FORM 10-Q

TITAN INTERNATIONAL INC - TWI

Filed: April 30, 2015 (period: March 31, 2015)

Quarterly report with a continuing view of a company's financial position

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarterly Period Ended: March 31, 2015

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-12936

TITAN INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Illinois	**36-3228472**
(State of Incorporation)	(I.R.S. Employer Identification No.)

2701 Spruce Street, Quincy, IL 62301
(Address of principal executive offices, including Zip Code)

(217) 228-6011
(Registrant's telephone number, including area code)

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 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 ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Shares Outstanding at April 20, 2015**
Common stock, no par value per share	**53,779,842**

TITAN INTERNATIONAL, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TITAN INTERNATIONAL, INC.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)
(All amounts in thousands, except per share data)

	Three months ended March 31, 2015	Three months ended March 31, 2014
Net sales	$ 402,059	$ 538,940
Cost of sales	359,265	484,390
Gross profit	42,794	54,550
Selling, general and administrative expenses	35,674	46,835
Research and development expenses	3,086	3,710
Royalty expense	3,225	3,741
Income from operations	809	264
Interest expense	(8,756)	(9,259)
Other income	8,283	516
Income (loss) before income taxes	336	(8,479)
Provision (benefit) for income taxes	1,396	(3,351)
Net loss	(1,060)	(5,128)
Net loss attributable to noncontrolling interests	(1,292)	(7,291)
Net income attributable to Titan	$ 232	$ 2,163
Earnings per common share:		
Basic	$ .00	$ .04
Diluted	$ .00	$ .04
Average common shares and equivalents outstanding:		
Basic	53,663	53,470
Diluted	53,817	53,774
Dividends declared per common share:	$ .005	$ .005

See accompanying Notes to Consolidated Financial Statements.

TITAN INTERNATIONAL, INC.
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(All amounts in thousands)

	Three months ended March 31, 2015	Three months ended March 31, 2014
Net loss	$ (1,060)	$ (5,128)
Currency translation adjustment, net	(45,386)	388
Pension liability adjustments, net of tax of $(100) and $(383), respectively	9	717
Comprehensive loss	(46,437)	(4,023)
Net comprehensive loss attributable to noncontrolling interests	(3,013)	(12,183)
Comprehensive income (loss) attributable to Titan	$ (43,424)	$ 8,160

See accompanying Notes to Consolidated Financial Statements.

TITAN INTERNATIONAL, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)
(All amounts in thousands, except share data)

Assets	**March 31, 2015**	**December 31, 2014**
Current assets		
Cash and cash equivalents	$ 190,551	$ 201,451
Accounts receivable, net	239,468	199,378
Inventories	307,318	331,432
Deferred income taxes	22,175	23,435
Prepaid and other current assets	74,092	80,234
Total current assets	833,604	835,930
Property, plant and equipment, net	482,593	527,414
Deferred income taxes	14,497	15,623
Other assets	111,781	116,757
Total assets	$ 1,442,475	$ 1,495,724
Liabilities and Equity		
Current liabilities		
Short-term debt	$ 29,753	$ 26,233
Accounts payable	152,923	146,305
Other current liabilities	134,409	129,018
Total current liabilities	317,085	301,556
Long-term debt	493,768	496,503
Deferred income taxes	5,148	18,582
Other long-term liabilities	83,089	89,025
Total liabilities	899,090	905,666
Equity		
Titan stockholders' equity		
Common stock (no par, 120,000,000 shares authorized, 55,253,092 issued)	—	—
Additional paid-in capital	562,317	562,367
Retained earnings	125,970	126,007
Treasury stock (at cost, 1,490,076 and 1,504,064 shares, respectively)	(13,772)	(13,897)
Treasury stock reserved for deferred compensation	(1,075)	(1,075)
Accumulated other comprehensive loss	(156,260)	(112,630)
Total Titan stockholders' equity	517,180	560,772
Noncontrolling interests	26,205	29,286
Total equity	543,385	590,058
Total liabilities and equity	$ 1,442,475	$ 1,495,724

See accompanying Notes to Consolidated Financial Statements.

TITAN INTERNATIONAL, INC.
CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
(All amounts in thousands, except share data)

	Number of common shares	Additional paid-in capital	Retained earnings	Treasury stock	Treasury stock reserved for deferred compensation	Accumulated other comprehensive income (loss)	Total Titan Equity	Noncontrolling interest	Total Equity
Balance January 1, 2015	53,749,028	$ 562,367	$126,007	$ (13,897)	$ (1,075)	$ (112,630)	$ 560,772	$ 29,286	$ 590,058
Net income (loss)			232				232	(1,292)	(1,060)
Currency translation adjustment, net of tax						(43,665)	(43,665)	(1,721)	(45,386)
Pension liability adjustments, net of tax						9	9		9
Dividends on common stock			(269)				(269)		(269)
Dissolution of subsidiary						26	26	(68)	(42)
Stock-based compensation		312					312		312
Tax benefit related to stock-based compensation		(388)					(388)		(388)
Issuance of treasury stock under 401(k) plan	13,988	26		125			151		151
Balance March 31, 2015	53,763,016	$ 562,317	$125,970	$ (13,772)	$ (1,075)	$ (156,260)	$ 517,180	$ 26,205	$ 543,385

See accompanying Notes to Consolidated Financial Statements.

TITAN INTERNATIONAL, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)
(All amounts in thousands)

	Three months ended March 31, 2015	Three months ended March 31, 2014
Cash flows from operating activities:		
Net loss	$ (1,060)	$ (5,128)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	18,480	23,275
Deferred income tax provision	(3,901)	(4,912)
Stock-based compensation	312	877
Excess tax benefit from stock-based compensation	388	2
Issuance of treasury stock under 401(k) plan	151	160
(Increase) decrease in assets:		
Accounts receivable	(56,153)	(61,482)
Inventories	5,958	(7,009)
Prepaid and other current assets	4,374	28,601
Other assets	2,516	(4,856)
Increase (decrease) in liabilities:		
Accounts payable	24,066	34,038
Other current liabilities	5,736	16,141
Other liabilities	(7,834)	(1,716)
Net cash provided by (used for) operating activities	(6,967)	17,991
Cash flows from investing activities:		
Capital expenditures	(11,419)	(16,754)
Acquisition of additional interest	—	(12,676)
Decrease in restricted cash deposits	—	14,188
Other	2,334	3,278
Net cash used for investing activities	(9,085)	(11,964)
Cash flows from financing activities:		
Proceeds from borrowings	11,102	6,945
Payment on debt	(1,456)	(4,248)
Proceeds from exercise of stock options	—	20
Excess tax benefit from stock-based compensation	(388)	(2)
Payment of financing fees	—	(33)
Dividends paid	(269)	(268)
Net cash provided by financing activities	8,989	2,414
Effect of exchange rate changes on cash	(3,837)	2,293
Net increase (decrease) in cash and cash equivalents	(10,900)	10,734
Cash and cash equivalents, beginning of period	201,451	189,360
Cash and cash equivalents, end of period	$ 190,551	$ 200,094
Supplemental information:		
Interest paid	$ 4,589	$ 2,553
Income taxes paid, net of refunds received	$ (3,763)	$ 4,508

See accompanying Notes to Consolidated Financial Statements.

1. ACCOUNTING POLICIES

In the opinion of Titan International, Inc. (Titan or the Company), the accompanying unaudited consolidated condensed financial statements contain all adjustments, which are normal and recurring in nature and necessary for a fair statement of the Company's financial position as of March 31, 2015, and the results of operations and cash flows for the three months ended March 31, 2015 and 2014.

Accounting policies have continued without significant change and are described in the Description of Business and Significant Accounting Policies contained in the Company's 2014 Annual Report on Form 10-K. These interim financial statements have been prepared pursuant to the Securities and Exchange Commission's rules for Form 10-Q's and, therefore, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2014 Annual Report on Form 10-K.

Sales
Sales and revenues are presented net of sales taxes and other related taxes.

Fair value of financial instruments
The Company records all financial instruments, including cash and cash equivalents, accounts receivable, notes receivable, accounts payable, other accruals and notes payable at cost, which approximates fair value due to their short term or stated rates. Investments in marketable equity securities are recorded at fair value. The 6.875% senior secured notes due 2020 (senior secured notes due 2020) and 5.625% convertible senior subordinated notes due 2017 (convertible notes) are carried at cost of $400.0 million and $60.2 million at March 31, 2015, respectively. The fair value of the senior secured notes due 2020 at March 31, 2015, as obtained through an independent pricing source, was approximately $340.0 million.

Cash dividends
The Company declared cash dividends of $.005 per share of common stock for each of the three months ended March 31, 2015, and 2014. The first quarter 2015 cash dividend of $.005 per share of common stock was paid April 15, 2015, to stockholders of record on March 31, 2015.

Use of estimates
The policies utilized by the Company in the preparation of the financial statements conform to accounting principles generally accepted in the United States of America and require management to make estimates, assumptions and judgments that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates and assumptions.

Reclassification
Certain amounts from prior years have been reclassified to conform to the current year's presentation.

Recently Issued Accounting Standards
In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This update amends existing guidance to require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The amendments in this update are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The Company is currently assessing the impact that adopting this new accounting guidance will have on the Company's consolidated financial statements.

2. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following (amounts in thousands):

	March 31, 2015	December 31, 2014
Accounts receivable	$ 243,467	$ 205,084
Allowance for doubtful accounts	(3,999)	(5,706)
Accounts receivable, net	$ 239,468	$ 199,378

Accounts receivable are reduced by an allowance for doubtful accounts which is based on historical losses.

3. INVENTORIES

Inventories consisted of the following (amounts in thousands):

	March 31, 2015	December 31, 2014
Raw material	$ 98,833	$ 119,989
Work-in-process	41,218	41,073
Finished goods	177,563	179,998
	317,614	341,060
Adjustment to LIFO basis	(10,296)	(9,628)
	$ 307,318	$ 331,432

At March 31, 2015, approximately 10% of the Company's inventories were valued under the last-in, first-out (LIFO) method. At December 31, 2014, approximately 11% of the Company's inventories were valued under the LIFO method. The remaining inventories were valued under the first-in, first-out (FIFO) method or average cost method. All inventories are valued at lower of cost or market.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consisted of the following (amounts in thousands):

	March 31, 2015	December 31, 2014
Land and improvements	$ 52,382	$ 60,012
Buildings and improvements	214,929	223,989
Machinery and equipment	575,342	585,318
Tools, dies and molds	98,022	103,353
Construction-in-process	33,299	38,653
	973,974	1,011,325
Less accumulated depreciation	(491,381)	(483,911)
	$ 482,593	$ 527,414

Depreciation on fixed assets for the three months ended March 31, 2015 and 2014, totaled $17.2 million and $21.8 million, respectively.

Included in the total building and improvements are capital leases of $3.7 million and $4.1 million at March 31, 2015, and December 31, 2014, respectively. Included in the total of machinery and equipment are capital leases of $33.7 million and $37.7 million at March 31, 2015, and December 31, 2014, respectively.

5. GOODWILL AND INTANGIBLE ASSETS

Changes in goodwill consisted of the following (amounts in thousands):

	2015				2014			
	Agricultural Segment	Earthmoving/ Construction Segment	Consumer Segment	Total	Agricultural Segment	Earthmoving/ Construction Segment	Consumer Segment	Total
Goodwill, January 1	$ —	$ —	$ —	$ —	$ 24,540	$ 14,898	$ 2,637	$ 42,075
Foreign currency translation	—	—	—	—	(983)	314	(137)	(806)
Goodwill, March 31	$ —	$ —	$ —	$ —	$ 23,557	$ 15,212	$ 2,500	$ 41,269

The Company reviews goodwill for impairment during the fourth quarter of each annual reporting period, and whenever events and circumstances indicate that the carrying values may not be recoverable. In the fourth quarter of 2014, the recoverability of all goodwill was evaluated by estimating future discounted cash flows. The Company recorded a noncash charge for the impairment of goodwill in the amount of $36.6 million on both a pre-tax and after-tax basis. The charge included $11.4 million of earthmoving/construction goodwill related to the acquisition of Titan Australia; $9.6 million of agricultural goodwill related to the acquisition of the Latin America farm tire business; and $15.6 million of goodwill related to the acquisition of Voltyre-Prom. The Voltyre-Prom goodwill included $11.0 million in the agricultural segment, $2.6 million in the earthmoving/construction segment, and $2.0 million in the consumer segment.

