



# Board of Directors

Maurice M. Taylor Jr.	Chairman and CEO, Titan International, Inc.
J. Michael A. Akers	Chief Executive, 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	Managing Director, ACI Capital Corp.
Anthony L. Soave	President and CEO, Soave Enterprises LLC



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# Report to Stockholders

First Quarter 2010



# TITAN

TITAN INTERNATIONAL INC.

TITAN INTERNATIONAL, INC.  
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QUINCY, ILLINOIS 62301  
(217) 228-6011



# 2010 First Quarter Report



Dear Stockholders:

Titan International Inc. has experienced a gradual and steady first quarter. Sales for the quarter ended March 31, 2010, were \$196.4 million, compared to \$232.6 million in 2009. The lower sales level was primarily the result of reduced demand in Titan's agricultural market.

Gross profit for the first quarter was \$26.1 million or 13.3 percent of net sales, compared to \$30.1 million or 12.9 percent of net sales in 2009. Gross profit margin showed a slight improvement due to improved manufacturing efficiencies and reduced headcount, despite the reduction in sales in the agricultural segment. Selling, general and administrative expenses for the first quarter of 2010 were \$11.8 million or 6 percent of net sales, compared to \$12.5 million or 5.4 percent of net sales in 2009, a reduction of approximately \$0.7 million.

Income from operations was \$10.1 million for the first quarter, compared to \$14.1 million for the first quarter of 2009. Interest expense was \$7.1 million for the first quarter, compared to \$3.9 million in 2009. Net income was \$2.1 million or \$.06 per diluted share for the period ended March 31, 2010, compared to \$7.0 million or \$.20 per diluted share for first quarter of 2009.

During the first quarter, Titan introduced the second generation of its giant 007 MFT

mining tire. This redesigned line offers enhanced durability, a more aggressive tread pattern, improved heat dissipation and the ability to carry a larger payload. Titan's product range has also been expanded to include 51- and 49-inch size ranges for haul trucks. With good performance results, the mining segment holds much opportunity in both underground and above ground applications. Prospects in the mining segment, coupled with new wheel and tire assemblies planned in the agricultural market, will keep Titan moving forward through a good 2010.



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,	
	2010	2009
Net sales	\$196,448	\$232,604
Cost of sales	170,361	202,541
Gross profit	26,087	30,063
Selling, general and administrative	11,809	12,528
Research and development expenses	2,027	999
Royalty expense	2,121	2,459
Income from operations	10,130	14,077
Interest expense	(7,056)	(3,944)
Other income	333	1,409
Income before income taxes	3,407	11,542
Provision for income taxes	1,329	4,501
Net income	\$2,078	\$7,041
<b>Earnings per common share:</b>		
Basic	\$.06	\$.20
Diluted	.06	.20
<b>Average common shares outstanding:</b>		
Basic	34,772	34,624
Diluted	35,329	35,177

## Consolidated Condensed Balance Sheets

(unaudited)	March 31, 2010	Dec. 31, 2009
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$215,215	\$229,182
Accounts receivable	102,302	67,513
Inventories	129,598	110,136
Deferred income taxes	9,833	11,108
Prepaid and other current assets	24,178	27,277
Total current assets	481,126	445,216
Property, plant and equipment, net	249,304	254,461
Deferred income taxes	7,396	7,253
Other assets	27,402	29,533
Total assets	\$765,228	\$736,463
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	46,678	24,246
Other current liabilities	50,039	45,826
Total current liabilities	96,717	70,072
Long-term debt	366,300	366,300
Other long-term liabilities	38,576	38,138
Stockholders' equity	263,635	261,953
Total liabilities and stockholders' equity	\$765,228	\$736,463