

**The Merriam Report** **CTB** 12/31/10 **COOPER TIRE & RUBBER CO**

All amounts in millions except for earnings per share

Quarterly period ending:	2 6/30/2009	3 9/30/2009	4 12/31/2009	1 3/31/2010	2 6/30/2010	3 9/30/2010	4 12/31/2010	Averages		
Earnings Per Share (Incl. Ext. Items)	\$ (0.110)	\$ 0.840	\$ 0.640	\$ 0.190	\$ 0.70000	\$ 0.710	\$ 0.640	\$ 0.516		1
% Change in E.P.S. (from prev. qtr.)		863.6%	-23.8%	-70.3%	268.4%	1.4%	-9.9%	171.6%		-1
Total Revenues	63172.9	80279.4	77305.9	75444.3	80395.9	88294.2	91964.0	79550.9		1
% Change in Revenues (from prev. qtr.)		27.1%	-3.7%	-2.4%	6.6%	9.8%	4.2%	6.9%		-1
Cost of Revenues	53126.9	66227.0	64527.8	669271.0	708577.0	754695.0	807740.0	614423.6		-1
Accounts Receivable:	36733.7	43135.4	36702.3	45896.8	45917.7	52101.9	48369.6	44122.5		-1
% Change in Receivables (from prev. qtr.)		17.4%	-14.9%	25.1%	0.0%	13.5%	-7.2%	5.7%		1
DSO's (# of days it took customers to pay)	52.9	48.9	43.2	55.4	52.0	53.7	47.9	50.6		1
Inventories:	37708.0	31096.8	29843.5	36094.9	38735.0	37098.8	38682.7	35608.5		-1
% Change in Inventory (from prev. qtr.)		-17.5%	-4.0%	20.9%	7.3%	-4.2%	4.3%	1.1%		-1
Inventory as a % of Sales	59.7%	38.7%	38.6%	47.8%	48.2%	42.0%	42.1%	45.30%		1
Prepaid Expenses:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Other Current Assets:	6500.8	4487.7	3939.2	3916.5	5176.1	4715.7	5635.7	4910.2		-1
Property, Plant & Equip. (net):	88654.9	87724.1	85097.1	83363.7	83568.2	83677.7	85244.2	85332.8		
% Change in P,P & E (from prev. qtr.)		-1.0%	-3.0%	-2.0%	0.2%	0.1%	1.9%	-0.6%		
Accounts Payable:	27601.5	30260.2	30044.8	35202.9	38802.3	36251.1	38446.4	33801.3		-1
% Change in Payables (from prev. qtr.)		9.6%	-0.7%	17.2%	10.2%	-6.6%	6.1%	6.0%		-1
Quarterly period ending:	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010			
Total Liabilities:	182790.4	183032.0	176953.2	179425.9	181371.2	177687.1	184474.8	180819.2		
Shareholder equity:	25804.5	33111.4	33080.8	34863.3	41279.0	46205.3	46078.9	37203.3		
Retained Earnings (Accum. Deficit)	105969.1	110033.0	113313.3	113776.4	117533.4	121354.0	124726.5	115243.7		
Operating Cash Flow (OCF)	129838.9	141244.1	144528.0	146805.9	157010.4	166789.5	169067.4	150612.0		1
OCF as % of Revenues	205.5%	175.9%	187.0%	194.6%	195.3%	187.8%	183.8%	189.99%		-1
Balance Sheet Cash Flow (BSCF)	182783.3	183024.2	179461.1	179417.4	181362.2	177677.8	184465.6	180810.9		-1
BSCF as % of Revenues	289.3%	228.0%	228.9%	237.8%	225.6%	201.2%	200.6%	230.20%		1
Spread between OCF & BSCF	-52944.5	-41780.1	-32418.1	-32611.5	-24351.8	-14888.3	-15398.1	-30198.9		-4
Ratios										
Spread to Revenues	-83.81%	-52.04%	-41.93%	-43.23%	-30.29%	-13.46%	-16.74%	-0.402		
Spread to OCF	0.710	0.772	0.817	0.818	0.866	0.933	0.917	0.833		
MR Dual Cash-Flow Figure	-0.128	0.251	0.397	0.386	0.563	0.798	0.749	0.431		