The components of intangible assets consisted of the following (amounts in thousands):

	Weighted-Average Useful Lives (in Years)	March 31, 2015	December 31, 2014
Amortizable intangible assets:			
Customer relationships	12.3	14,118	14,958
Patents, trademarks and other	8.6	15,580	15,907
Total at cost		29,698	30,865
Less accumulated amortization		(7,776)	(7,176)
		21,922	23,689

Amortization related to intangible assets for the three months ended March 31, 2015 and 2014, totaled $0.9 million and $1.1 million, respectively. Intangible assets are included as a component of other assets in the consolidated condensed balance sheet.

The estimated aggregate amortization expense at March 31, 2015, is as follows (amounts in thousands):

April 1 - December 31, 2015	$	2,242
2016		2,411
2017		2,284
2018		2,272
2019		2,272
Thereafter		10,441
	$	21,922

6. WARRANTY

Changes in the warranty liability consisted of the following (amounts in thousands):

		2015		2014
Warranty liability, January 1	$	28,144	$	33,134
Provision for warranty liabilities		2,526		5,320
Warranty payments made		(3,914)		(5,604)
Warranty liability, March 31	$	26,756	$	32,850

The Company provides limited warranties on workmanship of its products in all market segments. The majority of the Company's products have a limited warranty that ranges from zero to ten years, with certain products being prorated after the first year. The Company calculates a provision for warranty expense based on past warranty experience. Warranty accruals are included as a component of other current liabilities on the Consolidated Condensed Balance Sheets.

7. REVOLVING CREDIT FACILITY AND LONG-TERM DEBT

Long-term debt consisted of the following (amounts in thousands):

		March 31, 2015		December 31, 2014
6.875% senior secured notes due 2020	$	400,000	$	400,000
5.625% convertible senior subordinated notes due 2017		60,161		60,161
Titan Europe credit facilities		46,697		42,291
Other debt		14,015		17,013
Capital leases		2,648		3,271
		523,521		522,736
Less amounts due within one year		29,753		26,233
	$	493,768	$	496,503

Aggregate maturities of long-term debt at March 31, 2015, were as follows (amounts in thousands):

April 1 - December 31, 2015	$	29,702
2016		27,361
2017		62,115
2018		1,070
2019		1,037
Thereafter		402,236
	$	523,521

6.875% senior secured notes due 2020
The Company’s 6.875% senior secured notes (senior secured notes due 2020) are due October 2020. These notes are secured by the land and buildings of the following subsidiaries of the Company: Titan Tire Corporation, Titan Tire Corporation of Bryan, Titan Tire Corporation of Freeport and Titan Wheel Corporation of Illinois. The Company's senior secured notes due 2020 outstanding balance was $400.0 million at March 31, 2015.

5.625% convertible senior subordinated notes due 2017
The Company’s 5.625% convertible senior subordinated notes (convertible notes) are due January 2017. The initial base conversion rate for the convertible notes is 93.0016 shares of Titan common stock per $1,000 principal amount of convertible notes, equivalent to an initial base conversion price of approximately $10.75 per share of Titan common stock. If the price of Titan common stock at the time of determination exceeds the base conversion price, the base conversion rate will be increased by an additional number of shares (up to 9.3002 shares of Titan common stock per $1,000 principal amount of convertible notes) as determined pursuant to a formula described in the indenture. The base conversion rate will be subject to adjustment in certain events. The Company’s convertible notes balance was $60.2 million at March 31, 2015.

Titan Europe credit facilities
The Titan Europe credit facilities contain borrowings from various institutions totaling $46.7 million at March 31, 2015. Maturity dates on this debt range from less than one year to nine years and interest rates range from 5% to 6.9%. The Titan Europe facilities are secured by the assets of its subsidiaries in Italy, Spain, Germany and Brazil.

Revolving credit facility
The Company’s $150 million revolving credit facility (credit facility) with agent Bank of America, N.A. has a December 2017 termination date and is collateralized by the accounts receivable and inventory of certain Titan domestic subsidiaries. Titan's availability under this domestic facility may be less than $150 million as a result of eligible accounts receivable and inventory balances at certain of its domestic subsidiaries. At March 31, 2015, the amount available was $106.0 million as a result of the Company's decrease in sales which impacted both accounts receivable and inventory balances. During the first three months of 2015 and at March 31, 2015, there were no borrowings under the credit facility.

Other Debt
Other debt is comprised of working capital loans for the Sao Paulo, Brazil manufacturing facility totaling $14.0 million at March 31, 2015.

8. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses financial derivatives to mitigate its exposure to volatility in foreign currency exchange rates. These derivative financial instruments are recognized at fair value. The Company has not designated these financial instruments as hedging instruments. Any gain or loss on the re-measurement of the fair value is recorded as an offset to currency exchange gain/loss. For the three months ended March 31, 2015, the Company recorded currency exchange gain of $4.5 million related to these derivatives.

9. LEASE COMMITMENTS

The Company leases certain buildings and equipment under operating leases. Certain lease agreements provide for renewal options, fair value purchase options, and payment of property taxes, maintenance and insurance by the Company.

At March 31, 2015, future minimum rental commitments under noncancellable operating leases with initial terms of at least one year were as follows (amounts in thousands):

April 1 - December 31, 2015	$	5,079
2016		5,863
2017		2,846
2018		2,108
2019		1,513
Thereafter		926
Total future minimum lease payments	$	18,335

At March 31, 2015, the Company had assets held as capital leases with a net book value of $9.5 million included in property, plant and equipment. Total future capital lease obligations relating to these leases are as follows (amounts in thousands):

April 1 - December 31, 2015	$	1,094
2016		878
2017		436
2018		135
2019		101
Thereafter		4
Total future capital lease obligation payments		2,648
Less amount representing interest		(49)
Present value of future capital lease obligation payments	$	2,599

10. EMPLOYEE BENEFIT PLANS

The Company has three frozen defined benefit pension plans covering certain employees or former employees of three U.S. subsidiaries. The Company also has pension plans covering certain employees of several foreign subsidiaries. The Company also sponsors four 401(k) retirement savings plans in the U.S. and a number of defined contribution plans at foreign subsidiaries. The Company contributed approximately $1.1 million to the pension plans during the three months ended March 31, 2015 and expects to contribute approximately $3.6 million to the pension plans during the remainder of 2015.

The components of net periodic pension cost consisted of the following (amounts in thousands):

	Three months ended March 31,			
	2015		2014	
Service cost	$	172	$	197
Interest cost		1,224		1,408
Expected return on assets		(1,519)		(1,517)
Amortization of unrecognized prior service cost		34		34
Amortization of net unrecognized loss		729		758
Net periodic pension cost	$	640	$	880

11. VARIABLE INTEREST ENTITIES

The Company holds a variable interest in three joint ventures for which the Company is the primary beneficiary. Two of the joint ventures operate distribution facilities which primarily distribute mining products. One of these facilities is located in Canada and the other is located in Australia. The Company's variable interest in these joint ventures relates to sales of Titan product to these entities, consigned inventory and working capital loans. The third joint venture is the consortium which owns Voltyre-Prom, a leading producer of agricultural and industrial tires in Volgograd, Russia. Titan is acting as operating partner with responsibility for Voltyre-Prom's daily operations. The Company has also provided working capital loans to Voltyre-Prom.

As the primary beneficiary of these variable interest entities (VIEs), the entities' assets, liabilities and results of operations are included in the Company's consolidated financial statements. The other equity holders' interests are reflected in "Net loss attributable to noncontrolling interests" in the consolidated condensed statements of operations and "Noncontrolling interests" in the consolidated condensed balance sheets.

The following table summarizes the carrying amount of the entities' assets and liabilities included in the Company's consolidated condensed balance sheets at March 31, 2015 and December 31, 2014 (amounts in thousands):

	March 31, 2015	December 31, 2014
Cash and cash equivalents	$ 1,100	$ 8,861
Inventory	9,064	9,645
Other current assets	25,376	18,115
Property, plant and equipment, net	33,660	36,353
Other noncurrent assets	7,513	8,016
Total assets	76,713	80,990
Current liabilities	13,365	11,659
Noncurrent liabilities	2,518	7,448
Total liabilities	15,883	19,107

All assets in the above table can only be used to settle obligations of the consolidated VIE, to which the respective assets relate. Liabilities are nonrecourse obligations. Amounts presented in the table above are adjusted for intercompany eliminations.

12. ROYALTY EXPENSE

The Company has a trademark license agreement with Goodyear to manufacture and sell certain tires in North America and Latin America under the Goodyear name. The North American and Latin American farm tire royalties were prepaid for seven years as part of the 2011 Goodyear Latin American farm tire acquisition. In May 2012, the Company and Goodyear entered into an agreement under which Titan will sell certain non-farm tire products directly to third party customers and pay a royalty to Goodyear. Royalty expenses recorded were $3.2 million and $3.7 million for the three months ended March 31, 2015 and 2014, respectively.

13. OTHER INCOME

Other income consisted of the following (amounts in thousands):

	Three months ended March 31, 2015	Three months ended March 31, 2014
Currency exchange gain (loss)	$ 5,966	$ (1,697)
Other income	865	463
Discount amortization on prepaid royalty	611	774
Interest income	608	352
Building rental income	240	206
Wheels India Limited equity income (loss)	(7)	418
	$ 8,283	$ 516

14. INCOME TAXES

The Company recorded income tax expense / (benefit) of $1.4 million and $(3.4) million for the quarters ended March 31, 2015 and March 31, 2014. The Company's effective income tax rate was 415% and 40% for the three months ended March 31, 2015 and 2014, respectively.

The Company's 2015 income tax expense and rate differs from the amount of income tax determined by applying the U.S. Federal income tax rate to pre-tax income primarily as a result of certain foreign jurisdictions that incurred a full valuation allowance on deferred tax assets created by current year projected losses and foreign income taxed in the U.S. offset by net discrete benefits related to a U.S. check the box election and tax law enactments. In addition, the Company's high effective tax rate is driven by a modest or almost break even consolidated pre-tax accounting income for the period.

The Company's 2014 income tax benefit and rate differs from the amount of income tax determined by applying the U.S. Federal income tax rate to pre-tax income primarily as a result of state income tax expense, unrecognized tax benefits, foreign earnings, and domestic production activities deduction.

15. EARNINGS PER SHARE

Earnings per share (EPS) were as follows (amounts in thousands, except per share data):

	Three months ended March 31, 2015			Three months ended March 31, 2014		
	Titan Net income	Weighted-average shares	Per share amount	Titan Net income	Weighted-average shares	Per share amount
Basic earnings per share	$ 232	53,663	$ 0.00	$ 2,163	53,470	$ 0.04
Effect of stock options/trusts	—	154		—	304	
Diluted earnings per share	$ 232	53,817	$ 0.00	$ 2,163	53,774	$ 0.04

The effect of convertible notes has been excluded for both of the three months ended March 31, 2015 and 2014, as the effect would have been antidilutive. The weighted average share amount excluded for convertible notes totaled 5.6 million shares and 5.8 million shares for the three months ended March 31, 2015 and 2014, respectively.

