

# Board of Directors

Maurice M. Taylor Jr.	Chairman and CEO, Titan International, Inc.
J. Michael A. Akers	CEO, Titan Europe Plc
Erwin H. Billig	Chairman, MSX International
Richard M. Cashin Jr.	Managing Partner, One Equity Partners LLC
Albert J. Febbo	Former Vice President Corporate Marketing, GE Co.
Mitchell I. Quain	Senior Director, ACI Capital Corp.
Anthony L. Soave	President and CEO, Soave Enterprises LLC

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## Report to Stockholders

First Quarter 2008



TITAN INTERNATIONAL, INC.  
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# TITAN 2008 First Quarter Report

NYSE: TWI Titan International, Inc.

Dear Stockholders:

Strong demand in the agricultural market contributed to another strong sales quarter. Sales reached \$253.5 million, an all-time quarterly record high showing an increase of \$27.2 million, or 12 percent, over \$226.3 million in 2007.

Gross profit for the first quarter increased by 19 percent, an improvement of \$5.1 million, to \$32.3 million, compared to \$27.2 million in first quarter 2007. Net income increased by \$10.6 million to \$8.1 million, up from a net loss of \$(2.5) million in the first quarter of 2007.

Basic earnings per share were \$.30 for the first quarter, as compared to a loss per share of \$(.12) in the first quarter of 2007.

The highlight of the quarter was in the form of the development of the world's biggest bull wheel and the biggest off-the-road (OTR) tire. Titan's first 63-inch OTR tire was complete in February, and in April, testing began using the newly completed 24-foot bull wheel. This testing process will allow simulation of real world use for this tire, ultimately providing the best in quality to our customers. Start-up production is still on schedule for July 2008. It is impressive to see the progress made in just a few months, and credit is due to all concerned.



Titan's bull wheel (left), the largest in the world, simulates real world usage on Titan's new 59/80R63 giant tire. The bull wheel is able to apply as much as 500,000 pounds of pressure on a tire, while running at speeds of up to 45 miles per hour. This 63-inch tire is approximately 13.5 feet tall and weighs approximately 12,500 pounds.

The year is off to a great start. Thank you for your continued support of Titan, especially in this important time of growth.

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	
	March 31, 2008	2007
Net sales	\$253,525	\$226,278
Cost of sales	221,181	199,087
Gross profit	32,344	27,191
Selling, general and administrative	14,077	11,284
Royalty expense	2,147	1,564
Income from operations	16,120	14,343
Interest expense	(3,984)	(5,749)
Noncash convertible debt conversion charge	0	(13,376)
Other income (expense)	1,420	(185)
Income (loss) before income taxes	13,556	(4,967)
Provision (benefit) for income taxes	5,422	(2,484)
Net income (loss)	\$8,134	\$(2,483)
<b>Earnings (loss) per common share:</b>		
Basic	\$.30	\$(.12)
Diluted	.29	(.12)
<b>Average common shares outstanding:</b>		
Basic	27,412	20,814
Diluted	27,790	20,814

## Consolidated Condensed Balance Sheets (unaudited)

	March 31, 2008	Dec. 31, 2007
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$47,595	\$58,325
Accounts receivable	133,820	98,394
Inventories	124,196	128,048
Deferred income taxes	19,615	25,159
Prepaid and other current assets	16,573	17,839
Total current assets	341,799	327,765
Property, plant and equipment, net	210,512	196,078
Investment in Titan Europe Plc	32,783	34,535
Goodwill	11,702	11,702
Other assets	19,269	20,415
Total assets	\$616,065	\$590,495
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$62,656	\$43,992
Other current liabilities	41,609	43,788
Total current liabilities	104,265	87,780
Long-term debt	200,000	200,000
Deferred income taxes	13,431	14,044
Other long-term liabilities	17,155	16,149
Stockholders' equity	281,214	272,522
Total liabilities and stockholders' equity	\$616,065	\$590,495