COOPER TIRE & RUBBER CO
Form 10-K/A
March 02, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K/A
AMENDMENT NO. 1
For Annual and Transition Reports Pursuant to Sections 13 or 15(d) of the Securities Exchange Act of 1934

(Mark One)

x **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2005**

or

o **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 **001-04329**

COOPER TIRE & RUBBER COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE	34-4297750
(State of incorporation)	(I.R.S. employer identification no.)
701 Lima Avenue, 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 value per share	New York Stock Exchange
Rights to Purchase Series A Preferred Stock	New York Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes o No x

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 x No o

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. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

x Large accelerated filer o Accelerated filer o Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No x

The aggregate market value of the voting common stock held by non-affiliates of the registrant at June 30, 2005 was $1,126,457,606.

The number of shares outstanding of the registrant s common stock as of January 31, 2006 was 61,328,610.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant s definitive proxy statement for its 2006 Annual Meeting of Stockholders is hereby incorporated by reference into Part III, Items 10 14, of this report.

Amendment No. 1 to the Annual Report on Form 10-K
For the Year Ended December 31, 2005
EXPLANATORY NOTE

Cooper Tire & Rubber Company (the Company) is filing this Amendment No. 1 on Form 10-K/A (this Amendment) to its Annual Report on Form 10-K for the fiscal year ended December 31, 2005, which was originally filed on March 1, 2006 (the Original Filing), to amend and restate in their entirety the cover page, Part II Item 8 Financial Statements and Supplementary Data, and the Exhibit Index to correct amounts shown for quarterly 2005 periods in the Selected Quarterly Data schedule. This Amendment corrects the Original Filing by disclosing the correct amounts for first quarter gross profit, net loss and Basic and Diluted loss per share and the net loss and Basic and Diluted loss per share amounts for the second and third quarters and the net loss amount for the fourth quarter.

This Amendment includes a restated Exhibit (23), Consent of Independent Registered Public Accounting Firm which now refers to this Amendment.

This Amendment amends and restates in their entirety only the cover page, Part II Item 8 Financial Statements and Supplementary Data, and the Exhibit Index. Other than as reflected in the Exhibit Index, this Amendment does not affect any other parts of or exhibits to the Original Filing, and those unaffected parts or exhibits are not included in this Amendment.

This Amendment continues to speak as of the date of the Original Filing and the Company has not updated the disclosure contained herein to reflect events that have occurred since the filing of the Original Filing. Accordingly, this Amendment should be read in conjunction with the Company s other filings, if any, made with the Securities and Exchange Commission subsequent to the filing of the Original Filing, including any amendments to those filings, if any.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31
(Dollar amounts in thousands except per share amounts)

	2003	2004	**2005**
Net sales	$ 1,850,853	$ 2,081,609	**$ 2,155,185**
Cost of products sold	1,641,468	1,848,616	**1,967,835**
Gross profit	209,385	232,993	**187,350**
Selling, general and administrative	146,076	171,689	**161,192**
Adjustments to class action warranty	(3,900)	(11,273)	**(277)**
Restructuring	2,190	9,353	
Operating profit	65,019	63,224	**26,435**
Interest expense	29,146	27,569	**54,511**
Debt extinguishment costs			**4,228**
Interest income	(1,170)	(2,068)	**(18,541)**
Other net	(162)	2,717	**588**
Income/(loss) from continuing operations before income taxes	37,205	35,006	**(14,351)**
Provision for income taxes	9,861	7,560	**704**
Income/(loss) from continuing operations before minority interests	27,344	27,446	**(15,055)**
Minority interests			**22**
Income/(loss) from continuing operations	27,344	27,446	**(15,033)**
Income from discontinued operations, net of income taxes	46,491	61,478	
Gain on sale of discontinued operations including income tax benefit		112,448	**5,677**
Net income/(loss)	$ 73,835	$ 201,372	**$ (9,356)**

Basic earnings (loss) per share:

Income/(loss) from continuing operations	$ 0.37	$ 0.37	**$ (0.24)**
Income from discontinued operations	0.63	0.83	
Gain on sale of discontinued operations		1.52	**0.09**
Net income/(loss)	$ 1.00	$ 2.71*	**$ (0.15)**
Diluted earnings (loss) per share:			
Income/(loss) from continuing operations	$ 0.37	$ 0.37	**$ (0.24)**
Income from discontinued operations	0.63	0.82	
Gain on sale of discontinued operations		1.50	**0.09**
Net income/(loss)	$ 1.00	$ 2.68*	**$ (0.15)**

* Amounts do not add due to rounding

See Notes to Consolidated Financial Statements, pages 35 to 60.

CONSOLIDATED BALANCE SHEETS
December 31
(Dollar amounts in thousands)

	2004	**2005**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 881,728	**$ 280,712**
Short-term investments	46,064	
Accounts receivable, less allowances of $4,868 in 2004 and $5,765 in 2005	340,897	**338,793**
Accounts receivable from sale of automotive operations	48,770	
Inventories at lower of cost (last-in, first-out) or market:		
Finished goods	172,890	**221,968**
Work in process	16,726	**21,820**
Raw materials and supplies	59,166	**62,258**
	248,782	**306,046**
Prepaid expenses, income taxes refundable and deferred income taxes	65,425	**42,850**
Assets of discontinued operations and held for sale	10,813	**400**
Total current assets	1,642,479	**968,801**
Property, plant and equipment:		
Land and land improvements	35,034	**39,152**
Buildings	258,532	**266,364**
Machinery and equipment	1,308,498	**1,396,248**
Molds, cores and rings	206,457	**225,555**
	1,808,521	**1,927,319**
Less accumulated depreciation and amortization	1,079,101	**1,141,094**
Net property, plant and equipment	729,420	**786,225**
Goodwill	48,172	**48,172**
Intangibles, net of accumulated amortization of $15,038 in 2004 and $18,028 in 2005	34,098	**31,108**
Restricted cash	12,484	**12,382**
Other assets	201,431	**305,498**
	$ 2,668,084	**$ 2,152,186**

See Notes to Consolidated Financial Statements, pages 35 to 60.

December 31

LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Notes payable	$ 459	**$ 79**
Accounts payable	182,061	**157,785**
Accrued liabilities	108,197	**99,659**
Income taxes	1,320	**15,390**
Liabilities related to the sale of automotive operations	19,201	**4,684**
Liabilities of discontinued operations	727	
Total current liabilities	311,965	**277,597**
Long-term debt	773,704	**491,618**
Postretirement benefits other than pensions	169,484	**181,997**
Other long-term liabilities	178,282	**225,850**
Long-term liabilities related to the sale of automotive operations	23,116	**14,407**
Deferred income taxes	41,000	**21,941**
Stockholders equity:		
Preferred stock, $1 par value; 5,000,000 shares authorized; none issued		
Common stock, $1 par value; 300,000,000 shares authorized; 86,321,889 shares issued in 2004 and 86,322,514 in 2005	86,322	**86,323**
Capital in excess of par value	38,072	**37,667**
Retained earnings	1,397,268	**1,361,269**
Cumulative other comprehensive loss	(74,085)	**(86,323)**
	1,447,577	**1,398,936**
Less: common shares in treasury at cost (15,182,567 in 2004 and 25,001,503 in 2005)	(277,044)	**(460,160)**
Total stockholders equity	1,170,533	**938,776**
	$ 2,668,084	**$ 2,152,186**

See Notes to Consolidated Financial Statements, pages 35 to 60.

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, 2003	$ 84,862	$ 18,981	$ 1,184,115	$ (149,230)	$ (197,012)	$ 941,716
Net income			73,836			73,836
Other comprehensive income:						
Minimum pension liability adjustment, net of $7,113 tax effect				(12,555)		(12,555)
Currency translation adjustment				55,223		55,223
Change in the fair value of derivatives and unrealized gain on marketable securities, net of $1,919 tax effect				(3,117)		(3,117)
Comprehensive income						113,387
Stock compensation plans	406	5,832				6,238
Cash dividends $.42 per share			(30,952)			(30,952)
Balance at December 31, 2003	85,268	24,813	1,226,999	(109,679)	(197,012)	1,030,389
Net income			201,372			201,372
Other comprehensive income:						
Minimum pension liability adjustment, net of $16,641 tax effect				24,798		24,798
Currency translation adjustment				23,200		23,200

Change in the fair value of derivatives and unrealized gain on marketable securities, net of $894 tax effect				1,454		1,454
Sale of Automotive				(13,858)		(13,858)
Comprehensive income						236,966
Purchase of treasury shares					(83,064)	(83,064)
Stock compensation plans	1,054	13,259			3,032	17,345
Cash dividends $.42 per share			(31,103)			(31,103)
Balance at December 31, 2004	86,322	38,072	1,397,268	(74,085)	(277,044)	1,170,533
Net loss			**(9,356)**			**(9,356)**
Other comprehensive income (loss):						
Minimum pension liability adjustment, net of $4,238 tax effect				**(4,818)**		**(4,818)**
Currency translation adjustment				**(10,714)**		**(10,714)**
Change in the fair value of derivatives and unrealized gain on marketable securities, net of $2,034 tax effect				**3,294**		**3,294**
Comprehensive income (loss)						**(21,594)**
Purchase of 10,151,636 treasury shares					**(189,764)**	**(189,764)**
Stock compensation plans, including tax benefit of $1,273	**1**	**(405)**			**6,648**	**6,244**
Cash dividends $.42 per share			**(26,643)**			**(26,643)**
	$ 86,323	**$ 37,667**	**$ 1,361,269**	**$ (86,323)**	**$ (460,160)**	**$ 938,776**

Balance at
December 31, 2005

See Notes to Consolidated Financial Statements, pages 35 to 60.

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

	2003	2004	**2005**
Operating activities:			
Net income/(loss) from continuing operations	$ 27,344	$ 27,446	**$ (15,033)**
Adjustments to reconcile net income/(loss) from continuing operations to net cash provided by continuing operations:			
Depreciation	109,709	109,805	**108,340**
Amortization	5,958	4,792	**7,327**
Deferred income taxes	11,532	(12,296)	**(16,522)**
Stock based compensation			**248**
Joint venture partner losses			**(22)**
Adjustments to class action warranty	(3,900)	(11,273)	**(277)**
Restructuring asset write-down		9,251	
Changes in operating assets and liabilities of continuing operations:			
Accounts receivable	(65,529)	(8,379)	**(2,952)**
Inventories	13,599	(55,823)	**(62,715)**
Prepaid expenses	15,252	(24,765)	**28,156**
Accounts payable	39,772	44,154	**(21,329)**
Accrued liabilities	(22,624)	1,106	**15,931**
Other non-current items	36,725	(91,335)	**30,100**
Net cash provided by (used in) continuing operations	167,838	(7,317)	**71,252**
Net cash provided by (used in) discontinued operations	*66,744*	*109,289*	***(17,635)***
Net cash provided by operating activities	234,582	101,972	**53,617**
Investing activities:			
Property, plant and equipment	(96,081)	(159,308)	**(172,152)**
Investment in Kumho Tire Company			**(107,961)**
Proceeds from the sale of (investment in) available-for-sale debt securities		(46,064)	**46,064**
Acquisition of businesses, net of cash acquired	(13,110)		
Proceeds from the sale of business		1,172,267	**54,270**
Proceeds from the sale of assets	474	37	**3,709**
Net cash provided by (used in) continuing operations	(108,717)	966,932	**(176,070)**
Net cash provided by (used in) discontinued operations	*(53,310)*	*(45,318)*	***3,170***
Net cash provided by (used in) investing activities	(162,027)	921,614	**(172,900)**
Financing activities:			
Payments on long-term debt	(12,504)	(90,003)	**(278,362)**
Net borrowings (repayments) under credit facilities	12,683	(32,751)	**(354)**
Contributions of joint venture partner			**4,210**
Purchase of treasury shares		(83,064)	**(189,764)**
Payment of dividends	(30,952)	(31,103)	**(26,643)**

Issuance of common shares	6,238	17,345	**4,673**
Net cash used in continuing operations	(24,535)	(219,576)	**(486,240)**
Net cash provided by (used in) discontinued operations	*(36,306)*	*14,495*	
Net cash used in financing activities	(60,841)	(205,081)	**(486,240)**
Effects of exchange rate changes on cash of continuing operations	(10,183)	9,757	**4,507**
Effects of exchange rate changes on cash of discontinued operations	*20,147*	*(12,960)*	
Changes in cash and cash equivalents	21,678	815,302	**(601,016)**
Cash and cash equivalents at beginning of year	44,748	66,426	**881,728**
Cash and cash equivalents at end of year	$ 66,426	$ 881,728	**$ 280,712**
Cash and cash equivalents at end of year:			
Continuing operations	$ 28,550	$ 881,728	**$ 280,712**
Discontinued operations	*37,876*		
	$ 66,426	$ 881,728	**$ 280,712**

See Notes to Consolidated Financial Statements, pages 35 to 60.