16. LITIGATION

The Company is a party to routine legal proceedings arising out of the normal course of business. Although it is not possible to predict with certainty the outcome of these unresolved legal actions or the range of possible loss, the Company believes at this time that none of these actions, individually or in the aggregate, will have a material adverse effect on the consolidated financial condition, results of operations or cash flows of the Company. However, due to the difficult nature of predicting unresolved and future legal claims, the Company cannot anticipate or predict the material adverse effect on its consolidated financial condition, results of operations or cash flows as a result of efforts to comply with, or its liabilities pertaining to, legal judgments.

17. SEGMENT INFORMATION

The table below presents information about certain operating results of segments as reviewed by the chief executive officer of the Company for the three months ended March 31, 2015 and 2014 (amounts in thousands):

	Three months ended March 31, 2015	Three months ended March 31, 2014
Revenues from external customers		
Agricultural	$ 213,001	$ 317,166
Earthmoving/construction	142,484	152,940
Consumer	46,574	68,834
	$ 402,059	$ 538,940
Gross profit		
Agricultural	$ 28,274	$ 47,265
Earthmoving/construction	10,645	3,798
Consumer	4,148	4,082
Unallocated corporate	(273)	(595)
	$ 42,794	$ 54,550
Income (loss) from operations		
Agricultural	$ 18,904	$ 30,541
Earthmoving/construction	(1,862)	(11,094)
Consumer	(244)	(1,560)
Unallocated corporate	(15,989)	(17,623)
Income from operations	809	264
Interest expense	(8,756)	(9,259)
Other income, net	8,283	516
Income (loss) before income taxes	$ 336	$ (8,479)

Assets by segment were as follows (amounts in thousands):

	March 31, 2015	December 31, 2014
Total assets		
Agricultural	$ 524,287	$ 508,741
Earthmoving/construction	564,017	591,553
Consumer	147,619	175,475
Unallocated corporate	206,552	219,955
	$ 1,442,475	$ 1,495,724

18. FAIR VALUE MEASUREMENTS

Accounting standards for fair value measurements establish a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers are defined as:

Level 1 – Quoted prices in active markets for identical instruments.

Level 2 – Inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3 – Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities measured at fair value on a recurring basis consisted of the following (amounts in thousands):

	March 31, 2015				December 31, 2014			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Contractual obligation investments	$ 10,087	$ 10,087	$ —	$ —	$ 9,840	$ 9,840	$ —	$ —
Derivative financial instruments asset	5,583	—	5,583	—	1,068	—	1,068	—
Preferred stock	250	—	—	250	250	—	—	250
Derivative financial instruments liability	(30)	—	(30)	—	(43)	—	(43)	—
Total	$ 15,890	$ 10,087	$ 5,553	$ 250	$ 11,115	$ 9,840	$ 1,025	$ 250

The following table presents the changes during the periods presented in Titan's Level 3 investments that are measured at fair value on a recurring basis (amounts in thousands):

	Preferred stock
Balance at December 31, 2014	$ 250
Total realized and unrealized gains and losses	—
Balance as of March 31, 2015	$ 250

19. RELATED PARTY TRANSACTIONS

The Company sells products and pays commissions to companies controlled by persons related to the chief executive officer of the Company. The related party is Mr. Fred Taylor, Mr. Maurice Taylor's brother. The companies which Mr. Fred Taylor is associated with that do business with Titan include the following: Blackstone OTR, LLC; FBT Enterprises; Green Carbon, INC; and OTR Wheel Engineering. Sales of Titan products to these companies were approximately $0.7 million and $0.6 million for the first quarter of 2015 and 2014, respectively. Titan had trade receivables due from these companies of approximately $0.4 million at March 31, 2015, and approximately $0.2 million at December 31, 2014. On other sales referred to Titan from the above manufacturing representative companies, commissions were approximately $0.6 million and $0.7 million during the first quarter of 2015 and 2014, respectively. Titan had purchases from these companies of approximately $0.7 million for the three months ended March 31 2014.

The Company has a 34.2% equity stake in Wheels India Limited, a company incorporated in India and listed on the National Stock Exchange in India. The Company had trade payables due to Wheels India of approximately $0.0 million and $0.1 million at March 31, 2015, and December 31, 2014, respectively.

20. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss consisted of the following (amounts in thousands):

	Currency Translation Adjustments	Unrecognized Losses and Prior Service Cost	Total
Balance at January 1, 2015	$ (86,571)	$ (26,059)	$ (112,630)
Currency translation adjustments	(43,639)	—	(43,639)
Defined benefit pension plan entries:			
Amortization of unrecognized losses and prior service cost, net of tax of $(100)	—	9	9
Balance at March 31, 2015	$ (130,210)	$ (26,050)	$ (156,260)

21. SUBSIDIARY GUARANTOR FINANCIAL INFORMATION

The Company's 6.875% senior secured notes due 2020 and 5.625% convertible senior subordinated notes are guaranteed by the following 100% owned subsidiaries of the Company: Titan Tire Corporation, Titan Tire Corporation of Bryan, Titan Tire Corporation of Freeport, and Titan Wheel Corporation of Illinois. The note guarantees are full and unconditional, joint and several obligations of the guarantors. The guarantees of the guarantor subsidiaries are subject to release in limited circumstances only upon the occurrence of certain customary conditions. The following condensed consolidating financial statements are presented using the equity method of accounting. Certain sales & marketing expenses recorded by non-guarantor subsidiaries have not been allocated to the guarantor subsidiaries.

(Amounts in thousands)	Consolidating Condensed Statements of Operations For the Three Months Ended March 31, 2015				
	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$ 193,973	$ 208,086	$ —	$ 402,059
Cost of sales	231	167,951	191,083	—	359,265
Gross profit (loss)	(231)	26,022	17,003	—	42,794
Selling, general and administrative expenses	2,634	15,379	17,661	—	35,674
Research and development expenses	—	1,000	2,086	—	3,086
Royalty expense	—	1,924	1,301	—	3,225
Income (loss) from operations	(2,865)	7,719	(4,045)	—	809
Interest expense	(8,115)	—	(641)	—	(8,756)
Intercompany interest income (expense)	142	—	(142)	—	—
Other income (expense)	5,397	(379)	3,265	—	8,283
Income (loss) before income taxes	(5,441)	7,340	(1,563)	—	336
Provision (benefit) for income taxes	2,389	2,693	(3,686)	—	1,396
Equity in earnings of subsidiaries	6,770	—	(163)	(6,607)	—
Net income (loss)	(1,060)	4,647	1,960	(6,607)	(1,060)
Net loss noncontrolling interests	—	—	(1,292)	—	(1,292)
Net income (loss) attributable to Titan	$ (1,060)	$ 4,647	$ 3,252	$ (6,607)	$ 232

(Amounts in thousands)	Consolidating Condensed Statements of Operations For the Three Months Ended March 31, 2014				
	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$ 263,958	$ 274,982	$ —	$ 538,940
Cost of sales	210	228,239	255,941	—	484,390
Gross profit (loss)	(210)	35,719	19,041	—	54,550
Selling, general and administrative expenses	1,644	18,990	26,201	—	46,835
Research and development expenses	—	2,153	1,557	—	3,710
Royalty expense	—	1,848	1,893	—	3,741
Income (loss) from operations	(1,854)	12,728	(10,610)	—	264
Interest expense	(8,262)	—	(997)	—	(9,259)
Intercompany interest income (expense)	1,684	—	(1,684)	—	—
Other income (expense)	342	(55)	229	—	516
Income (loss) before income taxes	(8,090)	12,673	(13,062)	—	(8,479)
Provision (benefit) for income taxes	(6,040)	4,810	(2,121)	—	(3,351)
Equity in earnings of subsidiaries	(3,078)	—	(877)	3,955	—
Net income (loss)	(5,128)	7,863	(11,818)	3,955	(5,128)
Net loss noncontrolling interests	—	—	(7,291)	—	(7,291)
Net income (loss) attributable to Titan	$ (5,128)	$ 7,863	$ (4,527)	$ 3,955	$ 2,163

(Amounts in thousands)	Consolidating Condensed Statements of Comprehensive Income (Loss) For the Three Months Ended March 31, 2015				
	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$ (1,060)	$ 4,647	$ 1,960	$ (6,607)	$ (1,060)
Currency translation adjustment, net	(45,386)	—	(45,386)	45,386	(45,386)
Pension liability adjustments, net of tax	9	427	(418)	(9)	9
Comprehensive income (loss)	(46,437)	5,074	(43,844)	38,770	(46,437)
Net comprehensive loss attributable to noncontrolling interests	—	—	(3,013)	—	(3,013)
Comprehensive income (loss) attributable to Titan	$ (46,437)	$ 5,074	$ (40,831)	$ 38,770	$ (43,424)

(Amounts in thousands)

Consolidating Condensed Statements of Comprehensive Income (Loss)
For the Three Months Ended March 31, 2014

	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$ (5,128)	$ 7,863	$ (11,818)	$ 3,955	$ (5,128)
Currency translation adjustment, net	388	—	388	(388)	388
Pension liability adjustments, net of tax	717	450	267	(717)	717
Comprehensive income (loss)	(4,023)	8,313	(11,163)	2,850	(4,023)
Net comprehensive loss attributable to noncontrolling interests	—	—	(12,183)	—	(12,183)
Comprehensive income (loss) attributable to Titan	$ (4,023)	$ 8,313	$ 1,020	$ 2,850	$ 8,160

(Amounts in thousands)

Consolidating Condensed Balance Sheets
March 31, 2015

	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ 138,935	$ 45	$ 51,571	$ —	$ 190,551
Accounts receivable, net	—	87,364	152,104	—	239,468
Inventories	—	102,542	204,776	—	307,318
Prepaid and other current assets	22,889	18,082	55,296	—	96,267
Total current assets	161,824	208,033	463,747	—	833,604
Property, plant and equipment, net	7,403	153,916	321,274	—	482,593
Investment in subsidiaries	705,156	—	110,226	(815,382)	—
Other assets	50,522	1,227	74,529	—	126,278
Total assets	$ 924,905	$ 363,176	$ 969,776	$ (815,382)	$ 1,442,475
Liabilities and Stockholders' Equity					
Short-term debt	$ —	$ —	$ 29,753	$ —	$ 29,753
Accounts payable	1,381	18,674	132,868	—	152,923
Other current liabilities	35,622	45,250	53,537	—	134,409
Total current liabilities	37,003	63,924	216,158	—	317,085
Long-term debt	460,161	—	33,607	—	493,768
Other long-term liabilities	11,765	19,892	56,580	—	88,237
Intercompany accounts	(101,204)	(226,046)	327,250	—	—
Titan stockholders' equity	517,180	505,406	309,976	(815,382)	517,180
Noncontrolling interests	—	—	26,205	—	26,205
Total liabilities and stockholders' equity	$ 924,905	$ 363,176	$ 969,776	$ (815,382)	$ 1,442,475

(Amounts in thousands)

	Consolidating Condensed Balance Sheets December 31, 2014				
	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ 129,985	$ 4	$ 71,462	$ —	$ 201,451
Accounts receivable, net	(55)	63,645	135,788	—	199,378
Inventories	—	103,230	228,202	—	331,432
Prepaid and other current assets	26,803	21,105	55,761	—	103,669
Total current assets	156,733	187,984	491,213	—	835,930
Property, plant and equipment, net	7,590	160,318	359,506	—	527,414
Investment in subsidiaries	745,084	—	109,768	(854,852)	—
Other assets	51,381	827	80,172	—	132,380
Total assets	$ 960,788	$ 349,129	$ 1,040,659	$ (854,852)	$ 1,495,724
Liabilities and Stockholders' Equity					
Short-term debt	$ —	$ —	$ 26,233	$ —	$ 26,233
Accounts payable	1,795	10,876	133,634	—	146,305
Other current liabilities	28,519	45,291	55,208	—	129,018
Total current liabilities	30,314	56,167	215,075	—	301,556
Long-term debt	460,161	—	36,342	—	496,503
Other long-term liabilities	15,244	20,867	71,496	—	107,607
Intercompany accounts	(105,703)	(228,307)	334,010	—	—
Titan stockholders' equity	560,772	500,402	354,450	(854,852)	560,772
Noncontrolling interests	—	—	29,286	—	29,286
Total liabilities and stockholders' equity	$ 960,788	$ 349,129	$ 1,040,659	$ (854,852)	$ 1,495,724

