	15,193
	\$ 1,046,463	\$ 1,036,960

The maturities of long-term debt through 2005 are as follows:

2001	\$ 15,193
2002	239,521
2003	14,522
2004	730
2005	351

The Company's debt agreements require it to maintain, among other things, certain financial ratios. Retained earnings of \$300,175 at December 31, 2000 are available for the payment of cash dividends and purchases of the Company's common shares.

The weighted average interest rate of notes payable at December 31, 1999 and 2000 was 5.1 percent and 7.2 percent, respectively.

The Company and its subsidiaries also have, from various banking sources, approximately \$38,300 of unused short-term lines of credit at rates of interest approximating euro-based interest rates.

Interest paid on debt during 1998, 1999 and 2000 was \$16,718, \$24,140, and \$97,177, respectively. The amount of interest capitalized was \$1,694, \$1,491, and \$1,022 during 1998, 1999 and 2000, respectively.

Fair Value of Financial Instruments

The carrying amounts and fair values of the Company's financial instruments as of December 31 are as follows:

	1999		2000	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 71,127	\$ 71,127	\$ 45,795	\$ 45,795
Notes payable	(13,148)	(13,148)	(154,997)	(154,997)
Long-term debt	(1,046,463)	(1,027,843)	(1,036,960)	(920,360)
Derivative financial instruments	493	404	(214)	(214)

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The derivative financial instruments are fair value hedges of foreign currency exposures. Exchange rate fluctuations on the foreign-denominated intercompany loans and obligations are offset by the change in values of these fair value hedges. The notional amount of these derivative instruments at December 31, 1999 and 2000 was \$11,301 and \$25,400, respectively. The counterparties to each of these agreements are major commercial banks. Management believes that the probability of losses related to credit risk on investments classified as cash and cash equivalents is remote.

Preferred Stock Purchase Right

Each stockholder is entitled to the right to purchase 1/100th of a newly-issued share of Series A preferred stock of the Company, for each common share owned, at an exercise price of \$135. The rights will be exercisable only if a person or group (i) acquires beneficial ownership of 15 percent or more of the Company's outstanding common stock (Acquiring Person), or (ii) subject to extension of the date by the Board of Directors of the Company, commences a tender or exchange offer which upon consummation would result in such person or group beneficially owning 15 percent or more of the Company's outstanding common stock (ten days following the date of announcement of (i) above, the Stock Acquisition Date).

If any person becomes an Acquiring Person, or if an Acquiring Person engages in certain self-dealing transactions or a merger transaction in which the Company is the surviving corporation and its common stock remains outstanding, or an event occurs which results in such Acquiring Person's ownership interest being increased by more than one percent, then each right not owned by such Acquiring Person or certain related parties will entitle its holder to purchase a number of shares of the Company's Series A preferred stock (or in certain circumstances, Company common stock, cash, property, or other securities of the Company) having a value equal to twice the then current exercise price of the right. In addition, if, following the Stock Acquisition Date, the Company (i) is acquired in a merger or other business combination and the Company is not the surviving corporation, (ii) is involved in a merger or other business combination transaction with another person after which all or part of the Company's common stock is converted or exchanged for securities, cash or property of any other person, or (iii) sells 50 percent or more of its assets or earning power to another person, each right (except rights that have been voided as described above) will entitle its holder to purchase a number of shares of common stock of the ultimate parent of the Acquiring Person having a value equal to twice the then current exercise price of the right.

The Company will generally be entitled to redeem the rights at one cent per right, subject to adjustment in certain events, payable in cash or shares of the Company's common stock at any time until the tenth business day following the Stock Acquisition Date.

Stock-Based Compensation

Stock Options

SFAS No. 123, "Accounting for Stock-Based Compensation" requires, if APB Opinion No. 25 is followed, disclosure of pro forma information regarding net income and earnings per share determined as if the Company accounted for its employee stock options under the fair value method. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions:

	1998	1999	2000
Risk-free interest rate	5.5 %	5.6 %	6.8 %
Dividend yield	1.3 %	1.5 %	1.6 %
Expected volatility of the Company's common stock	.251	.238	.245
Expected life in years	5.0	6.3	5.6

The weighted-average fair value of options granted in 1998, 1999 and 2000 was \$5.84, \$6.64, and \$3.93, respectively. For purposes of pro forma disclosures, the estimated fair value of options is amortized to expense over the options' vesting period. The Company's reported and pro forma information follows:

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		1998		1999		2000
Net income:						
	Reported	\$ 126,967	\$	135,474	\$	96,734
	Pro forma	125,142		132,322		91,514
Basic earnings per share:						
	Reported	\$ 1.64	\$	1.79	\$	1.31
	Pro forma	1.61		1.75		1.24
Diluted earnings per share:						
	Reported	\$ 1.64	\$	1.79	\$	1.31
	Pro forma	1.61		1.74		1.24

The Company's 1998 incentive compensation plan allows the Company to grant awards to key employees in the form of stock options, stock awards, restricted stock units, stock appreciation rights, performance units, dividend equivalents and other awards. The 1981, 1986 and 1996 incentive stock option plans and the 1998 incentive compensation plan provide for granting options to key employees to purchase common shares at prices not less than market at the date of grant. Options under these plans may have terms of up to ten years becoming exercisable in whole or in consecutive installments, cumulative or otherwise. The plans allow the granting of nonqualified stock options which are not intended to qualify for the tax treatment applicable to incentive stock options under provisions of the Internal Revenue Code. Options which were outstanding at December 31, 2000 under these plans have a term of ten years and become exercisable 50 percent after the first year and 100 percent after the second year.

The 1998 employee stock option plan allowed the Company to make a nonqualified option grant to substantially all of its employees to purchase common shares at a price not less than market at the date of grant. Options granted under this plan have a term of ten years and are exercisable in full beginning three years after the date of grant.

The Company's 1991 nonqualified stock option plan provides for granting options to directors, who are not current or former employees of the Company, to purchase common shares at prices not less than market at the date of grant. Options granted under this plan have a term of ten years and are exercisable in full beginning one year after the date of grant.

Summarized information for the plans follows:

	Number of Shares	Weighted Average Exercise Price	Available For Grant
January 1, 1998			
Outstanding	756,347	\$ 21.59	
<i>Exercisable</i>	460,992	20.58	
Granted	1,362,487	20.57	
Exercised	(20,750)	10.44	
Cancelled	(38,150)	23.41	
December 31, 1998			3,931,530
Outstanding	2,059,934	20.99	
<i>Exercisable</i>	589,697	21.33	
Granted	590,653	22.46	
Exercised	(18,294)	14.22	
Cancelled	(140,692)	21.82	
December 31, 1999			3,435,977
Outstanding	2,491,601	21.34	
<i>Exercisable</i>	792,098	21.61	
Granted	1,587,075	12.60	
Exercised	(29,600)	9.11	
Cancelled	(243,880)	19.79	

December 31, 2000			1,970,157
Outstanding	3,805,196	17.89	
<i>Exercisable</i>	<i>1,083,421</i>	<i>22.01</i>	

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The weighted average remaining contractual life of options outstanding at December 31, 2000 is 7.9 years.

Segregated disclosure of options outstanding at December 31, 2000 is as follows:

	Range of Exercise Prices	
	Less than \$20.00	Equal to or greater than \$20.00
Options outstanding	1,686,826	2,118,370
Weighted average exercise price	\$ 13.03	\$ 21.76
Remaining contractual life	8.7	7.3
Options exercisable	151,251	932,170
Weighted average exercise price	\$ 17.41	\$ 22.76

Restricted Stock Units

Under the 1998 Incentive Compensation Plan, restricted stock units may be granted to officers and other key employees. Deferred compensation related to the restricted stock units is determined based on the fair value of the Company's stock on the date of grant and is amortized to expense over the vesting period.

In 1999 the Company granted 49,210 restricted stock units with a weighted average fair value of \$16.50 per unit and vesting periods of one to two years. The grants provide for accrual of dividend equivalents. At December 31, 2000, 39,750 restricted stock units were outstanding.

Common Stock

There were 21,522,859 common shares reserved for grants under compensation plans and contributions to the Company's Thrift and Profit Sharing and Pre-Tax Savings plans at December 31, 2000.

Pensions and Postretirement Benefits Other than Pensions

The Company and its consolidated subsidiaries have a number of plans providing pension, retirement or profit-sharing benefits for substantially all domestic employees. These plans include defined benefit, defined contribution and multi-employer plans. The Company has an unfunded, nonqualified supplemental retirement plan covering certain employees whose participation in the qualified plan is limited by provisions of the Internal Revenue Code. For defined benefit plans, benefits are generally based on compensation and length of service for salaried employees and length of service for hourly employees. The Company's general funding policy is to contribute amounts deductible for U.S. federal income tax purposes or amounts as required by local statute. Employees of certain of the company's foreign operations are covered by either contributory or non-contributory trusteed pension plans.

Participation in the Company's defined contribution plans is voluntary and participants' contributions are limited based on their compensation. The Company matches certain plan participants' contributions up to various limits. Expense for these plans was \$10,891, \$12,829 and \$18,326 for 1998, 1999 and 2000, respectively.

The Company currently provides certain retiree health care and life insurance benefits covering substantially all domestic salary and hourly employees. If the Company does not terminate such benefits, or modify coverage or eligibility requirements, substantially all of the Company's domestic employees may become eligible for these benefits upon retirement if they meet certain age and service requirements. The Company has reserved the right to modify or terminate such benefits at any time, subject to applicable terms and conditions contained in union agreements for non-salary participants. In recent years benefit changes have been implemented throughout the Company.