Notes to Consolidated Financial Statements
(Dollar amounts in thousands except per share amounts)
Significant Accounting Policies
Reclassification On December 23, 2004, the Company sold its automotive business, Cooper-Standard Automotive (Cooper-Standard) to an entity formed by The Cypress Group and Goldman Sachs Capital Partners. Also in September 2004, the North American Tire Operations segment announced its intent to cease its inner tube business. These operations are considered to be discontinued operations as defined under Statement of Financial Accounting Standard (SFAS) No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, and require specific accounting and reporting.
The Company s consolidated financial statements reflect the accounting and disclosure requirements of SFAS No. 144, which mandate the segregation of operating results for the current year and comparable prior year periods and the balance sheets related to the discontinued operations from those related to ongoing operations. Accordingly, the consolidated statements of operations for the years ended December 31, 2003 and 2004 reflect this segregation as income from continuing operations and income from discontinued operations and the consolidated balance sheet at December 31, 2004 displays the segregation of the total assets of the operations to be sold as an aggregated current asset and the related total liabilities as an aggregated current liability.
Certain amounts for prior years have been reclassified to conform to 2005 presentations.
Principles of consolidation - The consolidated financial statements include the accounts of the Company and its subsidiaries. Acquired businesses are included in the consolidated financial statements from the dates of acquisition. All intercompany accounts and transactions have been eliminated.
The equity method of accounting is followed for investments in 20 percent to 50 percent owned companies. The cost method is followed in those situations where the Company s ownership is less than 20 percent and the Company does not have the ability to exercise significant influence over the affiliate.
The Company has entered into a joint venture with Kenda Tire Company to construct and operate a tire manufacturing facility in China. The Company has determined it is the primary beneficiary of this variable interest entity and has included its assets, liabilities, and operating results in its consolidated financial statements. The Company has recorded the minority interest related to the joint venture partners ownership in other long-term liabilities. The following table summarizes the balance sheet of this variable interest entity:

Assets	
Cash and cash equivalents	$ 608
Accounts receivable	106
Prepaid expenses	39
Total current assets	753
Property, plant and equipment	9,563
Total assets	$ 10,316
Liabilities and stockholders equity	
Accounts payable	$ 404
Accrued liabilities	4
Current liabilities	408
Stockholders equity	9,908
Total liabilities and stockholders equity	$ 10,316

Cash and cash equivalents and Short-term investments - The Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents. Short-term investments consist of available-for-sale debt securities that the Company carries at fair value. Available-for-sale debt securities are classified as current assets based upon the Company s intent and ability to use any and all of these securities as necessary to support its current operations and near-term strategic initiatives related to debt reduction, the repurchase of shares, investment in its tire operations, or a combination thereof. The Company includes unrealized gains and losses on short-term investments, net of tax, in stockholders equity.

The Company s objectives related to the investment of cash not required for operations is to preserve capital, meet the Company s liquidity needs, and earn a return consistent with these guidelines and market conditions. Investments deemed eligible for the investment of the Company s cash include 1) U.S. Treasury securities and general obligations fully guaranteed with respect to

principle and interest by the government, 2) obligations of U.S. government agencies, 3) commercial paper or other corporate notes of prime quality purchased directly from the issuer or through recognized money market dealers, 4) time deposits, certificates of deposit or bankers acceptances of banks rated A- by Standard & Poor s or A3 by Moody 5) collateralized mortgage obligations rated AAA by Standard & Poor s and Aaa by Moody s, 6) tax-exempt and taxable obligations of state and local governments of prime quality, and 7) mutual funds or outside managed portfolios that invest in the above investments. At December 31, 2004 the Company had cash and cash equivalents totaling $881,728 and short-term investments totaling $46,064, resulting from the sale of Cooper-Standard on December 23, 2004. The short-term investments were comprised of corporate notes and floating-rate securities. At December 31, 2005, the Company has cash and cash equivalents totaling $280,712. The majority of the cash and cash equivalents was invested in eligible financial instruments in excess of amounts insured by the Federal Deposit Insurance Corporation and therefore subject to credit risk.

Accounts receivable The Company records trade accounts receivable when revenue is recorded in accordance with its revenue recognition policy and relieves accounts receivable when payments are received from customers.

Allowance for doubtful accounts - The allowance for doubtful accounts is established through charges to the provision for bad debts. The Company evaluates the adequacy of the allowance for doubtful accounts on a periodic basis. The evaluation includes historical trends in collections and write-offs, management s judgment of the probability of collecting accounts and management s evaluation of business risk. This evaluation is inherently subjective, as it requires estimates that are susceptible to revision as more information becomes available. Accounts are determined to be uncollectible when the debt is deemed to be worthless or only recoverable in part, and are written off at that time through a charge against the allowance for doubtful accounts.

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 U. S. inventories. Costs of other inventories have been determined principally by the first-in, first-out (FIFO) method.

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

Buildings and improvements	10 to 40 years
Machinery and equipment	5 to 14 years
Furniture and fixtures	5 to 10 years
Molds, cores and rings	4 to 10 years

Intangibles with definite lives include trademarks, technology and intellectual property which are amortized over their useful lives which range from five years to 30 years. The Company evaluates the recoverability of long-lived assets based on undiscounted projected cash flows excluding interest and taxes when any impairment is indicated. Goodwill and other indefinite-lived intangibles are assessed for potential impairment at least annually or when events or circumstances indicate impairment may have occurred.

Pre-production costs related to long-term supply arrangements - When the Company has a contractual arrangement for reimbursement of costs incurred during the engineering and design phase of customer-owned mold projects by the customer, development costs are recorded in Other assets in the accompanying consolidated balance sheets. Reimbursable costs for customer-owned molds included in Other assets were $3,798 and $1,773 at December 31, 2004 and 2005, respectively. Upon completion and acceptance of customer-owned molds, reimbursable costs are recorded as accounts receivable. At December 31, 2004 and 2005, respectively, $1,442 and $1,664 were included in Accounts receivable for customer-owned molds.

Restricted cash In conjunction with the sale of Cooper-Standard, under terms of an employment agreement with the president of the automotive operations and terms of a change in control severance pay plan for eight additional key executives, such executives are entitled to specified severance payments if terminated by the buyer within predetermined time periods after the sale. The Company is obligated to pay the severance costs and related excise taxes, if any, if severance occurs on or prior to December 31, 2007 in the case of the automotive operation s president and on or prior to December 22, 2006 for the eight other executives. The Company was required to fund, immediately following the sale, its potential obligation for such severance payments into a rabbi trust with a third party trustee for

the possible benefit of these executives. During 2005, a payment was made as a result of the separation of one executive covered by this change in control agreement. The balances of this and other smaller trusts at December 31, 2004 and 2005 were $12,484 and $12,382, respectively.

Earnings (loss) per common share Net income (loss) per share is computed on the basis of the weighted average number of common shares outstanding each year. Diluted earnings (loss) per share from continuing operations includes the dilutive effect of stock options and other stock units. The following table sets forth the computation of basic and diluted earnings (loss) per share:

(Number of shares in thousands)	2003	2004	**2005**
Numerator for basic and diluted earnings (loss) per share income (loss) from continuing operations available to common stockholders	$27,344	$27,446	**$(15,033)**
Denominator for basic earnings (loss) per share weighted-average shares outstanding	73,688	74,201	**63,653**
Effect of dilutive securities stock options and other stock units	515	984	
Denominator for diluted earnings (loss) per share adjusted weighted-average shares outstanding	74,203	75,185	**63,653**
Basic earnings (loss) per share from continuing operations	$ 0.37	$ 0.37	**$ (0.24)**
Diluted earnings (loss) per share from continuing operations	$ 0.37	$ 0.37	**$ (0.24)**

Options to purchase shares of the Company s common stock not included in the computation of diluted earnings per share because the options exercise prices were greater than the average market price of the common shares were 563 in 2003 and 501 in 2004. These options could be dilutive in the future depending on the performance of the Company s stock. Due to the loss recorded in 2005, 3,165 options were not included in the computation of diluted earnings (loss) per share. During 2005, the Company repurchased 10,151 shares.

Derivative financial instruments Derivative financial instruments are utilized by the Company to reduce foreign currency exchange and interest rate 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.

The Company uses foreign currency forward contracts as hedges of the fair value of certain non-U.S. dollar denominated asset and liability positions, primarily accounts receivable. Gains and losses resulting from the impact of currency exchange rate movements on these forward contracts are recognized in the accompanying consolidated statements of income in the period in which the exchange rates change and offset the foreign currency gains and losses on the underlying exposure being hedged.

Foreign currency forward contracts are also used to hedge variable cash flows associated with forecasted sales and purchases denominated in currencies that are not the functional currency of certain entities. The forward contracts have maturities of less than twelve months pursuant to the Company s policies and hedging practices. These forward contracts meet the criteria for and have been designated as cash flow hedges. Accordingly, unrealized gains and losses on such forward contracts are recorded as a separate component of stockholders equity in the accompanying consolidated balance sheets and reclassified into earnings as the hedged transaction affects earnings.

The Company s hedges are designed to be highly effective at inception because the critical terms of the hedging instrument and the hedged item are identical. The Company, therefore, is not required to perform a detailed test of effectiveness. However, a reduction in the forecasted or actual hedged item below the hedged amount could result in an ineffective hedge. The Company monitors the forecasted cash flow exposures on an ongoing basis to determine if

any ineffectiveness exists. Any hedge ineffectiveness is recorded as an adjustment in the accompanying consolidated statements of operations in the period in which the ineffectiveness occurs. To date, no ineffectiveness has been identified.

Income taxes Income tax expense for continuing operations and discontinued operations is based on reported earnings (loss) before income taxes in accordance with the tax rules and regulations of the specific legal entities within the various specific taxing jurisdictions where the Company s income is earned. The income tax rates imposed by these taxing jurisdictions vary substantially. Taxable income may differ from income before income taxes for financial accounting purposes. To the extent that

differences are due to revenue or expense items reported in one period for tax purposes and in another period for financial accounting purposes, a provision for deferred income taxes is made using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is recognized if it is anticipated that some or all of a deferred tax asset may not be realized. Deferred income taxes are not recorded on undistributed earnings of international affiliates based on the Company s intention that these earnings will continue to be reinvested.