(Amounts in thousands)

	Consolidating Condensed Statements of Cash Flows For the Three Months Ended March 31, 2015			
	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated
Net cash provided by (used for) operating activities	$ 9,788	$ 1,481	$ (18,236)	$ (6,967)
Cash flows from investing activities:				
Capital expenditures	(181)	(1,456)	(9,782)	(11,419)
Other, net	—	16	2,318	2,334
Net cash used for investing activities	(181)	(1,440)	(7,464)	(9,085)
Cash flows from financing activities:				
Proceeds from borrowings	—	—	11,102	11,102
Payment on debt	—	—	(1,456)	(1,456)
Excess tax benefit from stock-based compensation	(388)	—	—	(388)
Dividends paid	(269)	—	—	(269)
Net cash provided by (used for) financing activities	(657)	—	9,646	8,989
Effect of exchange rate change on cash	—	—	(3,837)	(3,837)
Net increase (decrease) in cash and cash equivalents	8,950	41	(19,891)	(10,900)
Cash and cash equivalents, beginning of period	129,985	4	71,462	201,451
Cash and cash equivalents, end of period	$ 138,935	$ 45	$ 51,571	$ 190,551

(Amounts in thousands)	Consolidating Condensed Statements of Cash Flows For the Three Months Ended March 31, 2014			
	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated
Net cash provided by operating activities	$ 9,782	$ 737	$ 7,472	$ 17,991
Cash flows from investing activities:				
Capital expenditures	(120)	(3,486)	(13,148)	(16,754)
Acquisition of additional interest	(25)	—	(12,651)	(12,676)
Decrease in restricted cash deposits	—	—	14,188	14,188
Other, net	—	2,754	524	3,278
Net cash used for investing activities	(145)	(732)	(11,087)	(11,964)
Cash flows from financing activities:				
Proceeds from borrowings	—	—	6,945	6,945
Payment on debt	—	—	(4,248)	(4,248)
Proceeds from exercise of stock options	20	—	—	20
Excess tax benefit from stock-based compensation	(2)	—	—	(2)
Payment of financing fees	(33)	—	—	(33)
Dividends paid	(268)	—	—	(268)
Net cash provided by (used for) financing activities	(283)	—	2,697	2,414
Effect of exchange rate change on cash	—	—	2,293	2,293
Net increase in cash and cash equivalents	9,354	5	1,375	10,734
Cash and cash equivalents, beginning of period	81,472	4	107,884	189,360
Cash and cash equivalents, end of period	$ 90,826	$ 9	$ 109,259	$ 200,094

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of financial condition and results of operations (MD&A) is designed to provide a reader of these financial statements with a narrative from the perspective of the management of Titan International, Inc. (Titan or the Company) on Titan's financial condition, results of operations, liquidity and other factors which may affect the Company's future results. The MD&A in this quarterly report should be read in conjunction with the MD&A in Titan's 2014 annual report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2015.

FORWARD-LOOKING STATEMENTS

This Form 10-Q contains forward-looking statements, including statements regarding, among other items:

- Anticipated trends in the Company's business
- Future expenditures for capital projects
- The Company's ability to continue to control costs and maintain quality
- Ability to meet conditions of loan agreements
- The Company's business strategies, including its intention to introduce new products
- Expectations concerning the performance and success of the Company's existing and new products
- The Company's intention to consider and pursue acquisition and divestiture opportunities

Readers of this Form 10-Q should understand that these forward-looking statements are based on the Company's expectations and are subject to a number of risks and uncertainties (including, but not limited to, the factors discussed in Item 1A, Risk Factors of the Company's most recent annual report on Form 10-K), certain of which are beyond the Company's control.

Actual results could differ materially from these forward-looking statements as a result of certain factors, including:

- The effect of a recession on the Company and its customers and suppliers
- Changes in the Company's end-user markets as a result of world economic or regulatory influences
- Changes in the marketplace, including new products and pricing changes by the Company's competitors
- Ability to maintain satisfactory labor relations
- Unfavorable outcomes of legal proceedings
- Availability and price of raw materials
- Levels of operating efficiencies
- Unfavorable product liability and warranty claims
- Actions of domestic and foreign governments
- Geopolitical and economic uncertainties relating to Russia could have a negative impact on the Company's sales and results of operations at the Voltyre-Prom business
- Results of investments
- Fluctuations in currency translations
- Climate change and related laws and regulations
- Risks associated with environmental laws and regulations

Any changes in such factors could lead to significantly different results. The Company cannot provide any assurance that the assumptions referred to in the forward-looking statements or otherwise are accurate or will prove to transpire. Any assumptions that are inaccurate or do not prove to be correct could have a material adverse effect on the Company's ability to achieve the results as indicated in forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this document will in fact transpire.

OVERVIEW
Titan International, Inc. and its subsidiaries are leading manufacturers of wheels, tires, wheel and tire assemblies, and undercarriage systems and components for off-highway vehicles used in the agricultural, earthmoving/construction and consumer segments. Titan manufactures both wheels and tires for the majority of these market applications, allowing the Company to provide the value-added service of delivering complete wheel and tire assemblies. The Company offers a broad range of products that are manufactured in relatively short production runs to meet the specifications of original equipment manufacturers (OEMs) and/or the requirements of aftermarket customers.

Agricultural Segment: Titan's agricultural rims, wheels, tires and undercarriage systems and components are manufactured for use on various agricultural equipment, including tractors, combines, skidders, plows, planters and irrigation equipment, and are sold directly to OEMs and to the aftermarket through independent distributors, equipment dealers and Titan's own distribution centers.

Earthmoving/Construction Segment: The Company manufactures rims, wheels, tires and undercarriage systems and components for various types of off-the-road (OTR) earthmoving, mining, military, construction and forestry equipment, including skid steers, aerial lifts, cranes, graders and levelers, scrapers, self-propelled shovel loaders, articulated dump trucks, load transporters, haul trucks, backhoe loaders, crawler tractors, lattice cranes, shovels and hydraulic excavators.

Consumer Segment: Titan manufactures bias truck tires in Latin America and light truck tires in Russia, provides wheels and tires and assembles brakes, actuators and components for the domestic boat, recreational and utility trailer markets. Titan also offers select products for ATVs, turf, and golf cart applications.

The Company’s major OEM customers include large manufacturers of off-highway equipment such as AGCO Corporation, Caterpillar Inc., CNH Global N.V., Deere & Company, and Kubota Corporation, in addition to many other off-highway equipment manufacturers. The Company distributes products to OEMs, independent and OEM-affiliated dealers, and through a network of distribution facilities.

The table provides highlights for the quarter ended March 31, 2015, compared to 2014 (amounts in thousands):

	2015	2014	% Increase (Decrease)
Net sales	$ 402,059	$ 538,940	(25)%
Gross profit	42,794	54,550	(22)%
Income from operations	809	264	206 %
Net loss	(1,060)	(5,128)	n/a

The Company recorded sales of $402.1 million for the first quarter of 2015, which were 25% lower than the first quarter 2014 sales of $538.9 million. Overall sales experienced reductions in volume of 10% and price/mix of 6% as the agricultural market remains in a cyclical downturn. Reduced farm incomes result in lower demand for new equipment, primarily high horsepower agricultural equipment. These decreases were partially offset by increased demand for products used in the construction industry. In addition, competitive pressures and lower raw material prices, particularly in tire manufacturing, negatively impacted sales. Unfavorable currency translation decreased sales by 9%.

The Company's gross profit was $42.8 million, or 10.6% of net sales, for the first quarter of 2015, compared to $54.6 million, or 10.1% of net sales, in 2014. Income from operations was $0.8 million for the first quarter of 2015, compared to $0.3 million in 2014. Net loss was $1.1 million for the first quarter of 2015, compared to $5.1 million in 2014. Basic earnings per share was $.00 in the first quarter of 2015, compared to $.04 in 2014. Decreased demand for high horsepower agricultural equipment, driven by a cyclical downturn, negatively impacted gross profit. Generally, there are higher margins associated with this product category. The lower market demand also drove competitive pressures that further deteriorated both sales and gross margin in the agricultural segment. Lost fixed cost leverage and reduced productivity in the manufacturing facilities are also consequences of lower sales and production volumes. In the earthmoving/construction segment, sales were lower in the first quarter of 2015, compared to 2014. However, gross margin and income from operations were substantially improved. This was driven by increased productivity and reduced costs.

CRITICAL ACCOUNTING ESTIMATES

Preparation of the financial statements and related disclosures in compliance with accounting principles generally accepted in the United States of America requires the application of appropriate technical accounting rules and guidance, as well as the use of estimates. The Company's application of these policies involves assumptions that require difficult subjective judgments regarding many factors, which, in and of themselves, could materially impact the financial statements and disclosures. A future change in the estimates, assumptions or judgments applied in determining the following matters, among others, could have a material impact on future financial statements and disclosures.

Asset and Business Acquisitions

The allocation of purchase price for asset and business acquisitions requires management estimates and judgment as to expectations for future cash flows of the acquired assets and business and the allocation of those cash flows to identifiable intangible assets in determining the estimated fair value for purchase price allocations. If the actual results differ from the estimates and judgments used in determining the purchase price allocations, impairment losses could occur. To aid in establishing the value of any intangible assets at the time of acquisition, the Company typically engages a professional appraisal firm.

Inventories

Inventories are valued at lower of cost or market. At March 31, 2015, approximately 10% of the Company's inventories were valued under the last-in, first-out (LIFO) method. The majority of steel material inventory in North America is accounted for under the LIFO method. The remaining inventories were valued under the first-in, first-out (FIFO) method or average cost method. Market value is estimated based on current selling prices. Estimated provisions are established for slow-moving and obsolete inventory.

Impairment of Goodwill

The Company reviews goodwill for impairment during the fourth quarter of each annual reporting period, and whenever events and circumstances indicate that the carrying values may not be recoverable. In the fourth quarter of 2014, the recoverability of all goodwill was evaluated by estimating future discounted cash flows. The Company recorded a noncash charge for the impairment of goodwill in the amount of $36.6 million on both a pre-tax and after-tax basis. The charge included $11.4 million of earthmoving/construction goodwill related to the acquisition of Titan Australia; $9.6 million of agricultural goodwill related to the acquisition of the Latin America farm tire business; and $15.6 million of goodwill related to the acquisition of Voltyre-Prom. The Voltyre-Prom goodwill included $11.0 million in the agricultural segment, $2.6 million in the earthmoving/construction segment, and $2.0 million in the consumer segment.

Income Taxes

Deferred income tax provisions are determined using the liability method whereby deferred tax assets and liabilities are recognized based upon temporary differences between the financial statement and income tax basis of assets and liabilities. The Company assesses the realizability of its deferred tax asset positions and recognizes and measures uncertain tax positions in accordance with accounting standards for income taxes.

Retirement Benefit Obligations
Pension benefit obligations are based on various assumptions used by third-party actuaries in calculating these amounts. These assumptions include discount rates, expected return on plan assets, mortality rates and other factors. Revisions in assumptions and actual results that differ from the assumptions affect future expenses, cash funding requirements and obligations. The Company has three frozen defined benefit pension plans in the United States and pension plans in several foreign countries. During the first three months of 2015, the Company contributed cash funds of $1.1 million to its pension plans. Titan expects to contribute approximately $3.6 million to these pension plans during the remainder of 2015. For more information concerning these costs and obligations, see the discussion of the “Pensions” and Note 29 to the Company's financial statements on Form 10-K for the fiscal year ended December 31, 2014.