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The following tables disclose information related to the Company's defined benefit plans and other postretirement benefits:

	Pension Benefits		Other Postretirement Benefits	
	1999	2000	1999	2000
Change in benefit obligation:				
Benefit obligation at January 1	\$ 591,436	\$ 736,779	\$ 183,017	\$ 235,676
Acquisition	106,720	—	28,344	—
Service cost – employer	24,872	27,199	4,782	5,420
Service cost – participants	2,423	2,189	—	—
Interest cost	43,668	54,065	14,104	17,473
Actuarial (loss)gain	(10,408)	10,311	16,979	19,200
Amendments	9,233	4,751	770	5,301
Benefits paid	(25,832)	(36,006)	(12,320)	(16,547)
Foreign currency exchange rate effect	(5,333)	(13,263)	—	(604)
Benefit obligation at December 31	\$ 736,779	\$ 786,025	\$ 235,676	\$ 265,919
Change in plans' assets:				
Fair value of plans' assets at January 1	\$ 572,380	\$ 719,371	\$ —	\$ —
Acquisition	100,590	—	—	—
Actual return on plans' assets	50,374	46,846	—	—
Employer contributions	23,968	16,084	—	—
Participant contributions	2,423	2,189	—	—
Benefits paid	(25,832)	(36,006)	—	—
Foreign currency exchange rate effect	(4,532)	(13,411)	—	—
Fair value of plans' assets at December 31	\$ 719,371	\$ 735,073	\$ —	\$ —
Funded status of the plans	\$ (17,408)	\$ (50,952)	\$ (235,676)	\$ (265,919)
Unrecognized actuarial loss	37,731	67,899	38,741	56,798
Unrecognized prior service cost	12,998	11,941	819	5,645
Unrecognized net transition obligation	3,549	2,461	—	—
Adjustment for minimum liability	(15,007)	(44,051)	—	—
Net amount recognized	\$ 21,863	\$ (12,702)	\$ (196,116)	\$ (203,476)
Amounts recognized in the balance sheets:				
Prepaid expenses and deferred income taxes	\$ (8,898)	\$ (14,168)	\$ —	\$ —
Intangibles and other assets	47,253	37,631	—	—
Accrued liabilities	(1,396)	(4,043)	(14,789)	(13,301)
Postretirement benefits other than pensions	—	—	(181,327)	(190,175)
Other long-term liabilities	(8,310)	(9,720)	—	—
Accumulated other comprehensive income	(6,786)	(22,402)	—	—
Net amount recognized	\$ 21,863	\$ (12,702)	\$ (196,116)	\$ (203,476)
Assumptions as of December 31:	1999	2000	1999	2000
Discount rate	7.5 %	7.5 %	7.5 %	7.5 %
Expected return on plan assets	9.6	9.6	—	—
Rate of compensation increase	5.3	5.3	—	—

At December 31, 2000 the weighted average assumed annual rate of increase in the cost of health care benefits (health care cost trend rate) was 7.0 percent for 2001, gradually declining to 5.5 percent in 2005 and to remain at that level thereafter.

Components of net periodic benefit cost:	Pension Benefits			Other Postretirement Benefits		
	1998	1999	2000	1998	1999	2000
Service cost	\$ 21,892	\$ 24,872	\$ 27,199	\$ 3,682	\$ 4,782	\$ 5,420
Interest cost	38,681	43,668	54,065	12,227	14,104	17,473
Expected return on plan assets	(49,453)	(56,251)	(67,877)	—	—	—
Amortization of transition obligation	1,087	1,088	1,088	—	—	—
Amortization of prior service cost	4,383	5,357	5,902	212	396	475
Recognized actuarial loss	1,951	3,410	3,122	—	244	1,142
Net periodic benefit cost	\$ 18,541	\$ 22,144	\$ 23,499	\$ 16,121	\$ 19,526	\$ 24,510

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The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were \$87,656, \$85,989 and \$69,233, respectively, at December 31, 1999 and \$243,738, \$238,364 and \$204,077, respectively, as of December 31, 2000.

Assumed health care cost trend rates for Other Postretirement Benefits have a significant effect on the amounts reported. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	One Percentage Point	
	Increase	Decrease
Increase (decrease) in total service and interest cost components	\$ 440	\$ (384)
Increase (decrease) in the postretirement benefit obligation	6,580	(5,797)

The Company has a Voluntary Employees' Beneficiary Trust and Welfare Benefits Plan (VEBA) to fund health benefits for eligible active and retired domestic employees. The pre-funded amount at December 31, 1999 and 2000 was \$14,323 and \$15,664, respectively.

Income Taxes

Components of income before income taxes:

	1998	1999	2000
U.S	\$ 204,641	\$ 210,718	\$ 143,426
Foreign	(6,424)	4,779	16,730
Total	\$ 198,217	\$ 215,497	\$ 160,156

The provision for income taxes consists of the following:

	1998	1999	2000
Current:			
Federal	\$ 60,650	\$ 68,678	\$ 53,974
State and local	7,128	8,171	6,789
Foreign	(1,730)	2,938	7,535
	66,048	79,787	68,298
Deferred:			
Federal	4,654	(1,082)	(3,998)
State and local	548	1,287	(878)
Foreign	—	31	—
	5,202	236	(4,876)
	\$ 71,250	\$ 80,023	\$ 63,422

A reconciliation of income tax expense to the U.S. statutory rate is as follows:

	1998	1999	2000
Statutory U.S. tax rate	35.0 %	35.0 %	35.0 %
State and local income tax	2.5	2.8	2.4
Nondeductible goodwill	—	0.3	3.4
Tax credits	(0.4)	(1.5)	(2.1)
Other	(1.2)	0.5	0.9

Effective income tax rate	35.9 %	37.1 %	39.6 %
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Payments for income taxes in 1998, 1999 and 2000 were \$69,653, \$77,961 and \$90,683, respectively.

Deferred tax assets (liabilities) result from differences in the basis of assets and liabilities for tax and financial statement purposes. Significant components of the Company's deferred tax assets and liabilities at December 31 are as follows:

	1999	2000
Deferred tax assets:		
Other postretirement benefits	\$ 87,648	\$ 99,722
Net operating loss and tax credit carryforwards	18,341	19,319
All other items	23,309	40,739
Total deferred tax assets	129,298	159,780
Deferred tax liabilities:		
Property, plant and equipment	(125,113)	(124,185)
Pension benefits	(22,961)	(17,482)
All other items	(39,911)	(35,889)
Total deferred tax liabilities	(187,985)	(177,556)
Valuation allowance	(58,687)	(17,776)
	(18,341)	(19,319)
Net deferred tax liabilities	\$ (77,028)	\$ (37,095)

The net deferred tax liabilities in the Consolidated Balance Sheets at December are as follows:

	1999	2000
Current assets	\$ 19,979	\$ 25,352
Non-current liabilities	(97,007)	(62,447)
Net deferred tax liability	\$ (77,028)	\$ (37,095)

The Company has not provided deferred U. S. income taxes on approximately \$185,000 of undistributed earnings of international affiliates which have been reinvested indefinitely. It is not practicable to determine the amount of additional U.S. income taxes that could be payable upon remittance of these earnings since taxes payable would be reduced by foreign tax credits based upon income tax laws and circumstances at the time of distribution.

The Company has recorded a valuation allowance to reflect the estimated potential tax benefits which may not be realized principally due to the inability of certain of its foreign subsidiaries to utilize available net operating loss carryforwards of approximately \$47,032. Approximately \$35,073 of net operating loss carryforwards were assumed with acquisitions. A valuation allowance was recorded on these purchased net operating loss carryforwards and, to the extent such benefits are realized, the benefits will be recorded as a reduction of goodwill. The Company's net operating loss carryforwards expire in years 2001 through 2015.

Commitments and Contingent Liabilities

The Company is a defendant in unrelated product liability actions in Federal and state courts throughout the United States in which plaintiffs assert monetary damages. The Company does not believe any liability it may have for these matters will be material to its results of operations, cash flows or financial position.

The Company has been named in 28 separate class action lawsuits filed against it in 26 separate state courts, plus the Commonwealth of Puerto Rico. One lawsuit purports to represent a national class, while in two others, the proposed class character has been voluntarily withdrawn by amendment. The lawsuits, all of which have been filed under the auspices of the same group of plaintiffs' attorneys, assert claims under the respective states' consumer protection and deceptive trade practices statutes, and comparable commercial law and other theories. They allege that the Company used certain materials and procedures in its process of manufacturing steel-belted radial tires which rendered an unspecified percentage of the tires unsafe, and failed to disclose those practices to purchasers of its tires. The suits are brought on behalf of all persons (excluding those who have sustained personal injury and/or property damage as a result of the alleged unlawful practices) in the respective

states who purchased

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steel-belted radial tires manufactured by the Company from 1985 to the present, and still retain those tires. The lawsuits generally seek, on behalf of each class member, relief sufficient to secure replacement of their tires, statutory, compensatory and punitive damages, and costs and attorneys' fees. The Company has removed each of the actions to Federal court. Plaintiffs have undertaken a program to have each of the actions remanded to state court, and four of the actions have been remanded. On motion filed by the Company, the Federal Judicial Panel on Multidistrict Litigation has transferred most of the actions remaining in Federal court to the U. S. District Court for the Southern District of Ohio, for consolidated pre-trial handling, and it is expected that additional cases will likewise be transferred.

The Company believes that substantial defenses, both factual and legal, to the allegations contained in the lawsuits exist, and it intends to contest vigorously the claims made in these lawsuits. Since the litigation is still in its early stages, the Company is as yet unable to make a meaningful assessment of its impact, if any, on the financial condition, cash flow, or results of operations of the Company.

Cumulative Other Comprehensive Loss

The cumulative balances of each component of other comprehensive loss in the accompanying statements of stockholders' equity are as follows:

	1998	1999	2000
Cumulative currency translation adjustment	\$ 2,481	\$ 793	\$ (31,240)
Minimum pension liability, net of tax effect	(12,348)	(6,846)	(22,402)
	\$ (9,867)	\$ (6,053)	\$ (53,642)

Accrued Liabilities

Accrued liabilities at December 31 were as follows:

	1999	2000
Payroll	\$ 55,882	\$ 56,666
Real and personal property taxes	16,460	10,682
Other	115,696	153,100
	\$ 188,038	\$ 220,448

Business Segments

The Company has two reportable segments – Tire and Automotive. The Company's reportable segments are each managed separately because they offer different products requiring different marketing and distribution strategies.

The Tire segment produces automobile, truck and motorcycle tires and inner tubes which are sold nationally and internationally in the replacement tire market to independent dealers, wholesale distributors and large retail chains and supplies equipment and materials to the tread rubber industry.

The Automotive segment produces sealing systems, hose and hose assemblies, active and passive vibration control systems and fluid handling systems primarily for the global automotive original equipment manufacturers.

Automotive revenues derived from two customers approximated \$487,000 and \$367,000 or 14percent and 11percent, respectively, of consolidated net sales in 2000.

The accounting policies of the reportable segments are consistent with those described in the Significant Accounting Policies note to the financial statements. Corporate administrative expenses are allocated to segments based principally on assets, employees and sales. The following table presents financial information:

	1998	1999	2000
FINANCIAL			
Revenues			

Tire	\$ 1,444,334	\$ 1,557,110	\$ 1,802,607
Automotive	431,791	643,642	1,698,519
Eliminations and other	—	(4,409)	(28,754)
Consolidated	1,876,125	2,196,343	3,472,372

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Segment profit			
Tire	155,242	176,389	183,865
Automotive	54,293	62,691	68,616
Operating profit	209,535	239,080	252,481
Other — net	3,906	862	5,136
Interest expense	(15,224)	(24,445)	(97,461)
Income before income taxes	198,217	215,497	160,156
Depreciation and amortization expense			
Tire	90,537	100,120	107,886
Automotive	12,660	25,457	80,895
Consolidated	103,197	125,577	188,781
Segment assets			
Tire	1,211,819	1,391,340	1,439,221
Automotive	238,467	1,235,966	1,393,854
Corporate and other	90,989	130,339	88,934
Consolidated	1,541,275	2,757,645	2,922,009
Expenditures for long-lived assets			
Tire	95,526	111,384	107,598
Automotive	36,007	38,433	93,768
Consolidated	131,533	149,817	201,366

Geographic information for revenues, based on country of origin, and long-lived assets follows:

	1998	1999	2000
GEOGRAPHIC			
Revenues			
North America	\$ 1,718,925	\$ 1,995,197	\$ 2,917,048
Europe	157,200	199,397	489,473
Other	—	1,749	65,851
Consolidated	1,876,125	2,196,343	3,472,372
Long-lived assets			
United States	800,094	952,063	943,189
United Kingdom	71,774	122,474	118,461
Other	13,414	152,532	223,747
Consolidated	885,282	1,227,069	1,285,397

Sales from the U. S. amounted to \$1,594,352, \$1,930,436 and \$2,560,604 in 1998, 1999 and 2000, respectively. Shipments of domestically-produced products to customers outside the U. S. approximated seven percent of net sales in 1998 and eight percent of net sales in 1999 and 2000.

REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Cooper Tire Rubber Company

We have audited the accompanying consolidated balance sheets of Cooper Tire Rubber Company as of December 31, 1999 and 2000, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. Our audits also included the financial statement schedule listed in the index at Item 14 (a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cooper Tire Rubber Company at December 31, 1999 and 2000, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst Young LLP
ERNST YOUNG LLP

Toledo, Ohio
February 8, 2001

SELECTED QUARTERLY DATA
(Dollar amounts in thousands except per-share amounts.)

(Unaudited)

	1999			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	\$ 467,887	\$ 495,352	\$ 531,883	\$ 701,221
Gross profit	85,394	97,336	91,537	111,552
Net income	31,391	37,956	34,600	31,527
Basic and diluted earnings per share	.41	.50	.46	.42
Dividend per share	.105	.105	.105	.105
Stock price – high	22.1250	25.0000	24.4375	18.5000
low	18.3125	18.2500	16.1250	13.2500
Revenues from external customers:				
Tire	\$ 352,062	\$ 368,410	\$ 424,310	\$ 412,328
Automotive	115,825	126,942	107,573	293,302
Eliminations and other	—	—	—	(4,409)
Net sales	\$ 467,887	\$ 495,352	\$ 531,883	\$ 701,221
Segment profit:				
Tire	\$ 37,197	\$ 46,123	\$ 47,961	\$ 45,108
Automotive	16,105	17,417	9,420	19,749
Operating profit	53,302	63,540	57,381	64,857
Interest expense	(3,903)	(3,596)	(3,710)	(13,236)
Other — net	225	(347)	198	786
Income before income taxes	\$ 49,624	\$ 59,597	\$ 53,869	\$ 52,407
			2000	
Net sales	\$ 922,265	\$ 886,652	\$ 843,607	\$ 819,848
Gross profit	134,681	145,279	117,392	135,205
Net income	31,502	35,475	23,420	6,337
Basic and diluted earnings per share	.42	.48	.32	.09
Dividend per share	.105	.105	.105	.105
Stock price –high	16.0000	14.6875	12.7500	10.9375
low	9.5000	11.0625	9.5625	9.1875
Revenues from external customers:				
Tire	\$ 445,344	\$ 410,420	\$ 482,039	\$ 464,804
Automotive	484,679	484,925	368,231	360,684
Eliminations and other	(7,758)	(8,693)	(6,663)	(5,640)
Net sales	\$ 922,265	\$ 886,652	\$ 843,607	\$ 819,848
Segment profit:				
Tire (a)	\$ 45,109	\$ 42,104	\$ 51,469	\$ 45,183
Automotive (b)	27,096	41,082	8,583	(8,145)
Operating profit	72,205	83,186	60,052	37,038
Interest expense	(23,922)	(25,376)	(23,589)	(24,574)
Other – net	3,359	362	1,915	(500)
Income before income taxes	\$ 51,642	\$ 58,172	\$ 38,378	\$ 11,964

The common stock of the Company (CTB) is traded on the New York Stock Exchange.

(a) Includes \$5,674 of restructuring charges, of which \$2,648 were in the fourth quarter.

(b) Includes \$33,025 of restructuring charges, of which \$30,557 were in the fourth

COOPER TIRE RUBBER COMPANY

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
Years ended December 31, 1998, 1999 and 2000

		Additions			
	Balance at	Charged	Business	Deductions	Balance
	Beginning	To Income	Acquisitions	(a)	at End
	of Year				of Year
Allowance for doubtful accounts:					
1998	\$ 4,791,000	\$ 2,029,181	\$ —	\$ 2,014,181	\$ 4,806,000
1999	\$ 4,806,000	\$ 1,526,904	\$ 3,784,000	\$ 797,904	\$ 9,319,000
2000	\$ 9,319,000	\$ 2,581,865	\$ 3,221,000	\$ 4,121,865	\$ 11,000,000

(a)Accounts charged off during the year, net of recoveries of accounts previously charged off.

**COOPER TIRE RUBBER COMPANY
CHANGE IN CONTROL SEVERANCE PAY PLAN**

(AMENDED AND RESTATED AS OF AUGUST 24, 2000)

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**COOPER TIRE RUBBER COMPANY
CHANGE IN CONTROL SEVERANCE PAY PLAN**

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ExhibitA — Members of the Operations Committee

ExhibitB — Members of the Management Group

ExhibitC — Severance Compensation

ExhibitD — Form of Confidentiality and Non-Compete Agreement

ExhibitE — Form of Release

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**COOPER TIRE RUBBER COMPANY
CHANGE IN CONTROL SEVERANCE PAY PLAN
(AMENDED AND RESTATED AS OF AUGUST 24, 2000)**

1. *General Statement of Purpose* . The Board of Directors (the “**Board**”) of Cooper Tire Rubber Company (the “**Company**”) has considered the effect a change in control of the Company may have on certain executives of the Company and its Affiliated Employers (as defined below). The executives have made and are expected to continue to make major contributions to the short-term and long-term profitability, growth and financial strength of the Company. The Company recognizes that, as is the case for most publicly held companies, the possibility of a change in control exists, desires to assure itself of both the present and future continuity of management, desires to establish certain minimum severance benefits for certain of its executives applicable in a change in control, and wishes to insure that its executives are not practically disabled from discharging their duties in respect of a proposed or actual transaction involving a change in control.

As a result, the Board believes that the Cooper Tire Rubber Company Change in Control Severance Pay Plan (the “**Plan**”) will assist the Company in attracting and retaining qualified executives. Accordingly, the Plan originally effective as of June 6, 2000, as amended, is amended and restated as of August 24, 2000 and supersedes any other change in control arrangement for the Executives (as defined below).

2. *Effective and Termination Dates* . The Plan shall be effective as of June 6, 2000 (the “**Effective Date**”). The Plan will automatically terminate on the later of (i) December 31, 2002 or (ii) the second anniversary of a Change in Control (the “**Termination Date**”); provided, however, that on each December 31, commencing with the year 2000, the Termination Date set forth in Subsection (i) of this Section will automatically be extended for an additional year unless, not later than 120 calendar days prior to such date, the Company shall have given written notice to the Executives that the Termination Date is not to be so extended.

3. *Definitions* . Where the following words and phrases appear in the Plan, they shall have the respective meanings set forth below, unless their context clearly indicates otherwise:

(a) “**Affiliated Employer**” means any corporation, partnership, limited liability company, joint venture, unincorporated association or other entity in which the Company has a direct or indirect ownership or other equity interest.

(b) “**Automotive Group**” means the automotive operating business of the Company, which manufactures plastic, rubber and other related products.

(c) “**Award Agreement**” means an RSU Award Agreement between the Executive and the Company.

(d) “**Base Pay**” means, with respect to each Executive, the rate of annual base salary, as defined in the Compensation Plan, as in effect from time to time.

(e) “**Board**” means the Board of Directors of the Company.

(f) “**Cause**” means that, prior to any termination of employment pursuant to Section 4(c) or (d), the Executive shall have committed:

(i) any act or omission constituting a material breach by the Executive of any of his significant obligations to or agreements with the Company or an Affiliated Employer or the continued failure or refusal of the Executive to adequately perform the duties reasonably required by the Company or an Affiliated Employer which is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any Affiliated Employer thereof, after notification by the Board of such breach, failure or refusal and failure of the Executive to correct such breach, failure or refusal within thirty (30) days of such notification (other than by reason of the incapacity of the Executive due to physical or mental illness); or

(ii) the commission by and conviction of the Executive of a felony, or the perpetration by and criminal conviction of or civil verdict finding the Executive committed a dishonest act or common law fraud against the Company or any Affiliated Employer thereof (for the avoidance of doubt, conviction and civil verdict, in each case, shall mean when no further appeals may be taken by the Executive from such conviction or civil verdict and such conviction or civil verdict becomes final and binding upon the Executive with no further right of appeal); or

(iii) any other willful act or omission which is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any Affiliated Employer thereof, and failure of the Executive to correct such act or omission after notification by the Board of any such act or omission; or

(iv) any notification to be given by the Board in accordance with Section 3(f)(i) or 3(f)(iii) shall specifically identify the breach, failure, refusal, act or omission to which the notification relates and, in the case of Section 3(f)(i) or 3(f)(iii) shall describe the injury to the Company or an Affiliated Employer, and such notification must be given within twelve (12) months of the Board's becoming aware, or within twelve (12) months of when the Board should have reasonably become aware of the breach, failure, refusal, act, or omission identified in the notification. Notwithstanding Section 20, failure to notify the Executive within any such twelve (12) month period shall be deemed to be a waiver by the Board of any such breach, failure, refusal, act or omission by the Executive and any such breach, failure, refusal, act or omission by the Executive shall not then be determined to be a breach.

For the avoidance of doubt and for the purpose of determining Cause, the exercise of business judgment by the Executive shall not be determined to be Cause, even if such business judgment materially injures the financial condition or business reputation of, or is otherwise materially injurious to the Company or any Affiliated Employer thereof, unless such business judgment by the Executive was not made in good faith, or constitutes willful or wanton misconduct, or was an intentional violation of state or federal law.