Products liability The Company accrues costs for products liability at the time a loss is probable and the amount of loss can be estimated. The Company believes the probability of loss can be established and the amount of loss can be estimated only after certain minimum information is available, including verification that Company-produced products were involved in the incident giving rise to the claim, the condition of the product purported to be involved in the claim, the nature of the incident giving rise to the claim, and the extent of the purported injury or damages. In cases where such information is known, each products liability claim is evaluated based on its specific facts and circumstances. A judgment is then made, taking into account the views of counsel and other relevant factors, to determine the requirement for establishment or revision of an accrual for any potential liability. In most cases, the liability cannot be determined with precision until the claim is resolved. Pursuant to applicable accounting rules, the Company accrues the minimum liability for each known claim when the estimated outcome is a range of possible loss and no one amount within that range is more likely than another. No specific accrual is made for individual unasserted claims or for asserted claims where the minimum information needed to evaluate the probability of a liability is not yet known. However, an accrual for such claims based, in part, on management s expectations for future litigation activity is maintained. Because of the speculative nature of litigation in the United States, the Company does not believe a meaningful aggregate range of potential loss for asserted and unasserted claims can be determined. The total cost of resolution of such claims, or increase in reserves resulting from greater knowledge of specific facts and circumstances related to such claims, could have a greater impact on the consolidated results of operations and financial position of the Company in future periods and, in some periods, could be material.

The Company s exposure for each claim occurring prior to April 1, 2003 is limited by the coverage provided by its excess liability insurance program. The program for that period includes a relatively low per claim retention and a policy year aggregate retention limit on claims arising from occurrences which took place during a particular policy year. Effective April 1, 2003, the Company established a new excess liability insurance program. The new program covers the Company s products liability claims occurring on or after April 1, 2003 and is occurrence-based insurance coverage which includes an increased per claim retention limit, increased policy limits, and the establishment of a captive insurance company. Premium costs for insurance coverage in excess of the self-insured amounts for the April 1, 2004 to March 31, 2005 policy year were $10,419 higher than under the program in place prior to April 1, 2003, the per claim retention limit increased $13,250 and the aggregate retention limit was eliminated, while excess liability coverage increased by $35,000. The Company continued the program effective April 1, 2005 with an increase in the per claim retention limit of $10,000 and a premium cost reduction of $5,320. The total per claim retention limit for claims occurring in this policy year is $25,000.

The products liability expense reported by the Company includes amortization of insurance premium costs, adjustments to settlement reserves, and legal costs incurred in defending claims against the Company offset by recoveries of legal fees. Legal costs are expensed as incurred and products liability insurance premiums are amortized over coverage periods. The Company is entitled to reimbursement, under certain insurance contracts in place for periods ending prior to April 1, 2003, of legal fees expensed in prior periods based on events occurring in those periods. The Company records the reimbursements under such policies in the period the conditions for reimbursement are met.

Products liability costs totaled $41,040, $60,476 and $52,323 in 2003, 2004 and 2005, respectively, and include recoveries of legal fees of $14,752, $9,349 and $12,700 in 2003, 2004 and 2005, respectively. Policies applicable to claims occurring on April 1, 2003 and thereafter do not provide for recovery of legal fees.

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 2003, 2004 and 2005 was $42,002, $51,745 and $48,064, respectively.

Stock-based compensation - The Company accounts for expenses related to employee stock option plans in accordance with Accounting Principles Board Opinion (APB) No. 25, Accounting for Stock Issued to Employees. Statement of Financial Accounting Standards (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:

	2003	2004	**2005**
Risk-free interest rate	1.9%	2.4%	**3.5%**
Dividend yield	2.8%	2.1%	**1.9%**
Expected volatility of the Company s common stock	0.341	0.336	**0.240**
Expected life in years	6.6	6.7	**6.8**

The weighted-average fair value of options granted in 2003, 2004 and 2005 was $3.74, $5.69 and $5.28, respectively. For purposes of pro forma disclosures, the estimated fair value of options is amortized to expense over the options vesting period.

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123(R), Share-Based Payment, which is a revision of SFAS No. 123. SFAS No. 123(R) supersedes APB Opinion No. 25 and amends SFAS No. 95, Statement of Cash Flows. Generally, the approach in SFAS No. 123(R) is similar to the approach described in SFAS No. 123; however, this Statement requires all share-based payments to employees, including grants of employee stock options, be recognized as an expense in the statement of operations based on their fair values. Pro forma disclosure will no longer be an alternative to financial statement recognition. The Company will be required to adopt SFAS No. 123(R) effective January 1, 2006.

On November 16, 2005, the Compensation Committee of the Company approved an acceleration of vesting of employee stock options and approximately 1,768 options with varying remaining vesting schedules became immediately exercisable. The action to accelerate vesting was done for the purpose of avoiding future expenses associated with any unvested stock options granted prior to the effective date of SFAS No. 123(R). The Company s reported and pro forma financial results are as follows:

	2003	2004	**2005**
Income (loss) from continuing operations as reported	$ 27,344	$ 27,446	**$ (15,033)**
Deduct: Total stock-based employee compensation expense determined under the fair value based method for all awards, net of related tax effects	(1,659)	(1,322)	**(5,138)**
Pro forma income (loss) from continuing operations	$ 25,685	$ 26,124	**$ (20,171)**
Basic earnings (loss) per share from continuing operations:			
Reported	$ 0.37	$ 0.37	**$ (0.24)**
Pro forma	0.35	0.35	**(0.32)**
Diluted earnings (loss) per share from continuing operations:			
Reported	$ 0.37	$ 0.37	**$ (0.24)**
Pro forma	0.35	0.35	**(0.32)**

Warranties The Company provides for the estimated cost of product warranties at the time revenue is recognized based primarily on historical return rates, estimates of the eligible tire population, and the value of tires to be replaced. During the third quarters of 2004 and 2005, as a result of the review of the adequacy of its warranty liabilities which is performed each quarter, the Company reduced the enhanced warranty accrual established in 2001 as a result of the class action settlement by $11,273 and $371, respectively. The reduction to the enhanced warranty liability is

attributed to a reduction in the eligible population of tires subject to the enhanced warranty due to the passage of time and to lower than expected claims. The reduction to the enhanced warranty liability was offset by an increase in the amount reserved for tire disposal costs. The following table summarizes the activity in the Company s product warranty liabilities:

	2004	**2005**
Reserve at January 1	$ 22,642	**$ 10,048**
Additions	4,643	**5,789**
Reduction to enhanced warranty reserve	(11,273)	**(371)**
Payments	(5,964)	**(6,402)**
Reserve at December 31	$ 10,048	**$ 9,064**

Use of estimates The preparation of consolidated financial statements in conformity with U. S. 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 consolidated financial statements. Actual results could differ from those estimates.

Revenue recognition - Revenues are recognized when title to the product passes to customers. Shipping and handling costs are recorded in cost of products sold. Allowance programs such as volume rebates and cash discounts are recorded at the time of sale based on anticipated accrual rates for the year.

Research and development - Costs are charged to cost of products sold as incurred and amounted to approximately $17,496, $18,582 and $15,946 in 2003, 2004 and 2005, respectively.

Accounting pronouncements In November, 2004, the FASB issued SFAS No. 151, Inventory Costs. This statement amends Accounting Research Bulletin (ARB) No. 43, Chapter 4, Inventory Pricing, to clarify that abnormal amounts of idle facility expense, freight, handling costs, and wasted materials (spoilage) should be recognized as current-period charges. The provisions of this Statement are effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The adoption of this standard will have no impact on the Company s consolidated financial statements.

On December 16, 2004, the FASB issued SFAS No. 123 (revised 2004), Share-Based Payment, which is a revision of FASB No. 123, Accounting for Stock-Based Compensation. SFAS No. 123(R) supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees and amends SFAS No. 95, Statement of Cash Flows. Generally, the approach in SFAS No. 123(R) is similar to the approach described in SFAS No. 123; however, this Statement requires all share-based payments to employees, including grants of employee stock options, be recognized as an expense in the statement of operations based on their fair values. Pro forma disclosure is no longer an alternative to financial statement recognition. SFAS No. 123(R) must be adopted by the Company effective January 1, 2006.

SFAS No. 123(R) permits public companies to adopt its requirements using one of two methods:

1. A modified prospective method, in which compensation cost is recognized beginning with the effective date based on the requirements of SFAS No. 123(R) for (a) all share-based payments granted after the effective date and (b) for all awards granted to employees prior to the effective date of SFAS No. 123(R) that remain unvested on the effective date.

2. A modified retrospective method, which includes the requirements of the modified prospective method described above for new awards and unvested awards but also permits entities to restate based on the amounts previously determined under SFAS No. 123 for purposes of pro forma disclosures either (a) all prior periods presented of (b) prior interim periods of the year of adoption.

The Company currently accounts for share-based payments to employees using the intrinsic value method prescribed in APB Opinion No. 25 and as currently permitted by SFAS No. 123. In accordance with that Standard, the Company generally recognizes no compensation cost for employee stock options. Accordingly, the Company s adoption of the fair value method prescribed in SFAS No. 123(R) will have an impact on its future results of operations. The impact of the adoption of SFAS No. 123(R) will depend on levels of share-based payments granted in the future. Beginning

in 2006, compensation expense will be recognized over the vesting period which is generally four years. The Company estimates the amount of expense to be recognized in its 2006 financial statements will be less than $500. SFAS No. 123(R) also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after adoption. While the Company cannot estimate what those amounts will be in the future (because they depend on, among other things, when employees exercise stock options), the amount of operating cash flows recognized in prior periods for such excess tax deductions were $551 and $2,718 in 2003 and 2004, respectively.

In December 2004, the FASB issued SFAS No. 153, Exchanges of Nonmonetary Assets. This Statement amends APB Opinion No. 29, Accounting for Nonmonetary Transactions to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. The Company will adopt this standard on January 1, 2006.

In May, 2005, the FASB issued SFAS No. 154, Accounting Changes and Error Corrections. This statement replaces APB Opinion No. 20, Accounting Changes and SFAS No. 3, Reporting Accounting Changes in Interim Financial Statements and changes the requirements for the accounting for and reporting of a change in accounting principle. This Statement requires retrospective application to prior periods financial statements of changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. The Company will adopt this standard on January 1, 2006.

Acquisitions

On March 10, 2003, the Company purchased Max-Trac Tire Co., Inc., better known as Mickey Thompson Performance Tires & Wheels. The Company had been a supplier to Mickey Thompson for a number of years, providing specialty and off-road tires under the Mickey Thompson and Dick Cepek names. The results of operations of Max-Trac Tire Co., Inc. are included in the consolidated financial statements from the date of acquisition. The acquisition does not meet the thresholds for a significant acquisition and therefore no pro forma financial information is presented.

Divestiture of Cooper-Standard Automotive

On December 23, 2004 the Company sold its automotive operations, known as Cooper-Standard Automotive, to an entity formed by The Cypress Group and Goldman Sachs Capital Partners. In addition to the segregation of operating financial results, assets, and liabilities, Emerging Issues Task Force (EITF) No. 87-24, Allocation of Interest to Discontinued Operations, mandates the reallocation to continuing operations of general corporate overhead previously allocated to discontinued operations and permits the allocation of interest to discontinued operations in accordance with specific guidelines. Corporate overhead that previously would have been allocated to Cooper-Standard of $12,048 and $12,201 for the years ended 2003 and 2004, respectively, is charged against continuing operations in the Company s consolidated statements of income. The Company used the permitted allocation method for interest expense on corporate debt, which is based on the ratio of net assets sold or discontinued to the sum of total net assets of the consolidated Company plus consolidated debt. Under this method, interest expense of $31,165 and $34,019 for the years ended 2003 and 2004, respectively, was allocated to discontinued operations in addition to interest on debt held directly by Cooper-Standard. Operating results for Cooper-Standard included in income from discontinued operations, net of income taxes, on the Company s consolidated statements of operations are presented in the following table. These amounts plus the results of other, smaller discontinued operations comprise the total income from discontinued operations.