Product Warranties
The Company provides limited warranties on workmanship of its products in all market segments. The majority of the Company's products have a limited warranty that ranges from zero to ten years, with certain products being prorated after the first year. The Company calculates a provision for warranty expense based on past warranty experience. Actual warranty expense may differ from historical experience. The Company's warranty accrual was $26.8 million at March 31, 2015, and $28.1 million at December 31, 2014.

RESULTS OF OPERATIONS

Highlights for the three months ended March 31, 2015, compared to 2014 (amounts in thousands):

	Three months ended March 31,	
	2015	2014
Net sales	$ 402,059	$ 538,940
Cost of sales	359,265	484,390
Gross profit	42,794	54,550
Gross profit percentage	*10.6%*	*10.1%*

Net Sales
Net sales for the quarter ended March 31, 2015, were $402.1 million compared to $538.9 million in 2014, a decrease of 25%. Overall sales experienced reductions in volume of 10% and price/mix of 6% as the agricultural market remains in a cyclical downturn. Reduced farm incomes result in lower demand for new equipment, primarily high horsepower agricultural equipment. These decreases were partially offset by increased demand for products used in the construction industry. In addition, competitive pressures and lower raw material prices, particularly in tire manufacturing, negatively impacted sales. Unfavorable currency translation decreased sales by 9%.

Cost of Sales, and Gross Profit
Cost of sales was $359.3 million for the quarter ended March 31, 2015, compared to $484.4 million in 2014. Gross profit for the first quarter of 2015 was $42.8 million, or 10.6% of net sales, compared to $54.6 million, or 10.1% of net sales for the first quarter of 2014. Decreased demand for high horsepower agricultural equipment, driven by a cyclical downturn, negatively impacted gross profit. Generally, there are higher margins associated with this product category. The lower market demand also drove competitive pressures that further deteriorated both sales and gross margin in the agricultural segment. Lost fixed cost leverage and reduced productivity in the manufacturing facilities are also consequences of lower sales and production volumes. In the earthmoving/construction segment, sales were lower in the first quarter of 2015, compared to 2014. However, gross margin and income from operations were substantially improved. This was driven by increased productivity and reduced costs.

Selling, General and Administrative Expenses
Selling, general and administrative expenses were as follows (amounts in thousands):

	Three months ended March 31,	
	2015	**2014**
Selling, general and administrative	$ 35,674	$ 46,835
Percentage of net sales	*8.9%*	*8.7%*

Selling, general and administrative (SG&A) expenses for the first quarter of 2015 were $35.7 million, or 8.9% of net sales, compared to $46.8 million, or 8.7% of net sales, for 2014. SG&A as a percentage of sales was consistent for the first quarter of 2015, when compared to 2014. Selling expense decreased approximately $4 million, or 26%, from the first quarter of 2014. This percentage decrease is comparable to the overall sales decrease of 25%. Currency translation, reduced labor costs, and lower information technology expenses also contributed to the lower SG&A expenses.

Research and Development Expenses
Research and development expenses were as follows (amounts in thousands):

	Three months ended March 31,	
	2015	**2014**
Research and development	$ 3,086	$ 3,710
Percentage of net sales	*0.8%*	*0.7%*

Research and development (R&D) expenses for the first quarter of 2015 were $3.1 million, or 0.8% of net sales, compared to $3.7 million, or 0.7% of net sales, for 2014.

Royalty Expense
Royalty expense was as follows (amounts in thousands):

	Three months ended March 31,	
	2015	**2014**
Royalty expense	$ 3,225	$ 3,741

The Company has a trademark license agreement with The Goodyear Tire & Rubber Company to manufacture and sell certain tires in North America and Latin America under the Goodyear name. The North American and Latin American farm tire royalties were prepaid through March 2018 as a part of the 2011 Goodyear Latin American farm tire acquisition. In May 2012, the Company and Goodyear entered into an agreement under which Titan will sell certain non-farm tire products directly to third party customers and pay a royalty to Goodyear.

Royalty expenses were $3.2 million and $3.7 million for the quarters ended March 31, 2015 and 2014, respectively.

Income from Operations
Income from operations was as follows (amounts in thousands):

	Three months ended March 31,	
	2015	2014
Income from operations	$ 809	$ 264
Percentage of net sales	*0.2%*	*—%*

Income from operations for the first quarter of 2015, was $0.8 million, or 0.2% of net sales, compared to $0.3 million, or 0.0% of net sales, in 2014. This increase was the net result of the items previously discussed.

Interest Expense
Interest expense was as follows (amounts in thousands):

	Three months ended March 31,	
	2015	2014
Interest expense	$ 8,756	$ 9,259

Interest expense was $8.8 million and $9.3 million for the quarters ended March 31, 2015, and 2014, respectively. Interest expense for the first quarter of 2015 decreased primarily as a result of decreased interest expense at Titan Europe.

Other Income
Other income was as follows (amounts in thousands):

	Three months ended March 31,	
	2015	2014
Other income	$ 8,283	$ 516

Other income was $8.3 million for the quarter ended March 31, 2015, as compared to $0.5 million in 2014. For the quarter ended March 31, 2015, the Company recorded currency exchange gain of $6.0 million, discount amortization on prepaid royalty of $0.6 million, and interest income of $0.6 million. For the quarter ended March 31, 2014, the Company recorded discount amortization on prepaid royalty of $0.8 million, Wheels India Limited equity income of $0.4 million, and interest income of $0.4 million, offset by currency exchange loss of $1.7 million.

Foreign currency gain (losses) in the first quarter of 2015 and 2014, primarily reflect the translation of intercompany loans at certain foreign subsidiaries denominated in currencies other than their functional currencies. Since such loans are expected to be settled in cash at some point in the future, these loans are adjusted each reporting period to reflect the current exchange rates. The $6.0 million currency exchange gain at March 31, 2015, included a $4.5 million gain relating to derivative financial instruments on such intercompany loans.

Provision (Benefit) for Income Taxes
Provision (benefit) for income taxes was as follows (amounts in thousands):

	Three months ended March 31, 2015	Three months ended March 31, 2014
Provision (benefit) for income taxes	$ 1,396	$ (3,351)

The Company recorded income tax expense / (benefit) of $1.4 million and $(3.4) million for the quarters ended March 31, 2015, and March 31, 2014. The Company's effective income tax rate was 415% and 40% for the three months ended March 31, 2015 and 2014, respectively.

The Company's 2015 income tax expense and rate differs from the amount of income tax determined by applying the U.S. Federal income tax rate to pre-tax income primarily as a result of certain foreign jurisdictions that incurred a full valuation allowance on deferred tax assets created by current year projected losses and foreign income taxed in the U.S. offset by net discrete benefits related to a U.S. check the box election and tax law enactments. In addition, the Company's high effective tax rate is driven by a modest or almost break even consolidated pre-tax accounting income for the period.

The Company's 2014 income tax benefit and rate differs from the amount of income tax determined by applying the U.S. Federal income tax rate to pre-tax income primarily as a result of state income tax expense, unrecognized tax benefits, foreign earnings, and domestic production activities deduction.

Net Loss
Net loss was as follows (amounts in thousands):

	Three months ended March 31, 2015	Three months ended March 31, 2014
Net loss	$ (1,060)	$ (5,128)

Net loss for the first quarter of March 31, 2015, was $1.1 million, compared to $5.1 million in 2014. For the quarters ended March 31, 2015 and 2014, basic earnings per share were $.00 and $.04, respectively, and diluted earnings per share were $.00 and $.04, respectively. The Company's net loss and earnings per share were lower due to the items previously discussed.

Agricultural Segment Results
Agricultural segment results were as follows (amounts in thousands):

	Three months ended March 31, 2015	Three months ended March 31, 2014
Net sales	$ 213,001	$ 317,166
Gross profit	28,274	47,265
Income from operations	18,904	30,541

Net sales in the agricultural market were $213.0 million for the quarter ended March 31, 2015, as compared to $317.2 million in 2014, a decrease of 33%. Overall sales experienced reductions in volume of 19% and price/mix of 8% as the agricultural market remains in a cyclical downturn. Reduced farm incomes result in lower demand for new equipment, primarily high horsepower agricultural equipment. Unfavorable currency translation decreased sales by 6%.

Gross profit in the agricultural market was $28.3 million for the quarter ended March 31, 2015, as compared to $47.3 million in 2014. Income from operations in the agricultural market was $18.9 million for the quarter ended March 31, 2015, as compared to $30.5 million in 2014. Decreased demand for high horsepower agricultural equipment, driven by a cyclical downturn, negatively impacted gross profit. Generally, there are higher margins associated with this product category. The lower market demand also drove competitive pressures that further deteriorated both sales and gross margin. Lost fixed cost leverage and reduced productivity in the manufacturing facilities are also consequences of lower sales and production volumes.

Earthmoving/Construction Segment Results

Earthmoving/construction segment results were as follows (amounts in thousands):

	Three months ended March 31, 2015	Three months ended March 31, 2014
Net sales	$ 142,484	$ 152,940
Gross profit	10,645	3,798
Loss from operations	(1,862)	(11,094)

The Company's earthmoving/construction market net sales were $142.5 million for the quarter ended March 31, 2015, as compared to $152.9 million in 2014, a decrease of 7%. Unfavorable currency translation decreased sales by 12%. Segment sales experienced price/mix reductions of 5% as a consequence of reduced demand for Titan products used in the mining industry, including giant OTR tires. The mining industry remains in a cyclical downturn. Decrease in mining sales were partially offset by increased demand for products used in the construction industry, which contributed to a net increase in volume of 10%.

Gross profit in the earthmoving/construction market was $10.6 million for the quarter ended March 31, 2015, as compared to $3.8 million in 2014. The Company's earthmoving/construction market loss from operations was $(1.9) million for the quarter ended March 31, 2015, as compared to $(11.1) million in 2014. Gross profit and income from operations increased primarily as a result of increased profitability for Titan products used in the mining industry. Although sales were lower in the first quarter of 2015, compared to 2014, gross margin and income from operations were substantially improved. This was driven by increased productivity and reducted costs.

Consumer Segment Results

Consumer segment results were as follows (amounts in thousands):

	Three months ended March 31, 2015	Three months ended March 31, 2014
Net sales	$ 46,574	$ 68,834
Gross profit	4,148	4,082
Loss from operations	(244)	(1,560)

Consumer market net sales were $46.6 million for the quarter ended March 31, 2015, as compared to $68.8 million in 2014. Sales in the consumer market decreased primarily as the result of unfavorable currency translation at overseas facilities. Lower sales also resulted from the loss of lower margin intermediate products produced under supply agreements with various customers.

Gross profit from the consumer market was $4.1 million for the quarter ended March 31, 2015, as compared to $4.1 million in 2014. Consumer market loss from operations was $(0.2) million for the quarter ended March 31, 2015, as compared to $(1.6) million in 2014. Although sales were lower in the first quarter of 2015, compared to 2014, the Company was successful in reducing costs related to the production of consumer segment products, resulting in higher gross profit and income from operations.

Segment Summary (Amounts in thousands)

Three months ended March 31, 2015	Agricultural	Earthmoving/ Construction	Consumer	Corporate Expenses	Consolidated Totals
Net sales	$ 213,001	$ 142,484	$ 46,574	$ —	$ 402,059
Gross profit (loss)	28,274	10,645	4,148	(273)	42,794
Income (loss) from operations	18,904	(1,862)	(244)	(15,989)	809
Three months ended March 31, 2014					
Net sales	$ 317,166	152,940	$ 68,834	$ —	$ 538,940
Gross profit (loss)	47,265	3,798	4,082	(595)	54,550
Income (loss) from operations	30,541	(11,094)	(1,560)	(17,623)	264

Corporate Expenses

Income from operations on a segment basis does not include corporate expenses totaling $16.0 million for the quarter ended March 31, 2015, as compared to $17.6 million for 2014. Corporate expenses were composed of selling and marketing expenses of approximately $7 million and $9 million for the quarter ended March 31, 2015, and 2014, respectively; and administrative expenses of approximately $9 million for both of the quarters ended March 31, 2015, and 2014, respectively. Corporate selling & marketing expenses were approximately $2 million lower in the first quarter of 2015 primarily due to decreased selling incentive compensation and lower information technology expenses.