(g) **“Change in Control”** means the occurrence prior to the Termination Date of any of the following events:

(i) the Company merges into itself, or is merged or consolidated with, another entity and as a result of such merger or consolidation less than 51% of the voting power of the then-outstanding voting securities of the surviving or resulting entity immediately after such transaction are directly or indirectly beneficially owned in the aggregate by the former stockholders of the Company immediately prior to such transaction;

(ii) (A) all or substantially all the assets accounted for on the consolidated balance sheet of the Company are sold or transferred to one or more corporations or persons, and as a result of such sale or transfer less than 51% of the voting power of the then-outstanding voting securities of such entity or person immediately after such sale or transfer is directly or indirectly beneficially held in the aggregate by the former stockholders of the Company immediately prior to such transaction or series of transactions; or (B) all or substantially all of the assets of the Tire Group, Automotive Group or such other group of the Company as designated by the Board, and to the extent of any delegation of the Board to a committee, by such committee, are sold or transferred to one or more corporations or persons;

(iii) a person, within the meaning of Section 3(a)(9) or 13(d)(3) (as in effect on the Effective Date) of the Securities Exchange Act of 1934, (the **“Exchange Act”**) become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Exchange Act) of (i) 15% or more but less than 35% of the voting power of the then outstanding voting securities of the Company without prior approval of the Board, or (ii) 35% or more of the voting power of the then-outstanding voting securities of the Company; *provided, however*, that the foregoing does not apply to any such acquisition that is made by (w) any Affiliated Employer of the Company; (x) any employee benefit plan of the Company or any Affiliated Employer; or (y) any person or group of which employees of the Company or of any Affiliated Employer control a greater than 25% interest unless the Board determines that such person or group is making a “hostile acquisition;” or (z) any person or group that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Executive; or

(iv) a majority of the members of the Board are not Continuing Directors, where a **“Continuing Director”** is any member of the Board who (x) was a member of the Board on the Effective Date or (y) was nominated for election or elected to such Board with the affirmative vote of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

(h) **“Code”** means the Internal Revenue Code of 1986, as amended, or any successor thereto.

(i) **“Committee”** means the Compensation Committee of the Board.

(j) **“Committee Action”** means a writing by, or minutes of the actions of, the Committee, the substance of which, as to an Executive, has been communicated to such Executive.

(k) **“Common Stock”** means the Company’s common stock, par value \$1.00 per share.

(l) **“Company”** means the Company as hereinbefore defined.

(m) **“Compensation Plan”** means the Company’s Top Management Compensation Plan adopted by the Board on April 28, 1973.

(n) **“Corporate Office”** means the Executives who are 1) employed by the corporate headquarters of the Company and are 2) identified on Exhibits A and B as being members of such Corporate Office.

(o) **“Employee Benefits”** means the perquisites, benefits and service credit for benefits as provided under any and all employee retirement income and welfare benefit policies, plans, programs or arrangements in which an Executive is entitled to participate, including without limitation any savings, pension, supplemental executive retirement, or other retirement income or welfare benefit, stock option, performance share, performance unit, stock purchase, stock appreciation, deferred compensation, incentive compensation, group or other life, health, medical/hospital or other insurance (whether funded by actual insurance or self-insured by the Company or any Affiliated Employer), disability, salary continuation, expense reimbursement and other employee benefit policies, plans, programs or arrangements that may now exist or any policies, plans, programs or arrangements that may be adopted hereafter by the Company or an Affiliated Employer.

(p) **“Employer”** means the Company and any Affiliated Employer to which the Plan has been extended by the Board and which has adopted the Plan.

(q) **“Executive”** means any employee of an Employer who is designated by the Committee to be eligible under the Plan in a Committee Action.

(r) **“Incentive Compensation Plans”** means the Cooper Tire Rubber Company 2001 Incentive Compensation Plan, the Cooper Tire Rubber Company 1998 Incentive Compensation Plan, as amended, and any successor or subsequent incentive compensation plan.

(s) **“Management Group”** means the Executives who are identified on Exhibit B as being members of such Management Group.

(t) **“Nonqualified Supplementary Benefit Plan”** means any plan which provides for the payment of pension benefits which would be payable under the terms of a Retirement Plan but for government-imposed limitations on the amount that is permitted to be paid from such Retirement Plan.

(u) **“Operations Committee”** means the Executives who are identified on Exhibit A as being members of such Operations Committee.

(v) **“Plan”** means this Cooper Tire Rubber Company Change in Control Severance Pay Plan, as amended and restated as of August 24, 2000.

(w) **“Retirement Plan”** means any tax-qualified defined benefit plan or scheme sponsored by the Company or an Affiliated Employer which provides pension benefits to individuals who meet the age, service and other criteria for such benefits described in such plan.

(x) **“Severance Compensation”** means Severance Pay and other benefits provided by Section 5(a).

(y) **“Severance Pay”** means the amounts payable as set forth in Section 5(a).

(z) **“Severance Period”** means the period of time commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of (i)the second anniversary of the occurrence of the Change in Control or (ii)the Executive’s death.

(aa) **“Tire Group”** means the tire operating business of the Company , which manufactures tires, inner tubes, retreading and other related products.

(bb) **“Termination Date”** means the date of termination of the Plan as specified in Section2.

(cc) **“1998 Option Plan”** means the Cooper Tire Rubber Company 1998 Employee Stock Option Plan, as amended.

4. Eligibility; Termination Following a Change in Control .

(a) Subject to the limitations described below, the Plan applies to Executives who are employed on the date that a Change in Control occurs; provided, however, that in the event of a Change in Control described in Section 3(g)(ii)(B), the Plan shall only apply to: (i) Executives who are employed on the date that the Change in Control occurs with the group whose assets are being sold as a result of the Change in Control; and (ii) Executives who are employed by the Corporate Office on the date that such Change in Control occurs and (A) whose positions are transferred to the successor of the group whose assets are being sold, or (B) whose employment is terminated as a result of the Change in Control.

(b) If an Executive's employment is terminated by an Employer during the Severance Period and such termination is without Cause, the Executive will be entitled to the Severance Compensation described in Section 5.

(c) An Executive may, during the Severance Period, terminate his employment with an Employer with the right to Severance Compensation described in Section 5 upon the occurrence of one or more of the following events (regardless of whether any other reason, other than Cause, for such termination exists or has occurred, including without limitation other employment):

(i) (A) if the Executive is a member of the Operations Committee, a significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to the position with the Employer which the Executive held immediately prior to the Change in Control, (B) a reduction in the Executive's Base Pay, or a reduction in the Executive's opportunities for incentive compensation established by the Compensation Plan and any long-term incentive compensation plan or program established by the Company, or (C) the termination or denial of the Executive's rights to Employee Benefits or a reduction in the scope or aggregate value thereof, any of which is not remedied by the Company within ten (10) calendar days after receipt by the Company of written notice from the Executive of such change, reduction or termination, as the case may be;

(ii) if the Executive is a member of the Operations Committee, the Company requires the Executive to have his principal location of work changed to any location that is in excess of 50 miles from the location thereof immediately prior to or after the Change in Control; or

(iii) any material breach of its obligations under the Plan by the Company or any successor thereto which is not remedied by the Company within ten (10) calendar days after receipt by the Company of written notice from the Executive of such breach.

(d) A termination by an Employer pursuant to Subsection (b) of this Section or by an Executive pursuant to Subsection (c) of this Section will not affect any rights that the Executive may have pursuant to any agreement, policy, plan, program or arrangement of the Company or an Affiliated Employer providing Employee Benefits, which rights shall be governed by the terms thereof, except that the Executive shall be considered to be an employee of the Employer for the period for which Severance Pay is calculated.

(e) Notwithstanding the preceding provisions of this Section, an Executive will not be entitled to Severance Compensation if his employment with an Employer is terminated during the Severance Period because:

(i) of the Executive's death; or

(ii) the Executive becomes permanently disabled within the meaning of, and begins actually to receive disability benefits pursuant to, the long-term disability plan in effect for, or applicable to, the Executive immediately prior to the Change in Control.

5. Severance Compensation.

(a) If an Executive's employment is terminated pursuant to Section 4(b) or if an Executive terminates his employment pursuant to Section 4(c), the Company will pay to the Executive as Severance Pay the amounts described on Exhibit C within the time periods specified therein, or, if later, upon the expiration of the revocation period provided for in Exhibit E, and will continue to provide to the Executive the other Severance Compensation described on Exhibit C for the periods described therein.

(b) Without limiting the rights of an Executive at law or in equity, if the Company fails to make any payment or provide any benefit required to

be made or provided hereunder on a timely basis, the Company will pay interest on the amount or value thereof at an annualized rate of interest equal to the so-called composite "prime rate" as quoted from time to time during the relevant period in the Midwest Edition of *The Wall Street Journal* plus the lesser of 5% or the maximum rate of interest allowed by law. Such interest will be payable as it accrues on demand. Any change in such prime rate or maximum rate will be effective on and as of the date of such change.

(c) Notwithstanding any provision of the Plan to the contrary, the rights and obligations under this Section and under Sections 7 and 12 will survive any termination or expiration of the Plan or the termination of an Executive's employment following a Change in Control for any reason whatsoever.

6. Funding Upon Potential Change in Control .

(a) Upon the earlier to occur of (i) a Change in Control or (ii) a declaration by the Board that a Change in Control is imminent, the Company shall promptly pay to the extent it has not done so, and in any event within five (5) business days, a sum equal to the present value on the date of the Change in Control (or on such fifth business day if the Board has declared a Change in Control to be imminent) of the payments to be made to the Executives under the provisions of Sections 5 and 7 hereof, which shall be transferred to the Trustee and added to the principal of the Trust under the Cooper Tire Rubber Company Master Grantor Trust Agreement, between the Company and National City Bank, as Trustee (the "**Trust Agreement**").

(b) Any payments of compensation, pension, severance or other benefits by the Trustee pursuant to the Trust Agreement shall, to the extent thereof, discharge the Company's obligation to pay compensation, pension, severance and other benefits hereunder, it being the intent of the Company that assets in such Trust be held as security for the Company's obligation to pay compensation, pension, severance and other benefits under this Agreement.

7. Certain Additional Payments by the Company.

(a) Anything in the Plan to the contrary notwithstanding, in the event that it shall be determined (as hereafter provided) that any payment or distribution by the Company or any of its Affiliated Employers to or for the benefit of an Executive, whether paid or payable or distributed or distributable pursuant to the terms of the Plan or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, performance share, performance unit, stock appreciation right or similar right, or the lapse or termination of any restriction on, or the vesting or exercisability of, any of the foregoing (a "**Payment**"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) by reason of being considered "contingent on a change in ownership or control" of the Company, within the meaning of Section 280G of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such tax (such tax or taxes, together with any such interest and penalties, being hereafter collectively referred to as the "**Excise Tax**"), then the Executive shall be entitled to receive an additional payment or payments (collectively, a "**Gross-Up Payment**"); provided, however, that no Gross-Up Payment shall be made with respect to the Excise Tax, if any, attributable to (i) any incentive stock option ("**ISO**"), as defined by Section 422 of the Code (or any successor provision thereto) granted prior to the execution of the Plan where the addition of a Gross-Up Payment would cause the ISO to lose such status, or (ii) any stock appreciation or similar right, whether or not limited, granted in tandem with any ISO described in clause (i). The Gross-Up Payment shall be in an amount such that, after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payment.