(Dollar amounts in millions except per share amounts)

	Years Ended December 31,	
	2003	2004
Net sales	$ 1,662,216	$ 1,851,954
Operating profit, including restructuring costs	110,834	137,838
Interest expense	38,789	36,365
Other net	(3,584)	(2,696)
Income from discontinued operations before income	75,629	104,169

taxes				
Provision for income taxes		29,968		39,053
Income from discontinued operations, net of income taxes	$	45,661	$	65,116

Gain on Sale of Cooper-Standard Automotive

Proceeds from the December 2004 sale of Cooper-Standard Automotive were $1,226,537. In December 2004, the Company recorded a gain of $112,448 on the sale based on the preliminary sales price, including a tax benefit of $6,362 resulting primarily from currently deductible compensation expenses and other costs associated with the sale. During 2005, the Company recorded adjustments to the gain on sale totaling $5,463, plus a tax benefit of $214. There was no tax liability on the gain due to a capital loss in the United States resulting from book and tax bases differences and a statutory exemption from tax on the capital gain in the United Kingdom.

In connection with the sale, the Company agreed to indemnify the buyer against pre-closing income tax liabilities and other items specified in the Sale Agreement. For indemnity commitments where the Company believes future payments are probable, it also believes the expected outcomes can be estimated with reasonable accuracy. Accordingly, for such amounts, a liability has been recorded with a corresponding decrease in the gain on the sale. Other indemnity provisions will be monitored for possible future payments not presently contemplated. With the passage of time, additional information may become available to the Company which would indicate the estimated indemnification amounts require revision. Changes in estimates of the amount of indemnity payments will be reflected as income or loss from discontinued operations in the periods in which the additional information becomes known.

Other Discontinued Operations

In September 2004, the North American Tire Operations segment announced its intent to cease its inner tube business. The segment recorded restructuring charges of $5,163 related to this decision, which included an impairment charge of $2,922 to write the inner tube assets down to their fair market value, severance costs of $1,115, employee benefit costs of $826,000 and other costs of $300,000. All employees affected by this initiative have left the Company and are being paid their severance package in accordance with the terms of their separation. The following table summarizes the activity associated with this initiative since its announcement:

	Employee Separation Costs
Accrual at January 1, 2005	$ 727
Severance costs accrued	
Cash payments	(727)
Accrual at December 31, 2005	**$**

Sales for the Company s inner tube business were $22,019 and $17,301 for the years 2003 and 2004, respectively. Operating profit of $1,277 was generated in 2003. An operating loss of $5,821 was recorded in 2004, including the restructuring charges described above. Net income for the tube operation was $830 in 2003. A net loss of $3,638 was recognized in 2004.

Restructuring

During 2003, the North American Tire Operations segment recorded $2,100 of employee severance costs related to a management reorganization. All employees affected by this reorganization have left the Company and were paid their severance package in accordance with the terms of their separation. The segment also recorded an additional $90 of restructuring costs associated with this initiative.

During 2004, the North American Tire Operations segment initiated two restructuring plans. In the second quarter, the segment announced an initiative to consolidate its pre-cure retread operations in Asheboro, NC, and recorded a charge of $1,715 to write certain related equipment down to its scrap salvage value (the fair market value) and recorded $102 in equipment disposal costs. In the third quarter, a plan to cease production of radial medium truck tires by the end of 2005 at the Albany, GA tire facility was announced. These tires are being sourced from Asian manufacturers. No employees were affected by this initiative. The segment recorded an impairment charge of $7,536 for equipment associated with radial medium truck tire production to write the equipment down to its fair market value as

determined by sales proceeds negotiated with a potential buyer.

Assets Held for Sale

As a result of the closure of an Automotive manufacturing facility in the United Kingdom, the assets of that facility with a carrying value of $1,587, were classified as Assets Held for Sale on the consolidated balance sheet of the Company at December 31, 2004. This facility was sold in May, 2005.

The assets of the Cleveland, OH manufacturing facility, a closed Cooper-Standard plastics parts operation, valued at $811, remained with the Company and were also classified as Assets Held for Sale on the consolidated balance sheet of the Company at December 31, 2004. During 2005, a portion of these assets were sold and the remaining assets were further written down based on updated information regarding their fair value.

The assets of the Clarksdale, MS facility with a carrying value of $6,965 were also classified as Assets Held for Sale at December 31, 2004. During the first quarter of 2005, manufacturing equipment associated with the discontinued inner tube operations was sold for $1,235. Discussions regarding the potential sale of the remaining assets of the facility ceased during the first quarter resulting in their reclassification from the Assets Held for Sale category to land, buildings and machinery and equipment on the consolidated balance sheet of the Company. This facility currently is producing bladders and providing mixing for the Company s tire manufacturing facilities.

The radial medium truck tire equipment located at the Albany, GA tire facility that had been classified as Assets Held for Sale on the consolidated balance sheet of the Company at December 31, 2004 was sold in April 2005.

Assets Held for Sale are recorded at the lower of carrying value or fair value and adjusted if necessary in accordance with SFAS No. 144. The following table summarizes the activity in these assets since December 31, 2004:

	December 31, 2004	Assets Sold	Transferred (from)/to Held for Sale	Asset Writedown to Fair Value	**December 31, 2005**
United Kingdom manufacturing facility	$ 1,587	$ (1,587)	$	$	**$**
Cleveland, OH manufacturing facility	811	(162)		(249)	**400**
Clarksdale, MS manufacturing facility	6,965	(1,235)	(5,730)		
Albany, GA radial medium truck equipment	1,450	(1,450)			
Switzerland tire warehouse		(764)	764		
	$ 10,813	$ (5,198)	$ (4,966)	$ (249)	**$ 400**

Inventories

Under the LIFO method, inventories have been reduced by approximately $85,954 and $125,617 at December 31, 2004 and 2005, respectively, from current cost which would be reported under the first-in, first-out method. Approximately 77 percent of the Company s inventories have been valued under the LIFO method at both December 31, 2004 and 2005.

Goodwill and Intangibles

Goodwill is recorded in the segment where it was generated by acquisitions. Purchased goodwill and indefinite-lived intangible assets are tested annually for impairment. The Company also reevaluates its intangible assets and determined that there were no significant changes in their useful lives in 2005. During the fourth quarters of 2004 and 2005, the Company completed its annual tests for goodwill impairment and no impairment was indicated at those times.

The following table presents intangible assets and accumulated amortization balances as of December 31, 2004 and 2005:

	December 31, 2004			**December 31, 2005**		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Definite-lived:						
Trademarks and tradenames	$ 16,480	$ (4,141)	$ 12,339	**$ 16,500**	**$ (5,075)**	**$ 11,425**
Patents and technology	14,151	(8,898)	5,253	**14,131**	**(10,191)**	**3,940**
Other	5,314	(1,999)	3,315	**5,314**	**(2,762)**	**2,552**
	35,945	(15,038)	20,907	**35,945**	**(18,028)**	**17,917**
Indefinite-lived:						
Trademarks	13,191		13,191	**13,191**		**13,191**
	$ 49,136	$ (15,038)	$ 34,098	**$ 49,136**	**$ (18,028)**	**$ 31,108**

Estimated amortization expense over the next five years is as follows: 2006 - $3,000, 2007 - $2,982, 2008 - $2,608, 2009 - $1,028, and 2010 - $1,028.

Debt

On June 30, 2004, the Company restated and amended its revolving credit facility with a consortium of ten banks (the Agreement). The Agreement contains two primary covenants. An interest coverage ratio (consolidated earnings before interest, taxes, depreciation and amortization divided by consolidated net interest expense) is required to be maintained at a minimum of 3.0 times by the Company. A ratio of consolidated net indebtedness to consolidated capitalization below 55 percent is also required. Consolidated net indebtedness is indebtedness measured in accordance with generally accepted accounting principles in the United States reduced by cash and eligible short term investments in excess of $30 million. At December 31, 2005 the Company was in compliance with the financial covenants contained it its credit agreements. At that date, the ratio of consolidated net indebtedness to consolidated capitalization was 20.5 percent as a result of the debt repurchases during 2005. The interest coverage ratio was adequate. The Agreement, as amended, provides up to $175,000 in credit facilities until August 31, 2008. In addition, the terms of the Agreement permit the Company to request bid rate loans from banks participating in the Agreement. Borrowings under the 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. The credit facilities also support issuance of commercial paper and letters of credit. There were no borrowings under the revolving credit facilities and no commercial paper was outstanding at December 31, 2004 or 2005.

The Company s revolving credit facility also contains a covenant which prevents the disposition of a substantial portion of its assets. A waiver of this covenant was granted by the bank group in December 2004 to permit the disposition of Cooper-Standard Automotive.

The Company had entered into $150,000 of interest rate swap contracts to convert a portion of the 2009 Senior Notes to floating rates. In the second quarter of 2005, the Company settled these contracts recording a gain of $1,700 which is included in interest expense. The carrying value of the 7.75 percent notes had been increased by the change in the fair value of the related interest rate swap contracts of $3,721 at December 31, 2004.

During 2005, the Company repurchased $157,920 of its long-term debt due in 2009, $48,422 of its long-term debt due in 2019 and $72,020 of its long-term debt due in 2027. The Company incurred transaction-related costs of $4,228 related to these repurchases, including $3,026 of deferred financing costs written off.

The following table summarizes the long-term debt of the Company at December 31, 2004 and 2005:

	2004	**2005**
7.75% unsecured notes, aggregate principal payment due December 2009	$ 353,721	**$ 192,080**
8% unsecured notes, aggregate principal payment due December 2019	225,000	**176,578**
7.625% unsecured notes, aggregate principal payment due March 2027	189,900	**117,880**
Capitalized leases and other	5,083	**5,080**
	773,704	**491,618**
Less current maturities		
	$ 773,704	**$ 491,618**

The Company has no long-term debt maturities due until December 2009 when $192,080 of notes mature.

The Company s revolving credit facility requires it to maintain, among other things, certain financial ratios. Retained earnings at December 31, 2005 are available for the payment of cash dividends and purchases of the Company s common shares and are limited by the above ratios.

The Company and its subsidiaries also have, from various banking sources, approximately $15,200 of available short-term lines of credit of which $79, included in Notes payable on the consolidated balance sheet, is outstanding at December 31, 2005, at rates of interest approximating euro-based interest rates. The amounts available and outstanding vary based on exchange rates as borrowings may be in currencies other than the U.S. Dollar.

The weighted average interest rate of short-term notes payable at December 31, 2004 and 2005 was 5.25 percent and 6.00 percent, respectively.

Interest paid on debt, net of payments received under interest rate swap agreements, during 2003, 2004 and 2005 was $64,027, $61,723 and $55,783, respectively. The amount of interest capitalized was $990, $2,014 and $2,612 during 2003, 2004 and 2005, respectively.

Fair Value of Financial Instruments

The fair value of the Company s debt is computed using discounted cash flow analyses based on the Company s estimated current incremental borrowing rates. The carrying amounts and fair values of the Company s financial instruments as of December 31 are as follows:

	2004		**2005**	
	Carrying Amount	Fair Value	**Carrying Amount**	**Fair Value**
Cash and cash equivalents	$ 881,728	$ 881,728	**$ 280,712**	**$ 280,712**
Short-term investments	46,064	46,064		
Notes payable	(459)	(459)	**(79)**	**(79)**
Long-term debt	(773,704)	(894,204)	**(491,618)**	**(474,318)**
Derivative financial instruments	(1,625)	(1,625)	**616**	**616**

The derivative financial instruments include fair value and cash flow hedges of foreign currency exposures and fair value hedges of fixed rate debt. Exchange rate fluctuations on the foreign currency-denominated intercompany loans and obligations are offset by the change in values of the fair value foreign currency hedges. The Company presently hedges exposures in the Euro, Canadian dollar, British pound sterling, Swiss franc, Swedish kronar and Chinese Yuan generally for transactions expected to occur within the next 12 months. The notional amount of these foreign currency derivative instruments at December 31, 2004 and 2005 was $187,000 and $208,600, 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 and short-term investments is remote.

