

# Board of Directors

Maurice M. Taylor Jr.  
J. Michael A. Akers  
Erwin H. Billig  
Richard M. Cashin Jr.  
Albert J. Febbo  
Mitchell I. Quain  
Anthony L. Soave

Chairman and CEO, Titan International, Inc.  
CEO, Titan Europe Plc  
Chairman, MSX International  
Managing Partner, One Equity Partners LLC  
Former Vice President Corporate Marketing, GE Co.  
Senior Director, ACI Capital Corp.  
President and CEO, Soave Enterprises LLC

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## Report to Stockholders

Second Quarter 2008



TITAN INTERNATIONAL, INC.  
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# TITAN 2008 Second Quarter Report

NYSE: TWI Titan International, Inc.

Dear Stockholders:

Titan's second quarter of 2008 reached record new highs in the company's history. Robust sales of agricultural equipment, bolstered by record farm income and commodity prices, contributed to a 28 percent increase in sales compared to second quarter 2007. This record quarterly total reached \$269.1 million, compared to \$210.3 million at this time last year.

For the quarter, gross profit increased 54 percent to \$41.9 million, as compared to \$27.3 million in 2007. Income from operations rose 85 percent to \$24.4 million, up from \$13.2 million in second quarter 2007.

Significant improvement was achieved by the company in net income and earnings per share. Net income increased 168 percent to \$13.3 million in second quarter 2008, an increase over last year's \$5 million. Basic and diluted earnings per share increased 167 percent to \$.48 at June 30, 2008, up from \$.18 last year.

Stockholders' equity exceeded \$300 million, ending the second quarter at \$305.7 million, versus the year-end 2007 balance of \$272.5 million.

Titan expects that the agricultural market should continue to show signs of strength through the next few years. This, paired with the company's strides in its off-the-road (OTR) product line, will contribute to further growth. Production has begun on Titan's huge "big daddy" 63-inch OTR mining tire, which is building gradually to full production. This fall, the company should put its 57-inch "sweet mama" OTR tire into production, another tire size in the earthmoving/construction market that is in high demand.

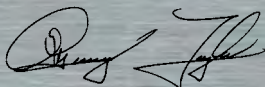
Titan values the continued support of our customers and shareholders. The year is off to a great start, and everyone at the company is focused on accomplishing our goals for 2008.

## Consolidated Condensed Statements of Operations (unaudited)

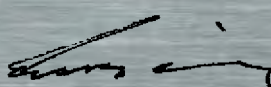
Amounts in thousands except earnings per share data	Three months ended		Six months ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Net sales	\$269,114	\$210,333	\$522,639	\$436,611
Cost of sales	227,168	183,022	448,349	382,109
Gross profit	41,946	27,311	74,290	54,502
Selling, general and administrative	15,289	12,683	29,366	23,967
Royalty expense	2,268	1,452	4,415	3,016
Income from operations	24,389	13,176	40,509	27,519
Interest expense	(3,708)	(4,430)	(7,692)	(10,179)
Noncash convertible debt charge	0	0	0	(13,376)
Other income	1,497	1,731	2,917	1,546
Income before income taxes	22,178	10,477	35,734	5,510
Provision for income taxes	8,872	5,515	14,294	3,031
Net income	\$13,306	\$4,962	\$21,440	\$2,479
<u>Earnings per common share:</u>				
Basic	\$.48	\$.18	\$.78	\$.10
Diluted	.48	.18	.77	.10
<u>Average common shares outstanding:</u>				
Basic	27,486	27,213	27,449	24,031
Diluted	27,819	27,749	27,805	24,499

## Consolidated Condensed Balance Sheets (unaudited)

	June 30, 2008	Dec. 31, 2007
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$69,385	\$58,325
Accounts receivable	139,438	98,394
Inventories	118,083	128,048
Deferred income taxes	17,780	25,159
Prepaid and other current assets	21,469	17,839
Total current assets	366,155	327,765
Property, plant and equipment, net	221,951	196,078
Investment in Titan Europe Plc	40,782	34,535
Goodwill	11,702	11,702
Other assets	19,540	20,415
Total assets	\$660,130	\$590,495
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$70,975	\$43,992
Other current liabilities	50,407	43,788
Total current liabilities	121,382	87,780
Long-term debt	200,000	200,000
Deferred income taxes	16,230	14,044
Other long-term liabilities	16,854	16,149
Stockholders' equity	305,664	272,522
Total liabilities and stockholders' equity	\$660,130	\$590,495



Maurice M. Taylor Jr.  
Chairman and CEO



Erwin H. Billig  
Vice Chairman