(b) Subject to the provisions of Subsection (f) of this Section, all determinations required to be made under this Section, including whether an Excise Tax is payable by the Executive and the amount of such Excise Tax and whether a Gross-Up Payment is required to be paid by the Company to the Executive and the amount of such Gross-Up Payment, if any, shall be made by the accounting firm serving as the Company's independent public accountants immediately prior to the change in control (the "**Accounting Firm**"). The Company shall direct the Accounting Firm to submit its determination and detailed supporting calculations to both the Company and the Executive within thirty (30) calendar days after the date of the Executive's termination, if applicable, and any such other time or times as may be requested by the Company or the Executive. If the Accounting Firm determines that any Excise Tax is payable by the Executive, the Company shall pay the required Gross-Up Payment to the Executive within five (5) business days after receipt of such determination and calculations with respect to any Payment to the Executive. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall, at the same time as it makes such determination, furnish the Company and the Executive an opinion that the Executive has substantial authority not to report any Excise Tax on his federal, state or local income or other tax return. As a result of the uncertainty in the application of Section 4999 of the Code (or any successor provision thereto) and the possibility of similar uncertainty regarding applicable state or local tax law at the time of any determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (an "**Underpayment**"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts or fails to pursue its remedies pursuant to Subsection (f) of this Section and the Executive thereafter is required to make a payment of any Excise Tax, the Executive shall direct the Accounting Firm to determine the amount of the Underpayment that has occurred and to submit its determination and detailed supporting calculations to both the Company and the Executive as promptly as possible. Any such Underpayment shall be promptly paid by the Company to, or for the benefit of, the Executive within five (5) business days after receipt of such determination and calculations.

(c) The Company and the Executive shall each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations and

calculations contemplated by Subsection (b) of this Section. Any determination by the Accounting Firm as to the amount of the Gross-Up Payment shall be binding upon the Company and the Executive.

(d) The federal, state and local income or other tax returns filed by the Executive shall be prepared and filed on a consistent basis with the determination of the Accounting Firm with respect to the Excise Tax payable by the Executive. The Executive shall make proper payment of the amount of any Excise Payment, and at the request of the Company, provide to the Company true and correct copies (with any amendments) of his federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, and such other documents reasonably requested by the Company, evidencing such payment. If prior to the filing of the Executive's federal income tax return, or corresponding state or local tax return, if relevant, the Accounting Firm determines that the amount of the Gross-Up Payment should be reduced, the Executive shall within five (5) business days pay to the Company the amount of such reduction.

(e) The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by Subsection (b) of this Section shall be borne by the Company. If such fees and expenses are initially paid by the Executive, the Company shall reimburse the Executive the full amount of such fees and expenses within ten (10) business days after receipt from the Executive of a statement therefor and reasonable evidence of his payment thereof.

(f) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service or any other taxing authority that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification shall be given as promptly as practicable but no later than ten (10) business days after the Executive actually receives notice of such claim and the Executive shall further apprise the Company of the nature of such claim and the date on which such claim is requested to be paid (in each case, to the extent known by the Executive). The Executive shall not pay such claim prior to the earlier of (i) the expiration of the 30-calendar-day period following the date on which he gives such notice to the Company and (ii) the date that any payment of amount with respect to such claim is due. If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(A) provide the Company with any written records or documents in his possession relating to such claim reasonably requested by the Company;

(B) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including without limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected by the Company;

(C) cooperate with the Company in good faith in order to effectively contest such claim; and

(D) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including interest and penalties) incurred in connection with such contest and shall indemnify and hold harmless the Executive, on an after-tax basis, for and against any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this subsection, the Company shall control all proceedings taken in connection with the contest of any claim contemplated by this subsection and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim (provided, however, that the Executive may participate therein at his own cost and expense) and may, at its option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay the tax claimed and sue for a refund, the Company shall advance the amount of such payment to the Executive on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income or other tax, including interest or penalties with respect thereto, imposed with respect to such advance; and provided further, however, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which the contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of any such contested claim shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(g) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Subsection (f) of this Section, the Executive receives any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Subsection (f) of this Section) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after any taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section (f) of this Section, a determination is made that the Executive shall

not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial or refund prior to the expiration of thirty (30) calendar days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of any such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid by the Company to the Executive pursuant to this Section.

8. *No Mitigation Obligation.* The Company hereby acknowledges that it will be difficult and may be impossible for an Executive to find reasonably comparable employment following his termination of employment with the Company and the Affiliated Employers and that the non-competition agreement required by Section 10 will further limit the employment opportunities for an Executive. Accordingly, the provision of Severance Compensation by the Company to an Executive in accordance with the terms of the Plan is hereby acknowledged by the Company to be reasonable, and an Executive will not be required to mitigate the amount of any payment provided for in the Plan by seeking other employment or otherwise, nor will any profits, income, earnings or other benefits from any source whatsoever create any mitigation, offset, reduction or any other obligation on the part of an Executive hereunder or otherwise, except as expressly provided in Section 1(d) of Exhibit C.

9. *Certain Payments not Considered for Other Benefits, etc.* The Gross-up Payment, legal fee and expense reimbursement provided under Sections 7 and 11 and reimbursements for outplacement counseling provided under Section 1(h) of Exhibit C will not be included as earnings for the purpose of calculating contributions or benefits under any employee benefit plan of the Company.

10. *Confidentiality; Confidential Information; Non-competition.* Receipt of Severance Compensation by an Executive is conditioned upon the Executive executing and delivering to the Company a confidentiality and non-compete agreement substantially in the form provided in Exhibit D for the period specified on Exhibit C.

11. *Release.* Receipt of Severance Compensation by an Executive is conditioned upon the Executive executing and delivering to the Company a release substantially in the form provided in Exhibit E.

12. *Legal Fees and Expenses.* It is the intent of the Company that each Executive not be required to incur legal fees and the related expenses associated with the interpretation, enforcement or defense of his rights under the Plan by litigation or otherwise (including making a claim pursuant to the provisions of Section 20(d)) because the cost and expense thereof would substantially detract from the benefits intended to be extended to each Executive hereunder. Accordingly, if it should appear to an Executive that the Company has failed to comply with any of its obligations under the Plan or in the event that the Company or any other person takes or threatens to take any action to declare the Plan void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, the Executive the benefits provided or intended to be provided to the Executive hereunder, the Company irrevocably authorizes the Executive from time to time to retain counsel of his choice, at the expense of the Company as hereafter provided, to advise and represent the Executive in connection with any such interpretation, enforcement or defense. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to the Executive's entering into an attorney-client relationship with such counsel, and in that connection the Company and the Executive agrees that a confidential relationship will exist between the Executive and such counsel. Without respect to whether the Executive prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by the Executive in connection with any of the foregoing; provided that, in regard to such matters, the Executive has not acted in bad faith or with no colorable claim of success.

13. *Employment Rights.* Nothing expressed or implied in the Plan shall create any right or duty on the part of the Company, an Affiliated Employer or an Executive to have the Executive remain in the employment of the Company or an Affiliated Employer at any time prior to or following a Change in Control. Any termination of employment of the Executive or the removal of the Executive from the office or position in the Company or any Affiliated Employer prior to a Change in Control but following the commencement of any discussion with any third person that ultimately results in a Change in Control shall be deemed to be a termination or removal of the Executive after a Change in Control for all purposes of the Plan. Each Executive covered by this Plan expressly acknowledges that he is an employee at will, and that the Company may terminate him at any time prior to a Change in Control.

14. *Withholding of Taxes.* The Company may withhold from any amounts payable under the Plan all federal, state, city or other taxes as shall be required pursuant to any law or government regulation or ruling.

15. Successors and Binding Effect.

(a) The Company will require any successor, (including without limitation any persons acquiring directly or indirectly all or substantially all of the business and/or assets of the Company, the Automotive Group, the Tire Group or such other group of the Company as designated by the Board, and to the extent of any delegation of the Board to a committee, by such committee, whether by purchase, merger, consolidation, reorganization or otherwise, and such successor shall thereafter be deemed the Company and an Employer for the purposes of the Plan), to expressly assume and agree to perform the obligations under the Plan in the same manner and to the same extent the Company and an Employer would be required to perform if no such succession had taken place.

The Plan shall be binding upon and inure to the benefit of the Company and any successor to the Company, but shall not otherwise be assignable, transferable or delegable by the Company.

(b) The rights under the Plan shall inure to the benefit of and be enforceable by each Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and/or legatees.

(c) The rights under the Plan are personal in nature and neither the Company nor any Executive shall, without the consent of the other, assign, transfer or delegate the Plan or any rights or obligations hereunder except as expressly provided in this Section. Without limiting the generality of the foregoing, an Executive's right to receive payments hereunder shall not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by his or her will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section, the Company shall have no liability to pay any amount so attempted to be assigned, transferred or delegated.

(d) The obligation of the Company to make payments and/or provide benefits hereunder shall represent an unsecured obligation of the Company.

(e) The Company recognizes that each Executive will have no adequate remedy at law for breach by the Company of any of the agreements contained herein and, in the event of any such breach, the Company hereby agrees and consents that each Executive shall be entitled to a decree of specific performance, mandamus or other appropriate remedy to enforce performance of obligations of the Company under the Plan.

16. *Governing Law*. All matters affecting this Plan, including the validity, interpretation, construction and performance of the Plan shall be governed by the laws of the State of Ohio, without giving effect to the principles of conflict of laws of such State.

17. *Validity*. If any provisions of the Plan or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of the Plan and the application of such provision to any other person or circumstances shall not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid and legal.

18. *Headings*. The headings in the Plan are for convenience of reference only and do not define, limit or describe the scope or intent of the Plan or any part hereof and shall not be considered in any construction hereof.

19. *Construction*. The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender and the singular shall be deemed to include the plural, unless the context clearly indicates to the contrary.

20. *Administration of the Plan*.

(a) *In General*: The Plan shall be administered by the Company, which shall be the named fiduciary under the Plan.

(b) *Delegation of Duties*: The Company may delegate any of its administrative duties, including, without limitation, duties with respect to the processing, review, investigation, approval and payment of Severance Pay and Gross-up Payments, to named administrator or administrators.

(c) *Regulations*: The Company shall promulgate any rules and regulations it deems necessary in order to carry out the purposes of the Plan or to interpret the terms and conditions of the Plan; provided, however, that no rule, regulation or interpretation shall be contrary to the provisions of the Plan.

(d) *Claims Procedure*: Subject to the provisions of Section 7, the Company shall determine the rights of any employee of the Company to any Severance Compensation or a Gross-up Payment hereunder. Any employee or former employee of the Company or an Affiliated Employer who believes that he has not received any benefit under the Plan to which he believes he is entitled, may file a claim in writing with the General Counsel of the Company. The Company shall, no later than 90 days after the receipt of a claim, either allow or deny the claim by written notice to the claimant. If a claimant does not receive written notice of the Company's decision on his claim within such 90-day period, the claim shall be deemed to have been denied in full.

A denial of a claim by the Company, wholly or partially, shall be written in a manner calculated to be understood by the claimant and shall include:

(i) the specific reason or reasons for the denial;

(ii) specific reference to pertinent Plan provisions on which the denial is based;

(iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the claim review procedure.