Preferred Stock Purchase Rights

Under the Company s rights plan, one right is associated with each outstanding common share. Each right entitles the holder to purchase 1/100th of a share of Series A Preferred Stock of the Company at an exercise price of $135. The rights will become 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

The Company s 1998 and 2001 incentive compensation plans allow 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 1996 incentive stock option plans and the 1998 and 2001 incentive compensation plans 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 January 1, 2003 under these plans had a term of ten years and became exercisable 50 percent after the first year and 100 percent after the second year. Options which were granted during 2003 and after under the 2001 incentive compensation plan have terms of ten years and become exercisable 25 percent per year. On November 16, 2005, the Compensation Committee of the Company approved an acceleration of vesting of employee stock options and approximately 1,768 options with varying remaining vesting schedules became immediately exercisable. As a result of the acceleration, all of the options of the Company are now exercisable.

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 value at the date of grant. Options granted under this plan have a term of ten years and became exercisable in full beginning three years after the date of grant.

The Company s 2002 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, since 2005, become exercisable 25 percent per year.

Summarized information for the plans follows:

		Number of Shares	Weighted Average Exercise Price	Available For Grant
January 1, 2003				
	Outstanding	3,351,810	$ 17.24	
	Exercisable	*2,166,410*	*18.67*	
	Granted	703,150	14.61	
	Exercised	(266,155)	14.23	
	Expired	(22,603)	25.17	
	Cancelled	(136,806)	17.75	
December 31, 2003				4,475,862
	Outstanding	3,629,396	16.89	
	Exercisable	*2,545,146*	*17.78*	
	Granted	705,900	19.81	
	Exercised	(394,012)	14.29	
	Expired	(20,629)	24.55	
	Cancelled	(127,627)	18.84	
December 31, 2004				3,987,480
	Outstanding	3,793,028	17.60	
	Exercisable	*2,599,954*	*17.56*	
	Granted	446,585	21.45	
	Exercised	(209,155)	14.30	
	Expired	(26,168)	24.13	
	Cancelled	(343,171)	19.95	
December 31, 2005				3,405,990
	Outstanding	3,661,119	17.78	
	Exercisable	*3,661,119*	*17.78*	

The weighted average remaining contractual life of options outstanding at December 31, 2005 is 6.3 years.
Segregated disclosure of options outstanding at December 31, 2005 is as follows:

	Range of Exercise Prices		
	Less than or equal to $14.75	Greater than $14.75 and less than $19.80	Greater than or equal to $19.80
Options outstanding	1,128,906	1,097,781	1,434,432
Weighted average exercise price	$ 13.82	$ 17.78	$ 21.43
Remaining contractual life	5.9	7.1	4.7

Options exercisable	1,128,906	1,097,781	1,434,432
Weighted average exercise price	$ 13.35	$ 17.78	$ 21.43

Restricted Stock Units

Under the 1998 and 2001 Incentive Compensation Plans, restricted stock units may be granted to officers and other key employees. 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. The restricted stock units granted in 2004 and 2005 have vesting periods ranging from one to three years. With the adoption of SFAS No. 123 (R), the Company will recognize compensation expense based on the earlier of the vesting date or the date when the employee becomes eligible to retire. The following table provides details of the restricted stock units granted by the Company:

	2004	**2005**
Restricted stock unit outstanding at beginning of period	70,439	**100,523**
Restricted stock units granted	34,074	**63,534**
Accrued dividend equivalents	2,056	**4,165**
Restricted stock units settled	(5,004)	**(23,405)**
Restricted stock units cancelled	(1,042)	**(3,129)**
Restricted stock unit outstanding at end of period	100,523	**141,688**

Common Stock

There were 11,550 common shares reserved for grants under compensation plans and contributions to the Company s Spectrum Investment Savings Plan and Pre-Tax Savings plans at December 31, 2005. The Company matches contributions made by participants to these plans in accordance with a formula based upon the financial performance of the Company. Matching contributions are directed to the Company Stock Fund and must remain invested in that fund until an employee has attained three years of service with the Company. Once an employee has attained three years of service, any matching contributions may be transferred to any of the other investment funds offered under the plans.

Pensions and Postretirement Benefits Other than Pensions

The Company and its consolidated U. S. subsidiaries have a number of plans providing pension, retirement or profit-sharing benefits for substantially all domestic employees. These plans include defined benefit and defined contribution 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. In 2002 a new hybrid pension plan covering all domestic salaried and non-bargained hourly employees was established. Employees at the effective date, meeting certain requirements were grandfathered in the previous defined benefit rules. The new pension plan resembles a savings account. Nominal accounts are credited based on a combination of age, years of service and percentage of earnings. A cash-out option is available upon termination or retirement.

The Company s general funding policy is to contribute more than minimum requirements but not in excess of amounts deductible for United States federal income tax purposes. 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. The Company matches certain plan participants contributions up to various limits. Participants contributions are limited based on their compensation and for certain supplemental contributions which are not eligible for company matching based on their age. Company contributions for certain of these plans are dependent on operating performance. Expense for those plans was $3,932, $6,069 and $0 for 2003, 2004 and 2005, respectively.

The Company currently provides retiree health care and life insurance benefits to a significant percentage of its domestic salaried and hourly employees. Domestic salaried and non-bargained hourly employees hired on or after

January 1, 2003 are not eligible for retiree health care or life insurance coverage. The majority of new hires covered by domestic bargaining

units are also not eligible for retiree health care or life insurance coverage. Subject to specific provisions contained in certain of its labor agreements, the Company has reserved the right to modify or terminate such benefits at any time. The Company adopted SFAS No. 106, Employers Accounting for Postretirement Benefits Other Than Pensions, in 1992 and, to mitigate the impact of medical cost inflation on the Company s retiree medical obligation, instituted per participant, or per household, caps on the amounts of retiree medical benefits it will provide to future retirees. The caps do not apply to individuals who retired prior to certain specified dates. Costs in excess of these caps will be paid by plan participants. The Company implemented increased cost sharing in 2004 in the retiree medical coverage provided to certain eligible current and future retirees. Since then cost sharing has expanded such that nearly all covered retirees pay a charge to be enrolled.

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act) was enacted in December 2003. The Act introduced a prescription drug benefit under Medicare Part D as well as a federal subsidy to sponsors of retiree health plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. In May 2004, the FASB issued FASB Staff Position (FSP) 106-2, Accounting and Disclosure Requirements Related to the Medicare Prescription Drug Improvement and Modernization Act of 2003. This FSP provided accounting and disclosure guidance for employers who sponsor postretirement health care plans that provide drug benefits. Regulations regarding implementation of provisions relevant to the Company s accounting are complex and contain acknowledged open issues. The Act reduced the Company s net periodic postretirement benefit cost by $2,183 in 2004 including service cost, interest cost and amortization of the actuarial gain. The total impact on the Company s actuarial liability in 2004, under all U. S. plans, was a reduction of $15,300 and is being accounted for as an actuarial gain that will be amortized as a reduction of the Company s periodic expense and balance sheet liability over a period of fifteen years. The 2005 net periodic postretirement benefit cost includes the benefits of the Act. The Company has applied to receive the federal drug subsidy in 2006 and intends to continue to analyze the options available with respect to the relationship of the Company health care benefits with all parts of Medicare to attain the most cost effective coordination.

In connection with the divestiture of the Company s automotive operations, defined benefit plans relating to automotive operations were assumed by the buyer except those relating to previously closed plants. Obligations assumed by the buyer consisted of 1) plans established under collective bargaining agreements all of which related to discrete automotive employee units and which have been separately measured and transferred to the buyer at closing and 2) obligations relating to active automotive employees and retirees who participated in the Company s non-bargained defined benefit plan which covered all eligible non-bargained employees. Pursuant to terms of the sale, an actuarial determination was made of the obligations and assets being split from the Company s non-bargained plan. As of December 31, 2004, the Company s actuary provided estimates of the obligations, computed using the Company s accounting methods and actuarial estimates, and trust assets to be transferred to the buyer. The estimated amounts were reflected in the table below in 2004. The final derivation of trust assets was agreed with the buyer and transferred during the third quarter of 2005 and minor adjustments are reflected in 2005 in the following table.

The table below reflects changes in the projected obligations and fair market values of assets in all defined benefit pension and other postretirement benefit plans of the Company, including those relating to the automotive group through December 23, 2004, the date of the sale of the automotive operations, and, in 2004, are reduced by the estimated amounts assumed by the buyer to arrive at estimated amounts retained by the Company. The funded status of the plans, amounts recognized in the consolidated balance sheets at December 31, 2004 and 2005 and components of periodic expense in the following table, relate only to the amounts for continuing operations.

	Pension Benefits		Other Postretirement Benefits	
	2004	**2005**	2004	**2005**
Change in projected benefit obligation:				
Projected benefit obligation at January 1	$ 1,036,383	**$ 920,654**	$ 348,232	**$ 264,842**
Impact of the Medicare Act			(15,300)	
Divestiture	(252,312)	**148**	(92,421)	
Service cost	32,336	**20,643**	7,857	**5,473**
Plan curtailments	668			
Participant contributions	2,327	**2,363**		
Interest cost	66,729	**55,112**	20,624	**15,704**
Actuarial loss	63,486	**82,309**	17,206	**183**
Amendments	5,852	**7,275**		
Benefits paid	(55,501)	**(48,273)**	(21,716)	**(12,616)**
Foreign currency translation effect	20,686	**(29,132)**	360	
Projected benefit obligation at December 31	$ 920,654	**$ 1,011,099**	$ 264,842	**$ 273,586**
Change in plans assets:				
Fair value of plans assets at January 1	$ 835,977	**$ 819,054**	$	**$**
Actual return on plans assets	90,698	**87,085**		
Employer contributions	115,210	**31,234**		
Participant contributions	2,327	**2,363**		
Divestiture	(185,162)	**2,475**		
Benefits paid	(54,832)	**(48,273)**		
Foreign currency translation effect	14,836	**(22,764)**		
Fair value of plans assets at December 31	$ 819,054	**$ 871,174**	$	**$**
Funded status of the plans	$ (101,600)	**$ (139,925)**	$ (264,842)	**$ (273,586)**
Unrecognized actuarial loss	265,902	**314,061**	80,609	**78,445**
Unrecognized prior service cost	(18,309)	**(13,270)**	(2,430)	**(3,541)**
Unrecognized net transition obligation	(30)			
Adjustment for minimum liability	(140,079)	**(152,507)**		
Net amount recognized	$ 5,884	**$ 8,359**	$ (186,663)	**$ (198,682)**

Amounts recognized in the balance sheets:				
Other assets	$ 153,399	**$ 167,027**	$	**$**
Accrued liabilities			(17,179)	**(16,685)**
Postretirement benefits other than pensions			(169,484)	**(181,997)**
Other long-term liabilities	(147,515)	**(158,668)**		
Net amount recognized	$ 5,884	**$ 8,359**	$ (186,663)	**$ (198,682)**

The accumulated benefit obligation for all defined benefit pension plans was $846,527 and $930,322 at December 31, 2004 and 2005, respectively.