MARKET RISK SENSITIVE INSTRUMENTS

The Company's risks related to foreign currencies, commodity prices and interest rates are consistent with those for 2014. For more information, see the “Market Risk Sensitive Instruments” discussion in the Company's Form 10-K for the fiscal year ended December 31, 2014.

PENSIONS

The Company has three frozen defined benefit pension plans covering certain employees or former employees of three U.S. subsidiaries. The Company also has pension plans covering certain employees of several foreign subsidiaries. These plans are described in Note 29 of the Company's Notes to Consolidated Financial Statements in the 2014 Annual Report on Form 10-K.

The Company's recorded liability for pensions is based on a number of assumptions, including discount rates, rates of return on investments, mortality rates and other factors. Certain of these assumptions are determined by the Company with the assistance of outside actuaries. Assumptions are based on past experience and anticipated future trends. These assumptions are reviewed on a regular basis and revised when appropriate. Revisions in assumptions and actual results that differ from the assumptions affect future expenses, cash funding requirements and the carrying value of the related obligations. Titan expects to contribute approximately $3.6 million to these pension plans during the remainder of 2015.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows
As of March 31, 2015, the Company had $190.6 million of cash.

(amounts in thousands)	March 31, 2015	December 31, 2014	Change
Cash	$ 190,551	$ 201,451	$ (10,900)

The cash balance decreased by $10.9 million from December 31, 2014, due to the following items.

Operating Cash Flows
Summary of cash flows from operating activities:

(Amounts in thousands)	Three months ended March 31, 2015	2014	Change
Net loss	$ (1,060)	$ (5,128)	$ 4,068
Depreciation and amortization	18,480	23,275	(4,795)
Deferred income tax provision	(3,901)	(4,912)	1,011
Accounts receivable	(56,153)	(61,482)	5,329
Inventories	5,958	(7,009)	12,967
Prepaid and other current assets	4,374	28,601	(24,227)
Accounts payable	24,066	34,038	(9,972)
Other current liabilities	5,736	16,141	(10,405)
Other liabilities	(7,834)	(1,716)	(6,118)
Other operating activities	3,367	(3,817)	7,184
Cash provided by (used for) operating activities	$ (6,967)	$ 17,991	$ (24,958)

In the first quarter of 2015, operating activities used $7.0 million of cash, including an increase in accounts receivable of $56.2 million, partially offset by an increase in accounts payable of $24.1 million. Included in net loss of $1.1 million were noncash charges for depreciation and amortization of $18.5 million.

In the first quarter of 2014, operating activities provided cash of $18.0 million, including an increase in accounts payable of $34.0 million and other current liabilities of $16.1 million, and a decrease in prepaid and other current assets of $28.6 million, which included a $36.0 million tax refund received in the first quarter of 2014. Positive cash inflows were offset by an increase in accounts receivable of $61.5 million. Included in net loss of $5.1 million was $23.3 million of noncash charges for depreciation and amortization.

Operating cash flows decreased $25.0 million when comparing the first quarter of 2015, to the first quarter of 2014. The net loss in the first quarter of 2015 was a $4.1 million decrease from the loss in the first quarter of 2014. When comparing the first quarter of 2015 to the first quarter of 2014, cash flows from prepaid and other current assets and accounts payable decreased $24.2 million and $10.0 million, respectively, which was partially offset by increased cash flows from inventories of $13.0 million.

The Company's inventory balance was lower at March 31, 2015, as compared to December 31, 2014. Days sales in inventory were 68 days at March 31, 2015 and December 31, 2014, respectively. The Company's accounts receivable balance was higher at March 31, 2015, as compared to December 31, 2014. Days sales outstanding increased to 54 days at March 31, 2015, from 47 days at December 31, 2014.

Investing Cash Flows
Summary of cash flows from investing activities:

(Amounts in thousands)	Three months ended March 31,		
	2015	**2014**	**Change**
Capital expenditures	$ (11,419)	$ (16,754)	$ 5,335
Acquisitions	—	(12,676)	12,676
Decrease in restricted cash deposits	—	14,188	(14,188)
Other investing activities	2,334	3,278	(944)
Cash used for investing activities	$ (9,085)	$ (11,964)	$ 2,879

Net cash used for investing activities was $9.1 million in the first quarter of 2015, as compared to $12.0 million in the first quarter of 2014. The Company invested a total of $11.4 million in capital expenditures in the first quarter of 2015, compared to $16.8 million in 2014. The 2015 and 2014 expenditures represent various equipment purchases and improvements to enhance production capabilities of Titan's existing business and maintaining existing equipment. In the first quarter of 2014, cash used for acquisitions of $12.7 million represents additional ownership percentage of Voltyre-Prom, which also decreased restricted cash deposits by $14.2 million.

Financing Cash Flows
Summary of cash flows from financing activities:

(Amounts in thousands)	Three months ended March 31,		
	2015	**2014**	**Change**
Proceeds from borrowings	$ 11,102	$ 6,945	$ 4,157
Proceeds from exercise of stock options	—	20	(20)
Payment of financing fees	—	(33)	33
Payment on debt	(1,456)	(4,248)	2,792
Excess tax benefit from stock-based compensation	(388)	(2)	(386)
Dividends paid	(269)	(268)	(1)
Cash provided by (used for) financing activities	$ 8,989	$ 2,414	$ 6,575

In the first quarter of 2015, $9.0 million of cash was provided by financing activities. This cash was primarily provided by proceeds from borrowing of $11.1 million, partially offset by payment of debt of $1.5 million.

In the first quarter of 2014, $2.4 million of cash was provided by financing activities. This cash was primarily provided by proceeds from borrowings of $6.9 million, offset by payment on debt of $4.2 million.

Financing cash flows increased by $6.6 million when comparing the first quarter of 2015 to 2014. This increase was primarily the result of the additional proceeds from borrowings.

Other Issues
The Company's business is subject to seasonal variations in sales that affect inventory levels and accounts receivable balances. Historically, Titan tends to have higher production levels in the first and second quarters.

Debt Restrictions
The Company’s revolving credit facility (credit facility) contains various restrictions, including:

- Limits on dividends and repurchases of the Company’s stock.
- Restrictions on the ability of the Company to make additional borrowings, or to consolidate, merge or otherwise fundamentally change the ownership of the Company.
- Limitations on investments, dispositions of assets and guarantees of indebtedness.
- Other customary affirmative and negative covenants.

These restrictions could limit the Company’s ability to respond to market conditions, to provide for unanticipated capital investments, to raise additional debt or equity capital, to pay dividends or to take advantage of business opportunities, including future acquisitions.

Liquidity Outlook
At March 31, 2015, the Company had $190.6 million of cash and cash equivalents and no outstanding borrowings on the Company's $150 million credit facility. Titan's availability under this domestic facility may be less than $150 million as a result of eligible accounts receivable and inventory balances at certain of its domestic subsidiaries. At March 31, 2015, the amount available was $106.0 million as a result of the Company's decrease in sales which impacted both accounts receivable and inventory balances. The cash and cash equivalents balance of $190.6 million includes $51.4 million held in foreign countries. The Company's current plans do not demonstrate a need to repatriate the foreign amounts to fund U.S. operations. However, if foreign funds were needed for U.S. operations, the Company would be required to accrue and pay taxes to repatriate the funds.

Capital expenditures for the remainder of 2015 are forecasted to be approximately $50 million. Cash payments for interest are currently forecasted to be approximately $30 million for the remainder of 2015 based on March 31, 2015 debt balances. The forecasted interest payments are comprised primarily of semi-annual payments of $13.8 million (paid on April 1) and $13.8 million (due October 1) for the 6.875% senior secured notes.

In the future, Titan may seek to grow by making acquisitions which will depend on the ability to identify suitable acquisition candidates, to negotiate acceptable terms for their acquisition and to finance those acquisitions.

Subject to the terms of indebtedness, the Company may finance future acquisitions with cash on hand, cash from operations, additional indebtedness and/or by issuing additional equity securities.

Cash on hand, anticipated internal cash flows from operations and utilization of remaining available borrowings are expected to provide sufficient liquidity for working capital needs, capital expenditures and potential acquisitions.

RECENTLY ISSUED ACCOUNTING STANDARDS
In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This update amends existing guidance to require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The amendments in this update are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The Company is currently assessing the impact that adopting this new accounting guidance will have on the Company's consolidated financial statements.

MARKET CONDITIONS AND OUTLOOK
In the first quarter of 2015, Titan experienced lower sales when compared to the sales levels in the first quarter of 2014. The lower sales levels were primarily the result of decreased demand for high horsepower equipment used in the agricultural market, which remains in a cyclical downturn, and unfavorable currency translation. These decreases were partially offset by increased demand for products used in the construction industry. In addition, competitive pressures and lower raw material prices, particularly in tire manufacturing, negatively impacted sales.

Energy, raw material and petroleum-based product costs have been volatile and may negatively impact the Company’s margins. Many of Titan’s overhead expenses are fixed; therefore, lower seasonal trends may cause negative fluctuations in quarterly profit margins and affect the financial condition of the Company.

AGRICULTURAL MARKET OUTLOOK

Agricultural market sales were lower in the first quarter of 2015 when compared to the first quarter of 2014 due to decreased demand for high horsepower equipment used in the agricultural market. Farm net income is expected to be reduced in 2015 due to lower commodity prices and rising input cost for seed, chemicals and fuel. Lower income levels are putting pressure on the demand for large farm equipment. In addition, large equipment sales have deteriorated significantly after a robust cycle in recent years past. The mix shift to lower horsepower tractors has eroded both sales and gross margin. Many variables, including weather, commodity prices, export markets and future government policies and payments can greatly influence the overall health of the agricultural economy.

EARTHMOVING/CONSTRUCTION MARKET OUTLOOK

Earthmoving/construction market sales were lower in the first quarter of 2015 when compared to the first quarter of 2014 primarily due to unfavorable currency translation. Reduced demand for larger products used in the mining industry is expected to continue for the remainder of 2015 as weakness continues in the mining industry. Demand for small earthmoving/construction equipment used in the housing and commercial construction sectors has improved. Although metals, oil and gas prices may fluctuate in the short-term, in the long-term, these prices are expected to remain at levels that are attractive for continued investment, which should help support future earthmoving and mining sales. The earthmoving/construction segment is affected by many variables, including commodity prices, road construction, infrastructure, government appropriations, housing starts and other macroeconomic drivers.

CONSUMER MARKET OUTLOOK

Consumer market sales were lower in the first quarter of 2015, when compared to the first quarter of 2014. Sales in the consumer market decreased primarily as the result of unfavorable currency translation at overseas facilities. The consumer market is expected to remain highly competitive for the remainder of 2015.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See the Company's 2014 Annual Report filed on Form 10-K (Item 7A). There has been no material change in this information.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures
Titan’s management, including the principal executive officer and principal financial officer, evaluated the effectiveness of disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Form 10-Q. Based on this evaluation, the Company’s principal executive officer and principal financial officer have concluded that the Company’s disclosure controls and procedures were not effective as of March 31, 2015, because of a material weakness in internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) previously disclosed in the Company's 2014 Form 10-K.