**The Merriam Report**

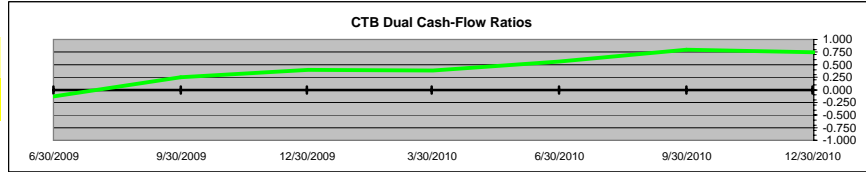
COOPER TIRE & RUBBER CO	CTB	12/31/10								
Quarterly period ending:	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10			
MR Dual Cash-Flow Figure	-0.128	0.251	0.397	0.386	0.563	0.798	0.749	0.499	0.287	73.78%
										10.54%

Merriam Report Signals:

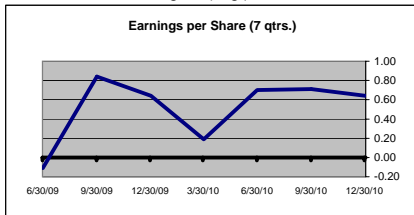
Recent Bearish

Recent Bullish

Confirmed Bullish



MR Dual Cash-Flow Figure (avg.) 0.431



	06/30/09	09/30/09	12/31/09	03/31/10	06/30/10	09/30/10	12/31/10		
P/E	-2.47	-7.92	19.28	11.96	7.99	8.53	10.3	-1	6.81
P/S	0.44	0.41	0.44	0.39	0.39	0.38	0.44	-1	0.413
P/FCF	-35.279	5.4785	3.6053	4.159	5.8978	20.2772	84.4093	-1	12.6497
PEG	0.0047	0.0207	0.1527	0.0876	0.0501	0.0425	0.0861	-1	0.063
Earnings Yield	-0.4052	-0.1263	0.0519	0.0836	0.1251	0.1172	0.0971	0	-0.008
Cash-to-Total-Asse	0.145	0.1895	0.2033	0.1575	0.1703	0.1552	0.1793	1	0.171
Debt-to-Assets	0.2902	0.2688	0.2396	0.2228	0.2191	0.2094	0.2054	1	0.236

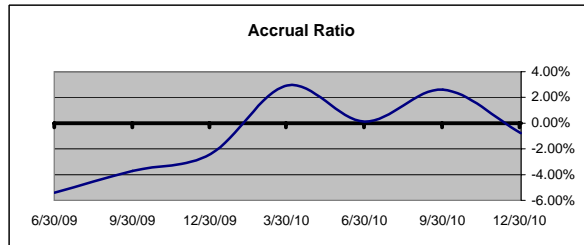
	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	
Accrual Ratios	-5.40%	-3.72%	-2.40%	2.93%	0.12%	2.62%	-0.77%	0.15
Average Accruals								-0.94%

Revenue Metrics (as % of Sales)

	Recent Qtr.		Combined Avg.
Research & Development	0.00%	0	0.00%
Cost of Sales	87.83%	-1	85.82%
S/G/A	6.14%	1	6.71%
Payables	41.81%	1	42.49%

	Recent Qtr.		Combined Avg.
Inventory / Revenues	\$ 0.421	1	\$ 0.448
Receivables / Revenues	\$ 0.5260	1	\$ 0.5546
Inventory & Receivables / Revenues	\$ 0.947	1	\$ 1.002
P,P&E / Revenues	\$ 0.927	1	\$ 1.073



-2.01% 0.57%

## Summary of Merriam Report Signals

Dual Cash-Flow Figures

Recent Bearish

Confirmed Bearish

Recent Bullish

Confirmed Bullish

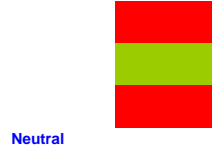
Operating Cash-Flow Trend  
Balance Sheet Cash-Flow Trend