A claimant whose claim is denied (or his duly authorized representative) may, within thirty (30) days after receipt of denial of his claim, request a review of such denial by the Company by filing with the Secretary of the Company a written request for review of his claim. If the claimant does not file a request for review with the Company within such 30-day period, the claimant shall be deemed to have acquiesced in the original decision of the Company on his claim. If a written request for review is so filed within such 30-day period, the Company shall conduct a full and fair review of such claim. During such full review, the claimant shall be given the opportunity to review documents that are pertinent to his claim and to submit issues and comments in writing. The Company shall notify the claimant of its decision on review within sixty (60) days after receipt of a request for review. Notice of the decision on review shall be in writing. If the decision on review is not furnished to the claimant within such 60-day period, the claim shall be deemed to have been denied on review.

(a) *Requirement of Receipt* : Upon receipt of any Severance Compensation or a Gross-up Payment hereunder, the Company reserves the right to require any Executive to execute a receipt evidencing the amount and payment of such Severance Compensation and/or Gross-up Payment.

21 *Amendment and Termination* . The Company reserves the right, except as hereinafter provided, at any time and from time to time, to amend, modify, change or terminate the Plan and/or any Committee Action, including any Exhibit thereto; provided, however, that after the occurrence of a Change in Control any such amendment, modification, change or termination that adversely affects the rights of any Executive under the Plan may not be made without the written consent of any such Executive.

22. *Other Plans, etc* . If the terms of this Plan are inconsistent with the provisions of any other plan, program, contract or arrangement of the Company or any Affiliated Employer, to the extent such plan, program, contract or arrangement may be amended by the Company or an Affiliated Employer, the terms of the Plan will be deemed to so amend such plan, program, contract or arrangement, and the terms of the Plan will govern.

IN WITNESS WHEREOF, Cooper Tire Rubber Company has caused the Plan to be executed as of the 24th day of August, 2000.

Date: December ____, 2000

COOPER TIRE RUBBER COMPANY

By:
Its:

EXHIBIT A

MEMBERS OF THE OPERATIONS COMMITTEE

William S. Klein

Other executives whose names are not required to be disclosed.

EXHIBIT B

MEMBERS OF THE MANAGEMENT GROUP

Other executives whose names are not required to be disclosed.

EXHIBIT C

COOPER TIRE RUBBER COMPANY CHANGE IN CONTROL SEVERANCE PAY PLAN

Severance Compensation

1. *Severance Pay*. Each Executive whose employment is terminated pursuant to Section 4(b) or who terminates his employment pursuant to Section 4(c) shall, within ten (10) business days after such termination or, if later, upon the expiration of the revocation period provided for in Exhibit E, receive Severance Pay from the Company as follows:

(a) a single lump sum cash payment within five (5) days following the expiration of the revocation period provided for in Exhibit E to the Cooper Tire Rubber Company Change in Control Severance Pay Plan, as amended and restated as of August 24, 2000,

equal to the Executive's then current Base Pay and pro rata incentive compensation accrued through his date of termination; plus

(b) a single lump sum cash payment within five (5) days following the expiration of such revocation period equal to two (2) (for members of the Operations Committee), one (1) (for members of the Management Group) or the multiple set forth in a Committee Action (for any other Executive) times the sum of the Executive's (i) Base Pay plus (ii) target annual incentive compensation for the year prior to the Change in Control; plus

(c) a single lump sum cash payment within five (5) days following the expiration of such revocation period equal to the actuarial equivalent of:

(i) the excess of (1) the retirement pension (determined as a straight line annuity commencing at age sixty-five (65)) which he would have accrued under the terms of the Retirement Plan in which he was participating (without regard to any amendment to such Retirement Plan or other pension benefit program described herein), determined as if the Executive were fully vested thereunder and had accumulated (after the date of termination) twenty-four (24) additional months (for members of the Operations Committee), twelve (12) (for members of the Management Group) or the period specified in a Committee Action (for any other Executive) (or, if greater, the number of months remaining in the Severance Period) of service credit thereunder at his highest annual rate of compensation during any calendar year for the five (5) years immediately preceding the date of termination (but in no event shall Executive be deemed to have accumulated additional months of service credit after his sixty-fifth (65th) birthday), over (2) the retirement pension (determined as a straight life annuity commencing at age sixty-five (65)) which Executive had then accrued pursuant to the provisions of such Retirement Plan; plus

(ii) the retirement pension Executive has accrued under the applicable Nonqualified Supplementary Benefit Plan.

For purposes of this subsection, "actuarial equivalent" shall be determined using all of the same mortality, interest rate and other methods and assumptions as are used from time to time to determine "actuarial equivalence" under the applicable Retirement Plan.

(d) for twenty-four (24) months following his date of termination, the Company shall arrange to provide Executive with life, accident and health insurance benefits substantially similar to those to which he was entitled immediately prior to his termination. Benefits otherwise receivable by Executive pursuant to this Subsection (d) shall be reduced to the extent comparable benefits are actually received by Executive during the remainder of such period following his termination, and any such benefits actually received by Executive shall be reported to the Company.

(e) notwithstanding any provision in any Award Agreement between the Company and the Executive, all restricted stock units granted to the Executive which have not otherwise vested shall immediately vest and within five (5) days after the consummation of the Change in Control the Company shall pay to Executive an amount equal to the fair market value of the Common Stock represented by such restricted stock units determined as of the consummation of the Change in Control. Such cash payment shall be deemed to be in lieu of and in substitution for any right Executive may have to such restricted stock units under the terms of the Award Agreement, and Executive agrees to surrender all restricted stock units being cashed out hereunder immediately prior to receiving the cash payment described above;

(f) notwithstanding any provision in the Incentive Compensation Plans, 1998 Option Plan or other relevant plan or program, all stock options granted to the Executive by the Company which have not otherwise vested shall be vested

and within five (5) days after the consummation of the Change in Control, the Company shall pay to Executive in cash an amount equal to the aggregate of the difference between the exercise price of each stock option granted to Executive prior to the consummation of the Change in Control, and the fair market value of the Common Stock subject to the related option, determined as of the consummation of the Change in Control. Such cash payment shall be deemed to be in lieu of and in substitution for any right Executive may have to exercise such stock option or a related stock appreciation right under the terms of the relevant stock option plan describing such rights, and Executive agrees to surrender all stock options and related stock appreciation rights being cashed out hereunder prior to receiving the cash payment described above;

(g) following the end of the period specified in Subsection (d), lifetime retiree medical and life insurance coverage for Executive and Executive's family, which shall be based on the Company's plans in effect immediately prior to the Change in Control; and

(h) outplacement services by a firm selected by the Executive so long as such services are commenced within twelve (12) months following termination, at the expense of the Company in an amount up to 15% of the Executive's Base Pay, payable within thirty (30) days after receipt of an invoice from the outplacement firm.

2. *Non-Compete Period* . The non-competition period for each Executive shall be for so long as the Executive is employed by the Company and continuing for two (2) years (for members of the Operations Committee), one (1) year (for members of the Management Group) or the period specified in a Committee Action (for any other Executive) after the termination of such employment.

EXHIBIT D

COOPER TIRE RUBBER COMPANY CHANGE IN CONTROL SEVERANCE PAY PLAN

Form of Confidentiality and Non-Compete Agreement

WHEREAS, the Executive's employment has been terminated in accordance with Section 4(b) or (c) of the Cooper Tire Rubber Company Change in Control Severance Pay Plan, as amended and restated as of August 24, 2000 (the "Plan"); and

WHEREAS, the Executive is required to sign this Confidentiality and Non-Compete Agreement ("Agreement") in order to receive the Severance Compensation (as such term is defined in the Plan) as described in Exhibit C of the Plan and the other benefits described in the Plan.

NOW THEREFORE, in consideration of the promises and agreements contained herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, the Executive agrees as follows:

1. *Effective Date of Agreement* . This Agreement is effective on the date hereof and will continue in effect as provided herein.

2. *Confidentiality; Confidential Information* . In consideration of the payments to be made and the benefits to be received by the Executive pursuant to the Plan:

(a) The Executive acknowledges and agrees that in the performance of his duties as an employee of the Cooper Tire Rubber Company (the "Company") or an Affiliated Employer, he was brought into frequent contact with, had access to, and became informed of confidential and proprietary information of the Company and the Affiliated Employers and/or information which is a trade secret of the Company and/or an Affiliated Employer (collectively, "Confidential Information"), as more fully described in Subsection (b) of this Section. The Executive acknowledges and agrees that the Confidential Information of the Company and the Affiliated Employers gained by the Executive during his association with the Company and the Affiliated Employers was developed by and/or for the Company and the Affiliated Employers through substantial expenditure of time, effort and money and constitutes valuable and unique property of the Company and the Affiliated Employers.

(b) The Executive will keep in strict confidence, and will not, directly or indirectly, at any time, disclose, furnish, disseminate, make available, use or suffer to be used in any manner any Confidential Information of the Company or an Affiliated Employer without limitation as to when or how the Executive may have acquired such Confidential Information. The Executive specifically acknowledges that Confidential Information includes any and all information, whether reduced to writing (or in a form from which information can be obtained, translated, or derived into reasonably usable form), or maintained in the mind or memory of the Executive and whether compiled or created by the Company or an Affiliated Employer, which derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from the disclosure or use of such information, that reasonable efforts have been put forth by the Company and the Affiliated Employers to maintain the secrecy of Confidential Information, that such Confidential Information is and will remain the sole property of the Company and the Affiliated Employers, and that any retention or use by the Executive of Confidential Information after the termination of the Executive's employment with and services for the Company and the Affiliated Employers shall constitute a misappropriation of the Company's Confidential Information.

(c) The Executive further agrees that he shall return, within ten (10) days of the effective date of his termination as an employee of the Company and the Affiliated Employers, in good condition, all property of the Company and the Affiliated Employers then in his possession, including, without limitation, whether in hard copy or in any other media (i) property, documents and/or all other materials (including copies, reproductions, summaries and/or analyses) which constitute, refer or relate to Confidential Information of the Company or an Affiliated Employer, (ii) keys to property of the Company or an Affiliated Employer, (iii) files and (iv) blueprints or other drawings.

(d) The Executive further acknowledges and agrees that his obligation of confidentiality shall survive until and unless such Confidential Information of the Company or an Affiliated Employer shall have become, through no fault of the Executive, generally known to the public or the Executive is required by law (after providing the Company with notice and opportunity to contest such requirement) to make disclosure. The Executive's obligations under this Section are in addition to, and not in limitation or preemption of, all other obligations of confidentiality which the Executive may have to the Company and the Affiliated Employers under general legal or equitable principles or statutes.

3. *Non-Compete* . The Executive agrees that he will not, for a period of two (2)years (for members of the Operations Committee), one (1)year (for members of the Management Group) or the period specified in a Committee Action (for any other Executive) following his termination with the Company and the Affiliated Employers, engage in Competitive Activity.