Previously Disclosed Material Weakness
Management previously reported a material weakness in the Company's internal control over financial reporting in the Form 10-K for the year ended December 31, 2014. This material weakness related to accounting complexities, insufficient resources, and the challenge of financial controller continuity at select international locations. A material weakness is a deficiency or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management is actively taking steps to remediate the previously identified material weakness. Additional resources have been added at international locations. The structure of the corporate accounting group has been reviewed and a new structure identified which will address deficiencies with the structure, strengthen controls and include further segregation of duties. Management is in the process of implementing this structure and has been successful in recruiting the proper resources for several key roles.

Changes in Internal Controls
Other than the remediation steps described above, there were no material changes in internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the first quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluations of the effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is a party to routine legal proceedings arising out of the normal course of business. Although it is not possible to predict with certainty the outcome of these unresolved legal actions or the range of possible loss, the Company believes at this time that none of these actions, individually or in the aggregate, will have a material adverse effect on the consolidated financial condition, results of operations or cash flows of the Company. However, due to the difficult nature of predicting unresolved and future legal claims, the Company cannot anticipate or predict the material adverse effect on its consolidated financial condition, results of operations or cash flows as a result of efforts to comply with, or its liabilities pertaining to, legal judgments.

Item 1A. Risk Factors

See the Company's 2014 Annual Report filed on Form 10-K (Item 1A). There has been no material change in this information.

Item 6. Exhibits

10.1* Trademark License Agreement dated April 1, 2011 by and among The Goodyear Tire & Rubber Company, Goodyear Canada Inc., and Titan International, Inc.

31.1 Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

*Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TITAN INTERNATIONAL, INC.
(Registrant)

Date: April 30, 2015

By: /s/ MAURICE M. TAYLOR JR.
Maurice M. Taylor Jr.
Chairman and Chief Executive Officer
(Principal Executive Officer)

By: /s/ JOHN HRUDICKA
John Hrudicka
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

TRADEMARK LICENSE AGREEMENT

(AMERICAS - GOODYEAR BRAND)

THIS TRADEMARK LICENSE AGREEMENT (this "Agreement"), dated April 1, 2011 (the " Effective Date"), is made and entered into by and among The Goodyear Tire & Rubber Company, an Ohio corporation ("Goodyear"), Goodyear Canada Inc., an Ontario corporation and a subsidiary of Goodyear ("Goodyear Canada"), on the one hand, and Titan International, Inc., an Illinois corporation ("Licensee"), on the other hand. Each of Goodyear and Goodyear Canada are sometimes referred to herein as a "Licensor" and collectively as the "Licensors." Each Licensor and Licensee is sometimes referred to herein as a "Party" and collectively as the "Parties."

RECITALS

A. Goodyear and Titan Tire Corporation, an Illinois corporation ("Buyer"), are parties to the Purchase Agreement - Latin America, dated as of December 13, 2010, by and among Goodyear and Buyer (the "Purchase Agreement");

B. Pursuant to the Purchase Agreement, Goodyear or an Affiliate sold to Buyer certain assets located in South America associated with the manufacture, distribution and sale of Farm Tires;

C. On December 28, 2005, Goodyear and Buyer entered into a Trademark License Agreement under which Goodyear granted Buyer a license to use certain marks in connection with the manufacture, distribution and sale of farm tires in North America (the "2005 Trademark License");

D. The Parties desire to terminate and supersede the 2005 Trademark License and the Bilateral Supply Agreement dated as of December 28, 2005, as amended and restated, between Goodyear and Buyer (the "2005 Supply Agreement").

E. Licensors together own all of the Licensed Marks identified on Exhibit A-1 and Exhibit A-2 and own or otherwise have the right to license the Licensed Marks identified on Exhibit A-3 attached hereto, which Licensed Marks have been used by Licensors in connection with the Business;

F. Pursuant to the terms and conditions of the Purchase Agreement, Goodyear and Licensee are obligated to execute and deliver this Agreement; and

G. With this Agreement, Licensee has agreed to acquire and Licensors have agreed to grant a license to use the Licensed Marks in North America and South America, subject to the tern1s and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and obligations contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

ARTICLE 1
DEFINITIONS

1.1 Terms and Conditions. Terms used in this Agreement shall have the following meanings:

"2005 Trademark License" has the meaning set forth in the Recitals. "2005 Supply Agreement" has the meaning set forth in the Recitals.

"Affiliate" means, with respect to any person, at the time in question, any other person controlling, controlled by or under common control with the person. For purposes of this definition, "control" (including, but not limited to, the terms "controlling," "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

"Business" means the manufacture, distribution and sale of Farm Tires in the jurisdictions listed on Exhibit B by Goodyear and its Affiliates.

"Business Day" means any day other than Saturday or Sunday on which commercial banks are not required or authorized by law to close in the City of New York, State of New York, USA.

"Buyer" has the meaning set forth in the Recitals.

"Change of Control" means the occurrence of any of the following events unless Licensors consent in advance: (1) a Person acquires direct or indirect beneficial ownership (as defined in the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder) of more than fifty (50%) percent of the outstanding voting securities of Licensee or its direct or indirect parent (each, a "Parent"), or (2) the shareholders of Licensee approve, or Licensee otherwise effects, enters into or approves, (A) a merger or consolidation of Licensee with or into any other Person, (B) an agreement for the sale or disposition (in one transaction or a series of transactions) of all or substantially all of the assets of Licensee or Parent, (C) a plan of complete liquidation of Licensee or Parent or (D) any transaction similar to any of the foregoing, other than, in the case of both (2)(A) and (2)(B) above, a merger, consolidation or sale that would result in the voting securities of Licensee or Parent outstanding immediately prior thereto controlling or continuing to represent, directly or indirectly, either by remaining outstanding or by being converted into equity securities of the surviving Person, at least fifty percent (50%) of the total outstanding voting securities of Licensee, Parent or the surviving Person outstanding immediately after such transaction.

"Confidential Information" means proprietary information of the Parties related to the Licensed Marks or the manufacture, sale or delivery of Licensed Products or which the providing Party can demonstrate was provided in connection with this Agreement, including but not limited to: (i) price, quantity and technical information relating to products, equipment and manufacturing methods of the Parties; (ii) the Parties' manufacturing and other costs; (iii) either Party 's business plans, strategies and projections, and all other business statistics; (iv) any list of customers of a Party; (v) passwords and other security information permitting access to either Party's data

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

processing systems; (vi) business and logistics methods and procedures used by the Parties; (vii) other data processing systems information that the Parties have exchanged during the negotiation of, and will later exchange during the term of, this Agreement; and (viii) trade secrets, know-how, drawings, designs, data, inventions, processes, procedures, formulas, specifications, and the like.

Confidential Information does not include information: (i) the recipient's files and records establish as having been in its possession at the time the information was received; (ii) which is publicly available at the time it is disclosed to the recipient by the discloser or which later becomes so available other than as a result of the recipient's action or inaction; (iii) which becomes known to the recipient from a third party who has the right to disclose such information without breach of an obligation of trust or confidence to the discloser; (iv) which is disclosed by the recipient with the other party's prior written approval; or (v) which is required to be disclosed under applicable Law, provided that the Party subject to the requirement of disclosure complies with Section 13.2.

"Customer Inquiries" has the meaning set forth in Section 8.8. "Earned Royalties" has the meaning set forth in Section 4.3.

"Effective Date" has the meaning set forth in the first paragraph.

"Farm Tires" means the tires described in Goodyear's Farm Tire Handbook 2003 (excluding the specific tires set forth on Schedule A of the Purchase Agreement) and the additional tires listed on Schedule B of the Purchase Agreement. Copies of those schedules are attached hereto as Exhibit C.

"Farm Tire Supply Agreement (Colombia)" means the Farm Tire Supply Agreement (Colombia) entered into on _____________, 2010, between [Goodyear] and [Licensee], under which Goodyear or its Affiliates supply Farm Tires to [Licensee].

"Force Majeure" has the meaning set forth in Section 16.1.

"Goodyear" has the meaning set forth in the first paragraph.

"Goodyear Canada" has the meaning set forth in the first paragraph.

"Goodyear Trademarks" means those Licensed Marks identified on Exhibit A-1 and Exhibit A-2 consisting of any one or more of:

(i) the word GOODYEAR,
(ii) the winged foot design, or
(iii) the blimp design.

"Governmental Authority" means any federal, state, local or foreign government, governmental, regulatory or administrative authority, agency or commission, or any court, tribunal or judicial or arbitral body of the United States or any country.

"Infringement" has the meaning set forth in Section 7.1(b).

“Initial Term” has the meaning set forth in Section 3.1.

“Law” means any law, rule, regulation, order or other requirement of or issued by any Governmental Authority, in each case as from time to time amended or replaced.

“Licensed Marks” means all of the trademarks identified on Exhibit A-1 and Exhibit A-2, which exhibits may be amended from time to time as provided herein, the Unregistered Marks and any and all names, symbols, designs and other insignia which include the Licensed Marks identified in Exhibit A-1 and Exhibit A-2 or the Unregistered Marks identified in Exhibit A-3 that are embedded in the tire molds transferred to Licensee under the Purchase Agreement and the Asset Purchase Agreement, dated as of February 28, 2005, by and among the Goodyear Parties (as defined therein) and Licensee. For the avoidance of doubt, trademarks owned by Licensee or its Affiliates are not Licensed Marks.

“Licensed Products” means Farm Tires that (a) bear one or more Licensed Marks, and/or (b) are packaged, advertised, promoted, or marketed in conjunction with the Licensed Marks such that a reasonable purchaser would understand the Farm Tires to be those offered by, endorsed by, affiliated with, or sponsored by Licensors; provided, however, that “ Licensed Products” does not include any product or service, or portion of a product, that happens to be combined with Farm Tires (by way of example and not limitation, Licensed Products does not include the wheel on which the Farm Tire is mounted and does not include the services of mounting the Farm Tire on the wheel, but would only include the Farm Tire). For the avoidance of doubt, some of the products identified in the column “Application/Registration” on Exhibit A-1 and Exhibit A-2 are not Licensed Products.

“Licensed Territory” means, for each Licensed Mark, only the country or countries in which such Licensed Mark is currently registered and/or filed, as identified on Exhibit A-1 or Exhibit A-2.

“Licensee” has the meaning set forth in the first paragraph.

“Licensee-Made Licensed Products” means Licensed Products manufactured by the Licensee or its Affiliates.

“Licensee Permitted Users” has the meaning set forth in Section 2.5.

“Licensor” or “Licensors” has the meaning set forth in the first paragraph.

“Licensor-Made Licensed Products” means Licensed Products manufactured by a Licensor or its Affiliates.

“Minimum Guarantee” has the meaning set forth in Section 4.4.

“Net Sales” means the gross amount invoiced to customers by Licensee or its Affiliates (but excluding the gross amount invoiced to a Licensor or its Affiliates) for sales of the Licensed Products in the Licensed Territory, less only (a) returns actually made and credited as properly supported by documentation (provided, however, that ***, (b) the deductions described in Exhibit D hereto, and (c) the gross amount invoiced to customers by Licensee or its Affiliates for

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sales of the Licensed Products bearing the Unregistered Marks and no other Licensed Marks.

"Notice" has the meaning set forth in Section 17.1.

"Other Intellectual Property" has the meaning set forth in Section 2.6.

"Party" or "Parties" has the meaning set forth in the first paragraph.

"Pre-Paid Royalty" has the meaning set forth in Section 4.1.

"Purchase Agreement" has the meaning set forth in the Recitals.

"Related Agreements" has the meaning set forth in the Purchase Agreement.

"Renewal Term" has the meaning set forth in Section 3.4.

"Return Rate" has the meaning set forth in Section 8.6.

"Tax" or "Taxes" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Tax Code §59A), customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Taxing Authority" means any applicable Governmental Authority responsible for the imposition of Taxes.

"Technology Agreement" means the Americas Farm Patent and Know-How License Agreement between Goodyear and Licensee dated as of __________, 2010.