Weighted-average assumptions used to determine benefit obligations at December 31:

	Pension Benefits		Other Postretirement Benefits	
	2004	**2005**	2004	**2005**
All plans				
Discount rate	6.14%	**5.68%**	6.00%	**5.75%**
Rate of compensation increase	3.60%	**3.44%**		
Domestic plans				
Discount rate	6.00%	**5.75%**	6.00%	**5.75%**
Rate of compensation increase	3.25%	**3.25%**		
Foreign plans				
Discount rate	6.49%	**5.49%**	n/a	**n/a**
Rate of compensation increase	4.48%	**3.98%**		

At December 31, 2005 the weighted average assumed annual rate of increase in the cost of medical benefits was 7.0 percent per year for 2006 through 2008 and 6.0 percent per year for 2009 and thereafter. The weighted average assumed annual rate of increase in the cost of prescription drugs was 11.0 percent per year for 2006 through 2008 and 6.0 percent per year for 2009 and thereafter.

	Pension Benefits			Other Postretirement Benefits		
	2003	2004	**2005**	2003	2004	**2005**
Components of net periodic benefit cost:						
Service cost	$ 17,692	$ 20,782	**$ 20,643**	$ 5,099	$ 5,048	**$ 5,473**
Interest cost	47,791	51,603	**55,112**	15,249	15,106	**15,704**
Expected return on plan assets	(49,212)	(58,426)	**(67,566)**			
Amortization of transition obligation	342	(38)	**(30)**			
Plan curtailment		826				
Amortization of prior service cost	3,253	2,463	**1,445**	1,081	(122)	**(219)**
Recognized actuarial loss	13,518	14,031	**12,651**	2,252	3,047	**3,677**
Net periodic benefit cost	$ 33,384	$ 31,241	**$ 22,255**	$ 23,681	$ 23,079	**$ 24,635**

Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31:

Pension Benefits	Other Postretirement Benefits

	2003	2004	**2005**	2003	2004	**2005**
All plans						
Discount rate	6.81%	6.38%	**6.14%**	6.75%	6.25%	**6.00%**
Expected return on plan assets	8.98%	8.98%	**8.92%**			
Rate of compensation increase	3.93%	3.58%	**3.60%**			
Domestic plans						
Discount rate	6.75%	6.25%	**6.00%**	6.75%	6.25%	**6.00%**
Expected return on plan assets	9.00%	9.00%	**9.00%**			
Rate of compensation increase	3.75%	3.25%	**3.25%**			
Foreign plans						
Discount rate	7.00%	6.73%	**6.49%**	n/a	n/a	**n/a**
Expected return on plan assets	8.92%	8.93%	**8.66%**			
Rate of compensation increase	4.48%	4.47%	**4.49%**			

The following table lists the projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with projected benefit obligations and accumulated benefit obligations in excess of plan assets at December 31, 2004 and 2005:

	2004		**2005**	
	Projected benefit obligation exceeds plan assets	Accumulated benefit obligation exceeds plan assets	**Projected benefit obligation exceeds plan assets**	**Accumulated benefit obligation exceeds plan assets**
Projected benefit obligation	$906,641	$503,334	**$1,004,435**	**$553,459**
Accumulated benefit obligation	832,513	487,720	**923,659**	**533,721**
Fair value of plan assets	804,023	423,894	**864,087**	**461,202**

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	$ 551	$ (475)
Increase (decrease) in the postretirement benefit obligation	5,235	(4,601)

The Company s weighted average asset allocations for its domestic and foreign pension plans assets at December 31, 2004 and December 31, 2005 by asset category are as follows:

	U. S. Plans		U. K. Plan	
Asset Category	2004	**2005**	2004	**2005**
Equity securities	64%	**66%**	73%	**75%**
Debt securities	34	**32**	26	**25**
Cash	1	**2**	1	
Total	100%	**100%**	100%	**100%**

The Company s investment policy for United States plans assets is to maintain an allocation of 65 percent in equity securities and 35 percent in debt securities. The Company s investment policy for United Kingdom plan assets is to maintain an allocation of 70 percent in equity securities and 30 percent in debt securities. Rebalancing of the asset portfolios occurs periodically if the mix differs from the target allocation. Equity security investments are structured to achieve an equal balance between growth and value stocks. The Company also has a pension plan in Germany and the assets of that plan consist of investments in a German insurance company.

At December 31, 2004, after the sale of Cooper-Standard, the fair market value of domestic plan assets was $624,135. The fair value of domestic plan assets was $655,141 at December 31, 2005. The fair value of United States plans assets at the end of each December are derived using assets held by the Trust at the end of each November, then adding contributions made during December and deducting benefits paid to the plans participants during December. Until 2004, the United Kingdom defined benefit pension plan had a September 30 measurement date for its liabilities and trust assets. The fair market value of the plan s assets at September 30, 2004 was $192,399 and that amount is disclosed in this footnote. During 2005, the United Kingdom adopted a change in the measurement date of its pension

plan from September 30 to December 31. The Company believes this change in measurement date is preferable as it facilitates and improves the year-end benefit cost planning. The impact of the change in measurement date was not material to the plan s expense recognized in 2005 or the plan s liability recorded at December 31, 2005. The fair market value of the plan assets disclosed in this footnote for December 31, 2005, $213,977, was derived using the method described above for the domestic plan assets.

The fair value of the German pension plan assets was $2,520 and $2,056 at December 31, 2004 and 2005, respectively.

The Company determines the annual expected rates of return on pension assets by first analyzing the composition of its asset portfolio. Historical rates of return are applied to the portfolio. These computed rates of return are reviewed by the Company s investment advisors and actuaries. Industry comparables and other outside guidance are also considered in the annual selection of the expected rates of return on pension assets.

The Company estimates it would contribute between $30,000 and $33,000 to its domestic and foreign pension plans in 2006 under its normal funding policy.

The Company estimates its benefit payments for its domestic and foreign pension plans and postretirement benefit plans during the next ten years to be as follows:

	Pension Benefits	Other Postretirement Benefits
2006	$41,000	$17,000
2007	42,000	16,000
2008	44,000	17,000
2009	45,000	18,000
2010	47,000	18,000
2011 through 2015	269,000	99,000

Income Taxes

Components of income (loss) from continuing operations before income taxes were as follows:

	2003	2004	**2005**
United States	$ 27,147	$ 21,666	**$ (26,358)**
Foreign	10,058	13,340	**12,007**
Total	$ 37,205	$ 35,006	**$ (14,351)**

The provision for income taxes for continuing operations consists of the following:

	2003	2004	**2005**
Current:			
Federal	$ (2,559)	$ 14,936	**$ 4,283**
State and local	448	273	**217**
Foreign	440	4,647	**4,263**
	(1,671)	19,856	**8,763**
Deferred:			
Federal	10,903	(9,917)	**(18,470)**
State and local	(219)	(94)	**(25)**
Foreign	848	(2,285)	**1,973**
	11,532	(12,296)	**(16,522)**
Section 965 repatriation			**8,463**

$ 9,861	$ 7,560	**$ 704**

A reconciliation of income tax expense for continuing operations to the tax based on the U.S. statutory rate is as follows:

	2003	2004	**2005**
Income tax provision (benefit) at 35%	$ 13,021	$ 12,252	**$ (5,015)**
State and local income tax, net of federal income tax effect	138	163	**125**
Medicare prescription benefit		(764)	
Section 404(k) dividend	(1,089)	(1,117)	**(738)**
U.S. tax credits	(430)	(825)	**(237)**
Extraterritorial income exclusion	(735)	(735)	**(183)**
Difference in effective tax rates of international operations	(2,227)	(2,307)	**(2,661)**
Section 965 repatriation			**8,463**
Tax exempt income			**(272)**
Tax on foreign deemed dividend			**268**
Adjustments to tax accruals	363	750	**198**
Other net	820	143	**756**
Income tax expense	$ 9,861	$ 7,560	**$ 704**

Payments for income taxes in 2004 and 2005, net of refunds, were $24,861 and $1,017, respectively. Refunds in 2003, net of payments, were $20,215.

Deferred tax assets and liabilities result from differences in the basis of assets and liabilities for tax and financial reporting purposes. Significant components of the Company s deferred tax assets and liabilities at December 31 were as follows:

	2004	**2005**
Deferred tax assets:		
Postretirement and other employee benefits	$ 133,961	**$ 141,479**
	48,396	**45,609**

Net operating loss, capital loss, and tax credits carryforwards		
All other items	42,778	**56,452**
Total deferred tax assets	225,135	**243,540**
Deferred tax liabilities:		
Property, plant and equipment	(113,750)	**(114,648)**
Pension benefits	(58,503)	**(65,731)**
All other items	(24,792)	**(21,335)**
Total deferred tax liabilities	(197,045)	**(201,714)**
	28,090	**41,826**
Valuation allowances	(41,061)	**(40,637)**
Net deferred tax asset (liability)	$ (12,971)	**$ 1,189**

The net deferred taxes in the consolidated balance sheets are as follows:

	2004	**2005**
Current assets	$ 28,029	**$ 23,130**
Non-current liabilities	(41,000)	**(21,941)**
Net deferred tax asset (liability)	$ (12,971)	**$ 1,189**

At December 31, 2005 the Company has, as well as certain state tax losses, $9,119 of foreign tax losses, $87,219 of U. S. capital losses, and $2,527 of federal and state credits available for carryforward. The state tax losses and credits are almost completely offset with valuation allowances and expire from 2006 through 2026. The foreign tax losses have an indefinite carryforward period and the federal tax credits generally expire in two to 20 years. The U. S. capital loss carryover will expire in 2009 and has been fully offset with a valuation allowance.

United States income taxes were not provided on a cumulative total of approximately $25,009 of undistributed earnings, as well as a minimal amount of other comprehensive income for certain non- U. S. subsidiaries. The Company currently intends to reinvest these earnings in operations outside the United States. 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.

Lease Commitments

The Company rents certain distribution facilities and equipment under long-term leases expiring at various dates. The total rental expense for the Company, including these long-term leases and all other rentals, was $19,709, $19,469 and $24,122 for 2003, 2004 and 2005, respectively.

Future minimum payments for all non-cancelable operating leases through the end of their terms, which in aggregate total $67,122 are listed below. Certain of these leases contain provisions for optional renewal at the end of the lease terms.

2006	$ 12,293
2007	11,102
2008	9,239
2009	7,386
2010	13,879
Thereafter	13,223

Cumulative Other Comprehensive Loss

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

	2004	**2005**
Cumulative currency translation adjustment	$ 15,533	**$ 4,819**
Changes in the fair value of derivatives and unrealized gains/(losses) on marketable securities	(5,068)	**260**
Tax effect	1,935	**(99)**
Net	(3,133)	**161**

Minimum pension liability	(133,771)	**(142,827)**
Tax effect	47,286	**51,524**
Net	(86,485)	**(91,303)**
	$ (74,085)	**$ (86,323)**

Net income (loss) reflects realized gains and losses on marketable securities and derivatives. Losses of $8,262, $3,724 and $153 were recognized in 2003, 2004 and 2005, respectively.

Other Assets

In February 2005, the Company purchased 15 million global depositary shares of Kumho Tire Co., Inc. of Korea (Kumho Tire) for $107,961. In accordance with SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities, the Company is accounting for this investment as restricted stock due to the contractual requirements of the Strategic Subscription Agreement with Kumho Tire.