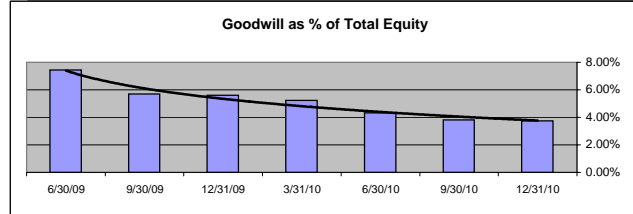
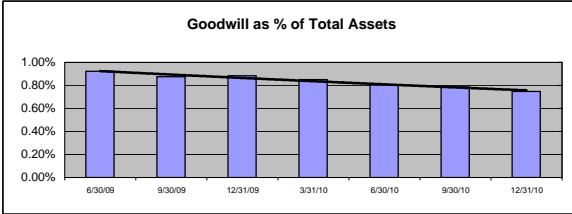
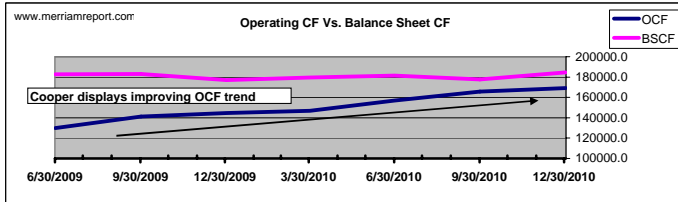
	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10
OCF	129838.9	141244.1	144528.0	146805.9	157010.4	165789.5	169067.4
BSCF	182783.3	183024.2	176946.1	179417.4	181362.2	177677.8	184465.6

### Comparison of Recent Quarter Changes to Average

EPS  
Revenues  
Accounts Receivable  
Days Sales Outstanding  
Inventory  
Accounts Payable  
Accrual Ratios



Neutral



	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	AVG.	
Goodwill as % of Total Assets	0.92%	0.87%	0.88%	0.85%	0.80%	0.79%	0.75%	0.84%	1
Goodwill as % of Total Equity	7.45%	5.70%	5.61%	5.23%	4.34%	3.80%	3.74%	5.12%	1
	8.08	6.53	6.35	6.15	5.39	4.85	5.00	6.11	3

Dual Cash Flow Trend	0
Financial Ratios (conventional)	-2
Balance Sheet and Income Statement	-4
Accrual Ratios	0.15
Revenue Metrics and Capital Productivity	5
Goodwill Trends	3
<b>Merriam Report Score</b>	<b>2.15</b>

COOPER TIRE & RUBBER CO	12/31/2010	3/18/2011
Ending Period Share Price	23.58	24.65
Estimated Fair Value	\$ 27.21	
End Price to Est. FV	-10.32%	-9.41%

SHORT CANDIDATE

- AVOID
- HOLD
- BUY
- STRONG BUY

Valuation  
**UNDERVALUED**

Tires  
Consumer Cyclical  
Tires and Inner Tubes

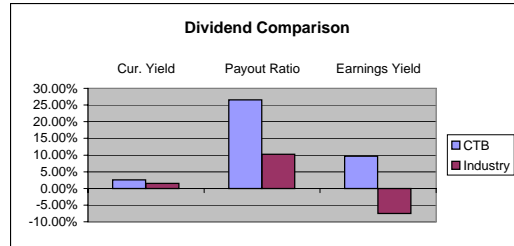
Earnings Quality

A+  
A-  
**B+**  
B-  
C+  
C-

	CTB	Industry
Cur. Yield	2.53%	1.49%
Payout Ratio	26.59%	10.28%
Earnings Yield	9.71%	-7.51%

Adjustments (Payables)	\$	(0.00)
Adjustments (Receivables)	\$	0.48
Adjustments (DSO)	\$	0.20
Adjustments (OCF)	\$	(0.13)
Adjustments (BSCF)	\$	0.48
Adjustments (Inventory)	\$	(0.12)
<b>Total Adjustments</b>	<b>\$</b>	<b>0.92</b>

Next Earnings 5/2/2011



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