4. *Nonsolicitation*. The Executive further agrees that he will not, directly or indirectly, for a period of two (2)years following his termination with the Company and the Affiliated Employers:

(a) induce or attempt to induce customers, business relations or accounts of the Company or any of the Affiliated Employers to relinquish their contracts or relationships with the Company or any of the Affiliated Employers; or

(b) solicit, entice, assist or induce other employees, agents or independent contractors to leave the employ of the Company or any of the Affiliated Employers or to terminate their engagements with the Company and/or any of the Affiliated Employers or assist any competitors of the Company or any of the Affiliated Employers in securing the services of such employees, agents or independent contractors.

5. *Definitions* . For purposes of this Agreement, “**Competitive Activity**” means the Executive’s participation, without the written consent of any one of the Chairman, Chief Executive Officer, or Chief Operating Officer, if any, of the Company, in the management of any business enterprise if such enterprise engages in substantial and direct competition with the Company or any Affiliated Employer and such enterprise’s sales of any product or service competitive with any product or service of the Company or any Affiliated Employer amounted to 5% of such enterprise’s net sales for its most recently completed fiscal year and if the Company’s net sales of said product or service amounted to 5% of, as applicable, the Company’s or Affiliated Employer’s net sales for its most recently completed fiscal year. “Competitive Activity” will not include (i) the mere ownership of 5% or more of securities in any such enterprise and the exercise of rights appurtenant thereto or (ii) participation in the management of any such enterprise other than in connection with the competitive operations of such enterprise.

IN WITNESS WHEREOF, the Executive has executed and delivered this Agreement on the date set forth below.

Dated: _____

[_____]
Executive

EXHIBIT E

COOPER TIRE RUBBER COMPANY CHANGE IN CONTROL SEVERANCE PAY PLAN

Form of Release

WHEREAS, the Executive's employment has been terminated in accordance with Section 4(b) or (c) of the Cooper Tire Rubber Company Change in Control Severance Pay Plan, as amended and restated as of August 24, 2000 (the "Plan"); and

WHEREAS, the Executive is required to sign this Release in order to receive the Severance Compensation (as such term is defined in the Plan) as described in Exhibit C of the Plan and the other benefits described in the Plan.

NOW THEREFORE, in consideration of the promises and agreements contained herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, the Executive agrees as follows:

1. This Release is effective on the date hereof and will continue in effect as provided herein.

2. In consideration of the payments to be made and the benefits to be received by the Executive pursuant to the Plan, which the Executive acknowledges are in addition to payments and benefits which the Executive would be entitled to receive absent the Plan, the Executive, for himself and his dependents, successors, assigns, heirs, executors and administrators (and his and their legal representatives of every kind), hereby releases, dismisses, remises and forever discharges Cooper Tire Rubber Company ("Cooper"), its predecessors, parents, subsidiaries, divisions, related or affiliated companies, officers, directors, stockholders, members, employees, heirs, successors, assigns, representatives, agents and counsel (the "Company") from any and all arbitrations, claims, including claims for attorney's fees, demands, damages, suits, proceedings, actions and/or causes of action of any kind and every description, whether known or unknown, which Executive now has or may have had for, upon, or by reason of any cause whatsoever ("claims"), against the Company, including but not limited to:

(a) any and all claims arising out of or relating to Executive's employment by or service with the Company and his termination from the Company;

(b) any and all claims of discrimination, including but not limited to claims of discrimination on the basis of sex, race, age, national origin, marital status, religion or handicap, including, specifically, but without limiting the generality of the foregoing, any claims under the Age Discrimination in Employment Act, as amended, Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act, Ohio Revised Code Section 4101.17 and Ohio Revised Code Chapter 4112, including Sections 4112.02 and 4112.99 thereof, and any other applicable state statutes and regulations; and

provided, however, that the foregoing shall not apply to claims to enforce rights that Executive may have as of the date hereof or in the future under any of Cooper's health, welfare, retirement, pension or incentive plans, under any indemnification agreement between the Executive and Cooper, under Cooper's indemnification by-laws, under the directors' and officers' liability coverage maintained by Cooper, under the applicable provisions of the Delaware General Corporation Law, or that Executive may have in the future under the Plan or under this Release.

(c) any and all claims of wrongful or unjust discharge or breach of any contract or promise, express or implied.

3. Executive understands and acknowledges that the Company does not admit any violation of law, liability or invasion of any of his rights and that any such violation, liability or invasion is expressly denied. The consideration provided for this Release is made for the purpose of settling and extinguishing all claims and rights (and every other similar or dissimilar matter) that Executive ever had or now may have against the Company to the extent provided in this Release. Executive further agrees and acknowledges that no representations, promises or inducements have been made by the Company other than as appear in the Plan.

4. Executive further agrees and acknowledges that:

(a) The release provided for herein releases claims to and including the date of this Release;

(b)Executive has been advised by the Company to consult with legal counsel prior to executing this Release, has had an opportunity to consult with and to be advised by legal counsel of his choice, fully understands the terms of this Release, and enters into this Release freely, voluntarily and intending to be bound;

(c)Executive has been given a period of [21] days to review and consider the terms of this Release, prior to its execution and that he may use as much of the [21] day period as he desires; and

(d)Executive may, within 7days after execution, revoke this Release. Revocation shall be made by delivering a written notice of revocation to the General Counsel at Cooper. For such revocation to be effective, written notice must be actually received by the General Counsel at Cooper no later than the close of business on the 7th day after Executive executes this Release. If Executive does exercise his right to revoke this Release, all of the terms and conditions of the Release shall be of no force and effect and Cooper shall not have any obligation to make payments or provide benefits to Executive as set forth in Sections5, 7 and 12 of the Plan.

5.Executive agrees that he will never file a lawsuit or other complaint asserting any claim that is released in this Release.

6.Executive waives and releases any claim that he has or may have to reemployment after _____.

IN WITNESS WHEREOF, the Executive has executed and delivered this Release on the date set forth below.

Dated: _____
 [_____]
 Executive

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Exhibit (12)

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Dollar amounts in thousands)

	Years Ended December 31				
	1996	1997	1998	1999	2000
Consolidated income before income taxes	\$ 172,092	\$ 194,792	\$ 198,217	\$ 215,497	\$ 160,156
Add:					
Interest and amortization of debt expense	1,654	15,655	15,224	24,445	97,461
Interest portion of rental expense	2,414	3,693	4,849	5,449	10,608
Income as adjusted	\$ 176,160	\$ 214,140	\$ 218,290	\$ 245,391	\$ 268,225
Fixed charges:					
Interest and amortization of debt expense	\$ 1,654	\$ 15,655	\$ 15,224	\$ 24,445	\$ 97,461
Capitalized interest	4,315	1,628	1,694	1,491	1,022
Interest portion of rental expense	2,414	3,693	4,849	5,449	10,608
Total fixed charges	\$ 8,383	\$ 20,976	\$ 21,767	\$ 31,385	\$ 109,091
Ratio of earnings to fixed charges	21.0	10.2	10.0	7.8	2.5

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The information which follows is included in the Company's 2000 Annual Report.

CORPORATE PROFILE

Cooper Tire Rubber Company (NYSE: CTB) is a leading manufacturer of replacement tires and original equipment automotive components. Based in Findlay, Ohio, Cooper currently operates 72 manufacturing and technical facilities in 13 countries. Cooper Tire is the fifth largest tire manufacturer in North America and one of only two remaining American-owned tire companies. Cooper-Standard Automotive is a world leader in design and manufacture of automotive sealing products and ranks among the top producers of noise vibration and harshness (NVH) control products and fluid handling systems for the automotive industry.

Cooper's replacement tire unit sales in North America have increased nearly 95 percent (6.9percent CAGR) since 1990 while the industry has grown just 15 percent. Including proprietary and private brands, the company has an estimated North American replacement tire market share approaching 20percent.

Through recent acquisitions and expanded global presence, Cooper is positioned for further growth and additional opportunities in the automotive components business. Our strategy for globalization has been rewarded with more than \$350 million in net annual new business awards to phase in starting in 2001. Our goal is to grow 10percent per year – mostly through organic growth.

Cooper's strategy for increasing shareholder value consists of focusing on core businesses in which we have significant expertise and sustainable competitive advantage. These businesses are: North American replacement tires; global automotive sealing and fluid handling systems; and North American automotive NVH products. Our sustainable competitive advantages include industry-leading customer service, technology the customer needs and wants and manufacturing efficiency that leads our industries.

Management focus is on maximizing return on invested capital (ROIC) and growth of EPS. Our senior corporate management was compensated for the first time in 2000 based on ROIC measurement. Our goal is a 20percent ROIC pretax.

COOPER CARES

Our philosophy as a company is captured in our Philosophy Beliefs document. One of the very important tenets is the idea that we want to be a good corporate citizen. What that means to us is we get involved. Our people and plants enthusiastically support local projects and charities throughout the world spanning from Texarkana, Arkansas, to Stratford, Ontario, Canada, and from Golden, Colorado, to Adelaide, Australia, and all points in between. From our local schools to day cares, United Way to Arbor Day festivities, our people make a difference. We care, as people, about the world in which we live and about the health and happiness of our communities. It makes sense!

We are proud to serve as the presenting sponsor of the Bay Hill Invitational golf tournament every March. In addition to the exposure this golf tournament provides for our Cooper brand, it provides financial support to the Arnold Palmer Hospital for Children Women, in Orlando, Florida. A significant portion of the proceeds benefits the "hospital built for kids," dedicated to meeting the special health care needs of children and women.

In 2001 we are embarking on a new phase of corporate citizenship. Starting this year, we are teaming up with the Children's Miracle Network. This is an international, non-profit organization dedicated to helping children throughout the world. Children's Miracle Network is affiliated with 170 non-profit children's hospitals. Many are the premier facilities in their communities and represent some of the finest hospitals in the world. Each year they treat more than 14million kids. Through our program, Cooper Tire dealers and their customers will contribute to their local hospitals. Cooper Tire Rubber Company will match the money raised and anticipates that the combined amounts will reach \$1million.

We are doing this because it is simply the right thing to do. Our tires and automotive parts are critical safety components on today's highways around the world. In fact, more than nine trillion miles were driven on our tires in the '90s. We take these obligations very seriously and feel that giving back to the people who use our products is an important part of business.

We also annually contribute through Cooper's corporate foundation to a variety of community organizations, educational institutions, historical societies, libraries and museums. In 2000, Cooper's contributions neared the \$1million mark. We encourage our people to participate in community activities and lead by example with our corporate involvement at a national level. At Cooper, we care.

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STRATEGIZE

Business success in today's world depends on a company's ability to create a strategy in line with its business environment. At Cooper, strategy is at the core of everything we do. We take great pride in our ability to strategize, plan, execute our plan and realize the benefits. We plan at all levels of our organization and believe a strong commitment to our plan is a key to our success.