Other assets at December 31 are as follows:

	2004	**2005**
Pension funding in excess of amounts expensed	$ 153,399	**$ 167,027**
Investment in Kumho Tire Co., Inc.		**107,961**
Other	48,032	**30,510**
	$ 201,431	**$ 305,498**

Accrued Liabilities

Accrued liabilities at December 31 are as follows:

	2004	**2005**
Payroll	$ 27,616	**$ 23,181**
Products liability	23,289	**16,690**
Other	57,292	**59,788**
	$ 108,197	**$ 99,659**

Other Long-term Liabilities

Other long-term liabilities at December 31 are as follows:

	2004	**2005**
Minimum pension liability	$ 140,080	**$ 152,507**
Other	38,202	**73,343**
	$ 178,282	**$ 225,850**

Other Net

The components of Other net in the statement of operations for the years 2003, 2004 and 2005 are as follows:

	2003	2004	**2005**
Foreign currency (gains)/losses	$ (259)	$ 1,010	**$ 1,187**
Partial write-off of long term investment		1,940	**240**
Other	97	(233)	**(839)**

$ (162)	$ 2,717	**$ 588**

Contingent Liabilities

Indemnities Related to the Sale of Cooper-Standard Automotive

The sale of the Company s automotive operations included contract provisions which provide for indemnification of the buyer by the Company for all income tax liabilities related to periods prior to closing and for various additional items outlined in the agreement. Indemnity payments would be reflected as expenses of discontinued operations. The recorded gain on the sale includes reductions for estimates of the expected tax liabilities and the other potential indemnity items to the extent they are deemed to be probable and estimable at December 31, 2005. For indemnity commitments where the Company believes future payments are probable, it also believes the expected outcomes can be estimated with reasonable accuracy. Accordingly, for such amounts, a liability has been recorded with a corresponding decrease in the gain on the sale. Other indemnity provisions will be monitored for possible future payments not presently contemplated. The Company will reevaluate the probability and amounts of indemnity payments being required quarterly and adjustments, if any, to the initial estimates will be reflected as a change in the gain on sale in the periods when revised estimates are determined.

Guarantees

Certain operating leases related to property and equipment used in the operations of Cooper-Standard Automotive were guaranteed by the Company. These guarantees require the Company, in the event Cooper-Standard fails to honor its commitments, to satisfy the terms of the lease agreements. As part of the sale of the automotive operations, the Company is seeking releases of those guarantees but to date has been unable to secure releases from certain lessors. The most significant of those leases is for a U. S. manufacturing facility with a remaining term of 11 years and total remaining payments of approximately $12,500. Other leases cover two facilities in the United Kingdom and manufacturing equipment. These leases have remaining terms of from one to eight years and remaining payments of approximately $5,900. The Company does not believe it is presently probable that it will be called upon to make these payments. Accordingly, no accrual for these guarantees has been recorded. If information becomes known to the Company at a later date which indicates its performance under these guarantees is probable, accruals for the obligations will be required.

Products Liability

The Company is a defendant in various products liability claims in which individuals involved in vehicle accidents seek damages resulting from allegedly defective tires manufactured by the Company. Litigation of this type has increased significantly throughout the tire industry following the Firestone tire recall announced in 2000. Information concerning the Company s products liability exposures and its accounting policy relating to such claims are outlined in Significant Accounting Policies Products liability in these notes to financial statements. The accounting process is based on estimates derived from information known by the Company when the reserves are determined. In most cases, the liability cannot be determined with precision until the claim is resolved. Pursuant to applicable accounting rules, the Company accrues the minimum liability for each known claim when the estimated outcome is a range of possible loss and no one amount within that range is more likely than another. No specific accrual is made for individual unasserted claims or for asserted claims where the minimum information needed to evaluate the probability of a liability is not yet known. However, an accrual for such claims based, in part, on management s expectations for future litigation activity is maintained. Because of the speculative nature of litigation in the United States, the Company does not believe a meaningful aggregate range of potential loss for asserted and unasserted claims can be determined. The total cost of resolution of such claims, or increase in reserves resulting from greater knowledge of specific facts and circumstances related to such claims, could have a greater impact on the consolidated results of operations and financial position of the Company in future periods and, in some periods, could be material.

Employment Contracts

The Company has employment arrangements with three key executive employees and has change in control severance agreements covering eight additional key executives. These arrangements provide for continuity of management and provide for payments of multiples of annual salary, certain incentives and continuation of benefits upon the occurrence of specified events in a manner that is believed to be consistent with comparable companies. In addition, the Chief Executive Officer s agreement provides for retention payments which accrue at various amounts annually

and amount to $325 if he leaves the Company at any time in 2006 and increase annually thereafter to a payment of $2,750 if he leaves in 2016, the year in which he will reach age 65.

Under terms of an employment agreement with the president of the automotive operations and terms of a change in control severance pay plan for eight additional key automotive executives, such executives are entitled to specified severance payments if terminated by the buyer within predetermined time periods after the sale. The Company is obligated to pay the severance costs and related excise taxes, if any, if severance occurs on or prior to December 31, 2007 in the case of the automotive operation s president and on or prior to December 22, 2006 for the eight other automotive executives. The Company was required to fund,

immediately following the sale, its potential obligation for such severance payments into a rabbi trust with a third party trustee for the possible benefit of these executives. During 2005, the Company paid one executive covered by the change in control agreement. The Company does not believe it is presently probable that any of the remaining executives will be terminated within the periods in which it is obligated to pay the severance costs. Accordingly, no additional accrual for severance has been recorded. If information becomes known to the Company at a later date which indicates severance of one or more of the covered executives is probable within the time period covered by the Company, accruals for severance will be required.

Unconditional Purchase Orders

Noncancelable purchase order commitments for capital expenditures and raw materials, principally natural rubber, made in the ordinary course of business were $68,801 at December 31, 2005.

Supplier Dispute

During 2005, the Company resolved a dispute with raw material suppliers resulting in an agreement for reimbursement of $18,000 of previously expensed costs. This recovery was recorded as a reduction to cost of goods sold in the financial results of the North American Tire Operations segment.

Business Segments

The Company has two reportable segments North American Tire Operations and International Tire Operations. The Company s reportable segments are each managed separately because they operate in different geographic locations. North American Tire Operations produces passenger and light truck tires, which are sold nationally and internationally in the replacement tire market to independent tire dealers, wholesale distributors, regional and national retail tire chains, and large retail chains that sell tires as well as other automotive products, and supplies retread equipment and materials to the commercial truck tire industry.

The International Tire Operations segment currently manufactures and markets passenger car, light truck and motorcycle tires for the replacement market, as well as racing tires and materials for the tire retread industry, in Europe and the United Kingdom. The lower operating profit in the segment is partially a result of higher start-up costs associated with the Asian operations in 2005 which were $5,000 higher than in 2004.

The following customers of the North American Tire segment contributed ten percent or more of the Company s total consolidated net sales in 2003, 2004 and 2005. Net sales and percentage of consolidated Company sales for these customers in 2003, 2004 and 2005 are as follows:

	2003		2004		**2005**	
Customer	Net Sales	Consolidated Net Sales	Net Sales	Consolidated Net Sales	**Net Sales**	**Consolidated Net Sales**
Pep Boys	$ 198,626	11%				
TBC/Treadways			$ 279,172	13%	**$ 323,815**	**15%**

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

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	2003	2004	**2005**
Revenues			
North American Tire	$ 1,682,593	$ 1,874,905	**$ 1,957,666**
International Tire	209,631	257,220	**264,451**
Eliminations and other	(41,371)	(50,516)	**(66,932)**
Consolidated	1,850,853	2,081,609	**2,155,185**
Segment profit			
North American Tire	76,783	75,952	**35,819**
International Tire	10,295	9,420	**(3,643)**
Unallocated corporate charges and eliminations	(22,059)	(22,148)	**(5,741)**
Operating profit	65,019	63,224	**26,435**
Interest income	1,170	2,068	**18,541**
Debt extinguishment costs			**4,228**
Other net	162	(2,717)	**(588)**
Interest expense	(29,146)	(27,569)	**(54,511)**
Income (loss) before income taxes from continuing operations	37,205	35,006	**(5,895)**
Depreciation and amortization expense			
North American Tire	99,107	98,327	**97,526**
International Tire	11,814	12,612	**12,186**
Corporate	1,840	1,999	**1,618**
Consolidated	112,761	112,938	**111,330**
Segment assets			
North American Tire	1,138,094	1,222,723	**1,320,557**
International Tire	181,802	203,714	**208,464**
Corporate and other	169,594	1,241,647	**614,326**

Consolidated	1,489,490	2,668,084	**2,143,347**
Expenditures for long-lived assets			
North American Tire	86,257	143,290	**146,686**
International Tire	9,094	10,817	**24,970**
Corporate	730	5,201	**496**
Consolidated	96,081	159,308	**172,152**

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

	2003	2004	**2005**
Revenues			
North America	$ 1,650,743	$ 1,830,858	**$ 1,904,498**
Europe	200,110	250,751	**250,687**
Consolidated	1,850,853	2,081,609	**2,155,185**
Long-lived assets			
North America	612,032	648,879	**700,006**
Europe	79,330	81,178	**76,279**
Other	12	813	**9,940**
Consolidated	691,374	730,870	**786,225**

Shipments of domestically-produced products to customers outside the U. S. approximated seven percent of net sales in 2003 and 2004 and eight percent of net sales in 2005.

Subsequent Event

On October 27, 2005 the Company announced that an agreement had been reached to obtain a 51 percent ownership position in Cooper Chengshan (Shandong) Passenger Tire Co. Ltd. and Cooper Chengshan (Shandong) Tire Company, Ltd. The agreement includes a 25 percent position in the steel cord factory which is located adjacent to the tire manufacturing facility in Rongchen City, Shandong, China. The new companies, which will be formed upon governmental approval of the transaction, together were known as Shandong Chengshan Tire Company, Ltd. (Chengshan) of Shandong, China. Chengshan is the third largest Chinese-owned tire manufacturer with expected replacement, original equipment and export sales for 2005 of approximately $500,000. The company manufactures passenger car and light truck radial tires as well as bias commercial tires primarily under the brand names of Chengshan and Austone. The initial cash investment in this venture will approximate $77,000 plus assumed debt which is anticipated to approximate $100,000 for these companies. The agreement is subject to a number of government and regulatory approvals in China, and was completed effective February 4, 2006.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Cooper Tire & Rubber Company

We have audited the accompanying consolidated balance sheets of Cooper Tire & Rubber Company (the Company) as of December 31, 2005 and 2004, and the related consolidated statements of operations, shareholders equity, and cash flows for each of the three years in the period ended December 31, 2005. Our audits also included the financial statement schedule listed in the index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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, 2005 and 2004, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2005, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Cooper Tire & Rubber Company s internal control over financial reporting as of December 31, 2005, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 10, 2006 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Ernst & Young LLP
Toledo, Ohio
February 10, 2006

(Unaudited)

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

	2004			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$ 480,010	$ 509,186	$ 551,446	$ 540,967
Gross profit	52,476	64,707	62,141	53,669
Net income	2,183	8,870	13,175	3,217
Basic earnings per share	0.03	0.12	0.18	0.04
Diluted earnings per share	0.03	0.12	0.17	0.04
Revenues from external customers:				
North American Tire	$ 427,947	$ 456,344	$ 499,372	$ 491,242
International Tire	65,289	63,129	65,985	62,817
Eliminations and other	(13,225)	(10,288)	(13,912)	(13,090)
Net sales	$ 480,011	$ 509,185	$ 551,445	$ 540,969
Segment profit:				
North American Tire	$ 13,083	$ 21,898	$ 26,807	$ 14,164
International Tire	3,035	3,661	2,802	(79)
Corporate	(6,614)	(4,934)	(3,874)	(6,725)
Operating profit	9,504	20,625	25,735	7,360
Interest expense	(6,547)	(7,832)	(6,580)	(6,610)
Interest income	422	307	317	1,022
Other net	(206)	(206)	(323)	(1,982)
Income (loss) from continuing operations before income taxes	$ 3,173	$ 12,894	$ 19,149	$ (210)

	2005			
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Net sales	$ 514,057	$ 510,930	$ 557,795	$ 572,403
Gross profit	48,682	37,910	55,426	45,332
Net loss	(1,044)	(6,418)	(1,075)	(6,496)
Basic loss per share	(0.01)	(0.10)	(0.02)	(0.11)
Diluted loss per share	(0.01)	(0.10)	(0.02)	(0.11)
Revenues from external customers:				
North American Tire	$ 463,870	$ 459,807	$ 509,415	$ 524,574
International Tire	65,489	70,141	67,520	61,301
Eliminations and other	(15,302)	(19,018)	(19,140)	(13,472)

Net sales	$ 514,057	$ 510,930	$ 557,795	$ 572,403
Segment profit:				
North American Tire	$ 7,467	$ 2,264	$ 16,937	$ 9,151
International Tire	(836)	1,602	(590)	(3,819)
Corporate	(750)	(3,453)	(2,275)	737
Operating profit	5,881	413	14,072	6,069
Interest expense	(14,215)	(13,715)	(13,545)	(13,036)
Debt extinguishment gains (losses)		(9,075)	(1,328)	6,175
Interest income	5,614	4,520	3,857	4,550
Other net	1,229	305	(1,296)	(826)
Income (loss) from continuing operations before income taxes	$ (1,491)	$ (17,552)	$ 1,760	$ 2,932

Certain amounts for the second and third quarters have been reclassified to conform to the fourth quarter presentation.

