

TITAN INTERNATIONAL, INC.

Second Quarter Report • 2005

Dear Stockholder:

Titan International, Inc. achieved strong operating results and increased equity by more than \$43 million in the quarter ended June 30, 2005. Titan increased net sales by 11% to \$134.7 million in second quarter 2005, compared to \$121.2 million in second quarter 2004. Year-to-date, net sales were up 13% to \$270.8 million compared to 2004 figures of \$238.7 million, excluding \$49.4 million of sales from Titan Europe which was divested in April 2004.

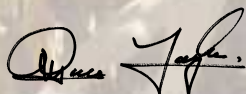
Income from operations not including idled assets depreciation was \$14.3 million and \$29.7 million for the quarter and year-to-date. These numbers compare to last year's \$12.7 million and \$24.4 million, respectively.

Titan's operating performance combined with a private transaction to exchange \$33.8 million of 5.25% senior convertible notes due 2009 for 3,022,275 shares of common stock resulted in a 32% reduction in Titan's debt to the lowest level since Titan's first year as a public company in 1993. This non-cash debt conversion substantially strengthened Titan's balance sheet, however, a \$7.2 million charge was incurred in the quarter.

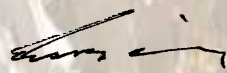
Basic earnings per share includes the negative impact of idled assets depreciation of \$1.3 million and debt conversion charge of \$7.2 million. Despite these charges, Titan's outstanding performance during the quarter and first half of the year led the company to record \$.25 for second quarter and \$.93 year-to-date 2005 basic earnings per share, compared to \$.32 and \$.57 for the 2004 second quarter and year-to-date, respectively.

On February 28, 2005, Titan Tire Corporation, a subsidiary of Titan International, entered into a definitive agreement to purchase the assets of The Goodyear Tire & Rubber Company's North American farm tire business for approximately \$100 million. The closing is subject to certain conditions. The termination date of the agreement has been extended to September 1, 2005, and the transaction is now anticipated to close during the third quarter of 2005.

On July 26, 2005, Titan Tire received approval from the International leadership of the United Steelworkers of America to begin negotiations with Local 745 in Freeport, Illinois.



Maurice M. Taylor Jr.
Chairman and CEO



Erwin H. Billig
Vice Chairman

Consolidated Condensed Statements of Operations (unaudited)

Amounts in thousands except earnings per share data

	Three months ended		Six months ended	
	June 30,		June 30,	
	2005	2004	2005	2004
Net sales	\$134,709	\$121,188	\$270,838	\$288,164
Cost of sales	112,207	99,872	224,255	239,555
Gross profit	22,502	21,316	46,583	48,609
Selling, general and administrative	8,018	8,260	16,445	19,972
Research and development	210	385	393	1,207
Idled assets marketed for sale depreciation	1,334	0	2,680	0
Goodwill impairment on Titan Europe	0	0	0	2,988
Income from operations	12,940	12,671	27,065	24,442
Interest expense	(2,353)	(4,615)	(4,942)	(9,765)
Noncash convertible debt conversion charge	(7,225)	0	(7,225)	0
Equity income- unconsolidated affiliate	846	788	2,038	788
Other (expense) income	(442)	88	(724)	134
Income before income taxes	3,766	8,932	16,212	15,599
(Benefit) provision for income taxes	(434)	3,289	811	4,680
Net income	\$4,200	\$5,643	\$15,401	\$10,919
Earnings per common share:				
Basic	\$.25	\$.32	\$.93	\$.57
Diluted	.23	.32	.74	.57
Average shares outstanding:				
Basic	16,900	17,379	16,628	19,288
Diluted	25,186	17,436	25,128	19,317

Consolidated Condensed Balance Sheets (unaudited)

	June 30, 2005	Dec. 31, 2004
Assets		
Current assets:		
Cash and cash equivalents	\$542	\$1,130
Accounts receivable	69,976	52,781
Inventories	78,678	84,658
Deferred income taxes	6,711	6,711
Other current assets	9,418	9,388
Total current assets	165,325	154,668
Property, plant and equipment, net	75,572	80,644
Idled assets marketed for sale	28,165	31,245
Investment in unconsolidated affiliate	29,578	30,040
Restricted cash on deposit	24,500	24,500
Goodwill	11,702	11,702
Other noncurrent assets	19,178	21,367
Total assets	\$354,020	\$354,166
Liabilities & stockholders' equity		
Current liabilities:		
Short-term debt		
(including current portion long-term debt)	\$177	\$217
Accounts payable	29,775	26,733
Other current liabilities	14,928	12,820
Total current liabilities	44,880	39,770
Long-term debt	110,911	169,688
Deferred income taxes	9,164	9,164
Other long-term liabilities	27,447	28,663
Stockholders' equity	161,618	106,881
Total liabilities and stockholders' equity	\$354,020	\$354,166



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Board of Directors

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Edward J. Campbell	Former President, Case Corporation
Richard M. Cashin Jr.	Managing Partner, One Equity Partners
Albert J. Febbo	Former Vice President Corporate Marketing, GE Co.
Mitchell I. Quain	Chairman, Register.com
Anthony L. Soave	President and CEO, Soave Enterprises L.L.C.
Maurice M. Taylor Jr.	Chairman and CEO, Titan International, Inc.



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Report to Stockholders

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