Our strategy has taken the company forward, growing and positioning the business to achieve our goal of increasing shareholder value. The key is to focus on what we know. Tires and automotive parts are the heart of our expertise. By concentrating our resources on these products, we will continue to make Cooper a good choice for customers and investors.

- selected as one of InformationWeek Magazine's 500 most innovative users of information technology

COOPER TIRE

- ranked at the top of the 2000 Tire Brand Study conducted by Tire Review magazine. Out of 11 categories, the Cooper brand placed first in six, including product availability and delivery, dealer/supplier relations, line coverage and dealer profitability
- Avon tires were selected for the Mick Doddice Training School – which provides advanced motorcycle riding skills – in Derbyshire, England, for a second term
- received MCS Software's first-time Profits by Design Award to honor their business partners who have best utilized simulation technology in the design of their products
- Oliver fleet drivers received the Safe Driving Award from the National Private Truck Council (NPTC) for the fourth time

COOPER-STANDARD AUTOMOTIVE

- fluid systems in Adelaide, South Australia, achieved Silver level preferred supplier status from Toyota
- fluid systems division received Supplier of the Year honors in Europe from General Motors
- fluid systems division earned a Ford World Excellence Award, Ford's highest form of supplier recognition
- NVH control systems in Mitchell, Ontario, earned the DaimlerChrysler Gold Award for the third consecutive year
- earned the Automotive Matchmaking Award for minority sourcing from Delphi Automotive Systems
- fluid systems in Plymouth, England, earned the UK Investors in People (IiP) Standard which seeks to encourage organizations to develop their people as a key step in achieving their goals
- fluid systems in Torreon, Mexico, received Nissan's 2000 Quality Master Award, in recognition of achieving an overall level of quality excellence, and the Nissan 2000 Zero Defects Award for supplying defect-free products during the past year
- NVH controls systems in Auburn, Indiana, received a certificate of recognition from the GM service parts operations for 12 consecutive months of 100percent on-time shipments of product during 2000

- NVH control systems in Eldorado, Arkansas, received a Superior 2000 award from Toyota for superior quality performance during 2000
- fluid systems in Mt. Sterling, Kentucky, earned the 100 Percent On-Time Shipping Award for a 12-month period from General Motors Service Parts Operations
- the NISCO New Haven, Indiana, plant received the Indiana Governor's Recycling Award, the New Haven Chamber of Commerce Business of the Year award and the City of Fort Wayne's Business Expansion Award in 2000. Nisco is a joint venture between Cooper-Standard Automotive and Nishikawa Rubber Company of Japan

Cooper's Top 10

Many of the vehicles for the 2001 model year are equipped with parts made by Cooper-Standard Automotive. This year's Top 10 list is:

Caravan/Voyager (DaimlerChrysler)
 Crown Victoria/Grand Marquis (Ford)
 Durango (DaimlerChrysler)
 Explorer/Mountaineer (Ford)
 F-Series (Ford)
 Neon (DaimlerChrysler)
 Ram two-door (DaimlerChrysler)
 Silverado/Sierra (General Motors)
 Taurus/Sable (Ford)
 Windstar (Ford)

AWARENESS

We have heightened our Cooper brand awareness through our relationship with Arnold Palmer. Cooper Tire's presenting sponsorship of the Bay Hill Invitational 2000 was a successful investment. TV ratings soared as people tuned in to see Tiger Woods win the tournament and we expect similar ratings as he returns in 2001 to defend his title. In 2001, we will also become a collegiate conference sponsor, serving as the official tire for six conferences – SEC, Big Ten, Big East, Big XII, Mountain West, PAC-10 – representing schools in 45 states across America. This program will provide year 'round awareness of the Cooper brand to a broad and loyal audience.

TECHNOLOGY

Tire products realize their highest margins early in the life cycle, so the faster we can get a tire to market the higher our profitability, and our customers' profitability, on that product. Through predictive tire modeling, Cooper's technical team uses custom-designed software to design and simulate tests. During 2000, Cooper Tire introduced three new tires and in early 2001, added two more tires and expanded an all-steel medium truck tire. From concept to production, the time invested was significantly reduced. Advanced technology makes it easier for us to honor our commitment of getting quality tires to the marketplace faster.

QUALITY

Cooper Tire is proud of its heritage as a producer of high-quality, durable tires. Here are just a few facts about our quality:

- Since 1990, Cooper has manufactured more than 300million tires at our four U.S. tire plants.
- In our manufacturing process, we have more than 400 quality control checks to ensure safety and quality.
- According to NHTSA (National Highway Traffic Safety Administration) records, during the past ten years, among all major brands, Cooper had the lowest number of complaints by consumers compared to the number of tires sold — by a very wide margin.
- Nine trillion miles were driven on our tires in the 1990s.
- Cooper is only in the replacement market which means that Cooper tires are selected by consumers as their tire of choice.

COOPER-STANDARD AUTOMOTIVE

Products

an original equipment supplier of sealing, trim, NVH control systems and fluid handling systems for the automotive industry

Markets

North America, Europe, Asia, Australia and South America

Market Position

ranked in the top seven in the global market of similar automotive suppliers

SEALING SYSTEMS

Products

help keep outside elements from getting into a car's interior and to reduce noise. Products include dynamic seals, glass runs and encapsulated glass

Markets

top vehicle producers throughout North America, Europe, Brazil and Asia through joint ventures in Japan and Korea

Market Position

ranked second in the global market. Leader in design and manufacture of sealing systems

FLUID SYSTEMS

Products

transport fluids and vapors throughout a vehicle including the heating and cooling, brake and fuel lines, emissions and power steering

Markets

vehicle producers in North America, Europe, plus Brazil and Australia

Market Position

positioned as number one or two globally in two of four core segments. Ranked fourth in the total fluid systems global market

NVH CONTROL SYSTEMS

Products

rubber bonded to metal to assist with the minimization of vibration, noise and harshness experienced in the engine compartment, including engine mounts, body mounts and suspension components

Markets

the North American industry

Market Position

supplies parts to 17 of the top 20 vehicles produced in the United States and is ranked sixth in the global NVH market

COOPER TIRE

Products

automotive, motorcycle and light and medium truck tires, inner tubes, tread rubber and equipment

Markets

primarily in the replacement tire market throughout the world

Market Position

ranked seventh globally

COMMERCIAL PRODUCTS

Products

tread rubber and retread equipment, inner tubes, radial medium truck tires

Markets

commercial truck tire dealers and fleets primarily in North America

Market Position

one of the leading suppliers of retread materials and services in North America

NORTH AMERICAN TIRE

Products

passenger and light truck tires

Markets

North American replacement tire market

Market Position

ranked fifth largest tire manufacturer in North America

INTERNATIONAL TIRE

Products

passenger and light truck tires, motorcycle tires, racing tires

Markets

more than 100 countries around the globe

Market Position

race tires used exclusively by the F3000 and F3 circuits in Europe. One of six major motorcycle tire manufacturers in the world

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Exhibit (21)

COOPER TIRE RUBBER COMPANY

SUBSIDIARIES

AS OF DECEMBER 31, 2000

Cooper Tire Rubber Company (Parent) (Delaware)
Alga Investments Company (Georgia)
Cooper International Holding Corporation (Delaware)
Cooper International Rubber, Limited (Jamaica)
Cooper Tire International Trading Company (Cayman Islands)
Cooper Tire Rubber Foundation (Ohio)
Coopermex, S.A. de C.V. (Mexico)
North American Rubber, Incorporated (Texas)

FormS-8	No.333-89149	Registration of securities not to exceed an initial public offering price of \$1,200,000,000
	No.2-58577	Thrift and Profit Sharing Plan
	No.2-77400	1981 Incentive Stock Option Plan
	No.33-5483	1986 Incentive Stock Option Plan
	No.33-35071	Texarkana Pre-Tax Savings Plan
	No.33-47979	Pre-Tax Savings Plan at the Auburn Plant
	No.33-47980	1991 Stock Option Plan for Non-Employee Directors
	No.33-47981	Pre-Tax Savings Plan at the Findlay Plant
	No.33-47982	Pre-Tax Savings Plan at the El Dorado Plant
	No.33-52499	Pre-Tax Savings Plan (Bowling Green — Hose)
	No.33-52505	Pre-Tax Savings Plan (Bowling Green — Sealing)
	No.333-09619	1996 Stock Option Plan
	No.333-83311	Pre-Tax Savings Plan (Clarksdale)
	No.333-83309	1998 Employee Stock Option Plan 1998 Incentive Compensation Plan
	No.333-83589	1998 Non-Employee Directors Compensation Deferral Plan
	No.333-84815	Thrift Profit Sharing Plan
	No.333-84813	Texarkana Pre-Tax Savings Plan
	No.333-84793	Pre-Tax Savings Plan at the Auburn Plant
	No.333-84811	Pre-Tax Savings Plan at the Findlay Plant
	No.333-84807	Pre-Tax Savings Plan at the El Dorado Plant
	No.333-84803	Pre-Tax Savings Plan (Bowling Green – Hose)
	No.333-84805	Pre-Tax Savings Plan (Bowling Green — Sealing)
	No.333-39150	Standard Products Individual Retirement and Investment Trust Plan
	No.333-39154	The Standard Products Company (Gaylord, Michigan Plant) UAW Local 388 Collectively Bargained Savings and Retirement Plan

/s/ Ernst Young LLP
ERNST YOUNG LLP

Toledo, Ohio
March 22, 2001

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Exhibit (24)

POWER OF ATTORNEY

FOR EXECUTION OF ANNUAL REPORT ON FORM 10-K FOR

FISCAL YEAR ENDED DECEMBER 31, 2000

KNOW ALL BY THESE PRESENTS, that each of the undersigned hereby constitutes and appoints Richard N. Jacobson and Richard D. Teeple as true and lawful attorney-in-fact of each of the undersigned for the purpose of executing for and on behalf of all the undersigned members of the Board of Directors of Cooper Tire Rubber Company, the Company's Annual Report on Form 10-K for the fiscal year of the Company ended December 31, 2000.

The undersigned hereby grants such attorney-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite, necessary and proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

This Power of Attorney shall remain in full force and effect until the filing by the Company of the Annual Report on Form 10-K for fiscal year 2000 with the Securities and Exchange Commission, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorney-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 8th day of February 2001.

/s/ Arthur H. Aronson
Arthur H. Aronson, Director
/s/ Deborah M. Fretz
Deborah M. Fretz, Director
/s/ John F. Meier
John F. Meier, Director
/s/ Ronald L. Roudebush
Ronald L. Roudebush, Director

/s/ Edsel D. Dunford
Edsel D. Dunford, Director
/s/ Dennis J. Gormley
Dennis J. Gormley, Director
/s/ Byron O. Pond
Byron O. Pond, Director
/s/ John H. Shuey
John H. Shuey, Director

End of Filing