COOPER TIRE & RUBBER COMPANY
SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS
Years ended December 31, 2003, 2004 and 2005

	Balance at Beginning of Year	Additions		Deductions (a)	Balance at End of Year
		Charged To Income	Business Acquisitions		
Allowance for doubtful accounts					
2003	$ 5,291,432	$ 87,758	$ 100,000	$ 637,524	$ 4,841,666
2004	$ 4,841,666	$ 961,322		$ 934,802	$ 4,868,186
2005	$ 4,868,186	$ 2,154,686		$ 1,257,506	$ 5,765,366

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

SIGNATURE

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

COOPER TIRE & RUBBER COMPANY

/s/ Robert W. Huber

ROBERT W. HUBER, Director of
External Reporting

Date: March 2, 2006

EXHIBIT INDEX

(3) Certificate of Incorporation and Bylaws

(i) Certificate of Incorporation, as restated and filed with the Secretary of State of Delaware on May 17, 1993, is incorporated herein by reference from Exhibit 3(i) of the Company s Form 10-Q for the quarter ended June 30, 1993

Certificate of Correction of Restated Certificate of Incorporation as filed with the Secretary of State of Delaware on November 24, 1998 is incorporated by reference from Exhibit 3(i) of the Company s Form 10-K for the year ended December 31, 1998

(ii) Bylaws, as amended May 5, 1987, are incorporated herein by reference from Exhibit 19 of the Company s Form 10-Q for the quarter ended June 30, 1987

(4) (i) Prospectus Supplement dated March 20, 1997 for the issuance of $200,000,000 notes is incorporated herein by reference from Form S-3 Registration Statement No. 33-44159

(ii) Amended and Restated Rights Agreement, dated May 11, 1998, between the Company and The Fifth Third Bank as Rights Agent is incorporated herein by reference from Exhibit 4 to the Company s Form 8-K dated May 15, 1998

(iii) Amendment No. 1 to Amended and Restated Rights Agreement dated as of May 7, 2004, by and among Cooper Tire & Rubber Company, Fifth Third Bank and Computershare Investor Services, LLC is incorporated herein by reference from Exhibit 4 of the Company s Form 10-Q for the quarter ended September 30, 2004

(iv) Prospectus Supplement dated December 8, 1999 for the issuance of an aggregate $800,000,000 notes is incorporated herein by reference from Form S-3 Registration Statement No. 333-89149

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

(ii) Second Amended and Restated Employment Agreement dated as of February 6, 2002 between Cooper Tire & Rubber Company and Thomas A. Dattilo is incorporated herein by reference from Exhibit (10)(ii) of the Company s Form 10-K for the year ended December 31, 2001 *

(iii) First Amendment to Amended and Restated Employment Agreement dated as of July 18, 2003 between Cooper Tire & Rubber Company and Thomas A. Dattilo is incorporated herein by reference from Exhibit (10) of the Company s Form 10-Q for the quarter ended June 30, 2003 *

(iv) Employment Agreement dated as of June 6, 2000 between Cooper Tire & Rubber Company and Philip G. Weaver is incorporated herein by reference from Exhibit (10)(v) of the Company s Form 10-K for the year ended December 31, 2001 *

(v) Employment Agreement dated as of July 17, 2002 between Cooper Tire & Rubber Company and D. Richard Stephens incorporated herein by reference from Exhibit (10)(ii) of the Company s Form 10-Q for the quarter ended September 30, 2002 *

(vi) First Amendment to Employment Agreement dated as of February 4, 2004 between Cooper Tire & Rubber Company and D. Richard Stephens incorporated herein by reference from Exhibit (10)(i) of the

Company s Form 10-Q for the quarter ended March 31, 2004 *

(vii) Description of management contracts, compensatory plans, contracts, or arrangements will be herein incorporated by reference from the Company s definitive Proxy Statement for its 2006 Annual Meeting of Stockholders*

(viii) Amended and Restated Credit Agreement dated as of September 1, 2000 by and among Cooper Tire & Rubber Company, the Banks and PNC Bank, National Association, as agent for the Banks is incorporated herein by reference from Exhibit (10)(i) of the Company s Form 10-Q for the quarter ended March 31, 2001

(ix) Amendment No. 1 to the Amended and Restated Credit Agreement dated as of March 27, 2001 by and among Cooper Tire & Rubber Company, the Banks and PNC Bank, National Association, as agent for the Banks is incorporated herein by reference from Exhibit (10)(ii) of the Company s Form 10-Q for the quarter ended March 31, 2001

(x) Amendment No. 2 to the Amended and Restated Credit Agreement dated as of August 30, 2001 among Cooper Tire & Rubber Company, the Banks, and PNC Bank, National Association, as agent for the Banks is incorporated herein by reference from Exhibit (10)(i) of the Company s Form 10-Q for the quarter ended September 30, 2001

(xi) Amendment No. 3 to the Amended and Restated Credit Agreement dated as of September 30, 2001 among Cooper Tire & Rubber Company, the Banks, and PNC Bank, National Association, as agent for the Banks is incorporated herein by reference from Exhibit (10)(ii) of the Company s Form 10-Q for the quarter ended September 30, 2001

(xii) Amendment No. 4 to the Amended and Restated Credit Agreement dated as of November 1, 2001 among Cooper Tire & Rubber Company, the Banks, and PNC Bank, National Association, as agent for the Banks is incorporated herein by reference from Exhibit (10)(iii) of the Company s Form 10-Q for the quarter ended September 30, 2001

(xiii) Amendment No. 5 to the Amended and Restated Credit Agreement dated as of December 21, 2001 among Cooper Tire & Rubber Company, the Banks, and PNC Bank, National Association, as agent for the Banks is incorporated herein by reference from Exhibit (10)(xiii) of the Company s Form 10-K for the year ended December 31, 2001

(xiv) Amendment No. 6 to the Amended and Restated Credit Agreement dated as of August 29, 2002 among Cooper Tire & Rubber Company, the Banks, and PNC Bank, National Association, as agent for the Banks is incorporated herein by reference from Exhibit (10)(i) of the Company s Form 10-Q for the quarter ended September 30, 2002

(xv) Amendment No. 7 to the Amended and Restated Credit Agreement dated as of August 28, 2003 among Cooper Tire & Rubber Company, the Banks, and PNC Bank, National Association, as agent for the Banks is incorporated herein by reference from Exhibit (10) of the Company s Form 10-Q for the quarter ended September 30, 2003

(xvi) Amendment No. 8 to the Amended and Restated Credit Agreement dated as of June 30, 2004 among Cooper Tire & Rubber Company, the Banks, and PNC Bank, National Association, as agent for the Banks is incorporated herein by reference from Exhibit (10) of the Company s Form 10-Q for the quarter ended June 30, 2004

(xvii) 1991 Stock Option Plan for Non-Employee Directors is incorporated herein by reference from the Appendix to the Company s Proxy Statement dated March 26, 1991 *

(xviii) 1996 Stock Option Plan is incorporated herein by reference from the Appendix to the Company s Proxy Statement dated March 26, 1996 *

(xix) 1998 Incentive Compensation Plan and 1998 Employee Stock Option Plan are incorporated herein by reference from the Appendix to the Company s Proxy Statement dated March 24, 1998 *

(xx) Amended and Restated 1998 Non-Employee Directors Compensation Deferral Plan is incorporated herein by reference from the Appendix to the Company s Proxy Statement dated March 24, 1998*

(xxi) 2001 Incentive Compensation Plan is incorporated herein by reference from the Appendix A to the Company s Proxy Statement dated March 20, 2001 *

(xxii) Executive Deferred Compensation Plan is incorporated herein by reference from Exhibit (10)(iv) of the Company s Form 10-Q for the quarter ended September 30, 2001 *

(xxiii) 2002 Non-Employee Directors Stock Option Plan is incorporated herein by reference from Appendix A to the Company s Proxy Statement dated March 27, 2002 *

(xxiv) Stock Purchase Agreement dated as of September 16, 2004 by and among Cooper Tire & Rubber Company, Cooper Tyre & Rubber Company UK Limited and CSA Acquisition Corp. is incorporated herein by reference from Exhibit (10) of the Company s Form 10-Q for the quarter ended September 30, 2004

(xxv) First Amendment to Stock Purchase Agreement dated as of December 3, 2004 by and among Cooper Tire & Rubber Company, Cooper Tyre & Rubber Company UK Limited and CSA Acquisition Corp. is herein incorporated by reference from Exhibit (xxvi) of the Company s Form 10-K for the year ended December 31, 2004

(xxvi) Strategic Subscription Agreement dated as of January 7, 2005 between Kumho Tire Co., Inc. and Cooper Tire & Rubber Company is herein incorporated by reference from Exhibit (xxvii) of the Company s Form 10-K for the year ended December 31, 2004

(xxvii) Sino-Foreign Equity Joint Venture Contract for Cooper Chengshan (Shandong) Passenger Tire Company Ltd. by and among Shandon Chengshan Tire Company Limited by Shares and Cooper Tire Investment Holding (Barbados) Ltd. and Joy Thrive Investments Limited

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(xxviii) Asset Purchase Agreement by and among Shandong Chengshan Tire Company Limited by Shares and Cooper Chengshan (Shandong) Passenger Tire Company Ltd. and Chengshan Group Limited

(xxix) Sino-Foreign Equity Joint Venture Contract for Cooper Chengshan (Shandong) Tire Company Ltd. By and among Shandong Chengshan Tire Company Limited by Shares and Cooper Tire Investment Holding (Barbados) Ltd. and Joy Thrive Investments Limited

(xxx) Asset Purchase Agreement by and among Shandong Chengshan Tire Company Limited by Shares and Cooper Chengshan (Shandong) Tire Company Limited and Chengshan Group Company Limited

(xxxi) Sino-Foreign Equity Joint Venture Contract for Rongcheng Chengshan Steel Cord Company Ltd by and between Chengshan Group Company Limited and CTB (Barbados) Investment Co. Ltd.

(xxxii) Share Purchase Agreement by and among Chengshan Group Company Limited and CTB (Barbados) Investment Co. Ltd

(13) Annual report to security holders

(18) Letter Regarding Change in Accounting Principles

(21) Subsidiaries of the Registrant

(23) Consent of Independent Registered Public Accounting Firm#

(24) Power of Attorney

(31.1) Certification of Chief Executive Officer pursuant to Rule 13a 14(a)/15d 14(a) of the Exchange Act#

(31.2) Certification of Chief Financial Officer pursuant to Rule 13a 14(a)/15d 14(a) of the Exchange Act#

(32) Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002#

* Indicates management contracts or compensatory plans or arrangements.

Filed with the Registrant s original Annual Report on Form 10-K for the year ended December 31, 2005, which was originally filed on March 1, 2006.

Filed herewith.