"Term" has the meaning set forth in Section 3.4.

"Unregistered Marks" means all of the trademarks identified on Exhibit A-3, which exhibit may be amended from time to time as provided herein.

1.2 Other Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the definition set forth in the Purchase Agreement.

ARTICLE 2

TERMS AND CONDITIONS
GRANT OF LICENSE

2.1 Grant.

(a) Nature and Scope of Grant

(i) Goodyear grants to Licensee the right to use the trademarks identified on Exhibit A-1 and Exhibit A-3 in the applicable Licensed Territory upon or in relation to the Licensed Products and to grant sublicenses to Licensee's Affiliates in the applicable Licensed Territory, provided that Licensee shall cause all such Affiliates granted a sublicense hereunder to comply with the provisions herein.

(ii) Goodyear Canada grants to Licensee the right to use the trademarks identified on Exhibit A-2 in the applicable Licensed Territory upon or in relation to the Licensed Products and to grant sublicenses to Licensee's Affiliates in the applicable Licensed Territory, provided that Licensee shall cause all such Affiliates granted a sublicense hereunder to comply with the provisions herein.

(iii) Licensors covenant that they shall not use the Licensed Marks in the Licensed Territory for the Licensed Products, and that any use is limited solely as set forth in Section 2.12.

(iv) The grant of rights in the Licensed Marks is transferable as permitted by this Agreement.

(v) Licensee may engage subcontractors in connection with the operations of its business and, to the extent the use of such subcontractors involves use of the Licensed Marks, the grant of rights in Section 2.1(a)(i) and (ii) includes the use by such subcontractors. Such use shall be under the supervision and control of Licensee and Licensee shall remain responsible to Licensors for proper use of the Licensed Marks by such subcontractors. Use by subcontractors is not a sublicense and is not use by an Affiliate.

(vi) Licensors acknowledges that this grant of rights in the Licensed Marks is in connection with, and is material to, Licensee's purchase of the Business. Each Licensor represents that this Agreement does not conflict with any existing security agreement or credit agreement to which it is a party. If Licensors enter into a new credit facility or materially amend their existing credit facility, they shall ask the lenders to acknowledge in the new credit agreement or amendment that the lenders will not foreclose on or otherwise affect Licensee's rights with respect to this Agreement in connection with any enforcement of the lenders' rights if Licensee is in compliance with all material provisions of this Agreement.

The grant of rights in this Section 2.1 is in addition to the permitted uses set forth elsewhere in this Agreement, including Sections 2.4 and 2.5.

(a) All rights not specifically granted to Licensee under this Section 2.1 are reserved by Licensors. Subject to Section 2.1(a)(vi), nothing in this Agreement shall restrict Licensors' current or future commitments under secured lending or financing arrangements pledging the Licensed Marks as collateral under such obligations and Licensee acknowledges that the Licensed Marks are subject to liens and encumbrances, the terms of which may be amended from time to time, arising as a result of such obligations.

2.2 2005 Trademark License; 2005 Supply Agreement. The Parties acknowledge and agree that this Agreement terminates and supersedes the 2005 Trademark License and the 2005 Supply Agreement.

2.3 Specifically Prohibited Uses of the Licensed Marks. Unless expressly authorized by this Agreement, Licensee will not use any of the Licensed Marks or any confusingly similar terms or marks:

(b) in any corporate names, trade names, business names, domain names or URLs,

(c) in connection with any service or repair other than the service or repair to the Licensed Products bearing the applicable Licensed Marks, or

(d) in the white pages of telephone and other business directories.

2.4 Permitted Use of the Licensed Marks in Advertising and Distribution. Subject to Sections 2.3 and 8.3, Licensee shall be entitled to use the Licensed Marks in the Licensed Territory to advertise, describe, solicit, demonstrate, sell, distribute, manufacture, package and otherwise promote the sale, repair and service of the Licensed Products in all media now known or later developed. At no time shall Licensee use the Goodyear Trademarks without the descriptive terms comprising the Licensed Products (e.g., "Goodyear Farm Tires"), provided however that Licensee shall not use the term "Goodyear Tires."

2.5 Use by Persons in the Distribution Network. In addition to the limited right to sublicense granted to Licensee in Section 2.1 and subject to the terms of this Section 2.5, Licensee's dealers, distributors, resellers and others in Licensee's distribution network of the Licensed Products (together with Licensee's Affiliates, the "Licensee Permitted Users") may use the Licensed Marks in connection with the sale, repair, service, promotion, marketing, advertising, and distribution of the Licensed Products within the applicable Licensed Territory during the Term; provided that, none of Licensee's Affiliates or any other Licensee Permitted User may use any Licensed Mark in a way that Licensee would be prohibited from using such Licensed Mark pursuant to the terms of this Agreement.

2.6[Intentionally Omitted]

2.7 No Other Right To Licensed Marks or Licensors' other Intellectual Property. This Agreement conveys to Licensee no rights with respect to the Licensed Marks other than as specifically set forth herein. Licensee acknowledges that Licensors are the owners of certain trademarks, trade dress, copyrights, design patents, utility patents, trade secrets and other intellectual property rights that are not included in the Licensed Marks ("Other Intellectual Property"). Licensee understands and agrees that this Agreement does not give Licensee authorization to use the Other Intellectual Property in any manner whatsoever, nor does this Agreement grant to Licensee rights to the intellectual property of any other party.

2.8 Renewal and Maintenance Costs. Licensors shall maintain the registration of the Licensed Marks that are in existence on the Effective Date during the Term at Licensors' sole cost and expense. Notwithstanding the terms of this Section 2.8, Licensee shall reimburse Licensors for governmental fees and reasonable legal expenses Licensors incur to maintain or renew any Licensed Mark exclusively related to the Business. If, during the Term of this Agreement, a Licensor elects to cease its use of a Licensed Mark and determines to let the registration for such Licensed Mark lapse or to cease paying continuation, renewal or similar fees with respect to such Licensed Mark, Goodyear, on behalf of the Licensors, shall notify Licensee in writing of such determination (prior to the expiration or lapse of the registration of such Licensed Mark) and, for a period of 30 days following receipt of such notice, Licensee shall have the right to notify Goodyear in writing of Licensee's desire to have such Licensed Mark assigned to Licensee, at Licensee's expense but for no additional consideration to Licensors. From and after Licensee's receipt of notice from Goodyear as contemplated above, Licensors shall have no further obligation to maintain or renew the registration for such Licensed Mark and Licensee shall be responsible for all costs associated with its continuing use of such Licensed Mark. Licensee shall provide Licensors with such reasonable assistance as Licensors may require in renewing and maintaining the Licensed Marks at Licensee's expense.

2.9 Licensee's Use of Own Name. Nothing in this Agreement limits the right of Licensee to use its own name on or in connection with the Licensee-Made Licensed Products so as to accurately identify itself as the manufacturer of the Licensed Products, including but not limited to the phrase "MADE BY TITAN" or "MANUFACTURED BY TITAN" or other such accurate description of source.

2.10 No Grant of Conflicting Rights. Subject to:

(a) the rights reserved under Section 2.12;

(b) the authorization granted to ANLAS Anadolu Lastik San ve Tic AS and Alliance Tire Company pursuant to off take agreements under which such entities provide tires bearing the Licensed Marks only to Goodyear and its Affiliates, as described with particularity on Exhibit E hereto; and

(c) the rights, including security interests, of persons that have heretofore provided, or that may, from time to time after the date hereof, provide financing to one or more of the Licensors,

each Licensor agrees that it will not, during the Term hereof, grant any license to any person to use the Licensed Marks with respect to Licensed Products (or products identical to the Licensed Products) in the Licensed Territory.

2.11 [Intentionally Omitted]

2.12 Licensors' Rights within the Licensed Territory. Except for tires owned by Licensors or their Affiliates on the Closing Date, and except for tires mounted on original equipment vehicles outside the Licensed Territory or tires manufactured within the Licensed Territory for sale outside the Licensed Territory, tires furnished or sold by Licensors to Licensee or its Affiliates under the Farm Tire Supply Agreement (Colombia) and tires the ownership or sale of which is permitted under the Purchase Agreement, Licensors agree that they possess no right to sell the Licensed Products (a) themselves, (b) to exporters, or (c) directly or indirectly to others for resale or reshipment within the Licensed Territory. If Licensors or their Affiliates become aware that any party to whom they sell the Licensed Products intends to sell or ship, or is selling or shipping directly or indirectly, the Licensed Products into the Licensed Territory, Licensors shall take all necessary actions which are legally permissible to prevent such sales or shipments.

2.13 Licensee's Rights Outside Licensed Territory. Except for tires mounted on original equipment vehicles within the Licensed Territory, Licensee agrees that it possesses no rights to sell the Licensed Products (a) itself, (b) to exporters, or (c) directly or indirectly to others for resale or reshipment outside the Licensed Territory. If Licensee becomes aware that any party to whom it sells the Licensed Products intends to sell or ship, or is selling or shipping directly or indirectly, the Licensed Products outside of the Licensed Territory, Licensee shall take all necessary actions which are legally permissible to prevent such sales or shipments.

2.14 Modifications to Licensed Marks. Licensors will not discontinue the GOODYEAR word mark during the Term. In the event Licensors modify the format of the GOODYEAR word or design mark, Licensee will modify molds as they are replaced. Licensee shall be authorized to sell goods bearing the earlier versions of the GOODYEAR word or design mark subsequent to such modifications for a period not to exceed five years.

Notice Requirements for Licensed Marks. Licensee shall take the following actions with respect to the marketing of the Licensed Products or the registration, renewal or evidence of use of the Licensed Marks to protect Licensors' rights in the Licensed Marks, and Licensors shall cooperate with Licensee in its compliance with this Section 2.15. Licensee's actions shall include:

(a) notwithstanding Article 13, recording this Agreement in applicable trademark offices, in a short form to the extent possible;

(b) providing affidavits of Licensee's rights as reasonably requested by Licensors;

(c) affixing on Licensed Products and all materials used in the advertising, packaging, sale and distribution thereof all notices required under applicable law or reasonably requested by a Licensor, including the use of symbols ® and TM as appropriate (or the comparable symbols of a local jurisdiction), affixing language to indicate the existence of the licensing arrangement with Licensors, and to provide any other reasonable notice requested by Licensors on Licensed Products using the Licensed Marks; and

(d) providing any other reasonable assistance and cooperation requested by the Licensors; provided that, in the case of this subsection (d), Licensors shall reimburse Licensee's reasonable out-of-pocket expenses.

2.16 OEM Customers.

(a) Licensee for itself and its Affiliates hereby grants to Licensors the right to allow original equipment manufacturers to import into any country in the Licensed Territory vehicles fitted outside the Licensed Territory with any Licensed Products manufactured, distributed, and or sold by Licensors or Licensors' Affiliates. Further, Licensee will not object to the import of such original equipment vehicles into the Licensed Territory.

(b) Licensors for themselves and their Affiliates hereby grant to Licensee the right to allow original equipment manufacturers to import into any country outside the Licensed Territory vehicles fitted in the Licensed Territory with any Licensed Products manufactured, distributed, and/or sold by Licensee or Licensee's Affiliates. Further, Licensors will not object to the import of such original equipment vehicles to any country outside the Licensed Territory.

ARTICLE 3

TERM

3.1 Initial Term. This Agreement shall be effective as of the Effective Date and shall expire on the seventh anniversary of the Effective Date unless sooner terminated under operation of Law or in accordance with the terms and conditions herein (the "Initial Term").

3.2 Contract Periods. Contract Period one begins on the Effective Date and ends twelve months later. Each consecutive twelve-month period thereafter shall be deemed a Contract Period.

3.3 Notice of Termination. Either Goodyear or Licensee may in their respective sole discretion terminate this Agreement by giving written notice of termination to the other Party not less than three years before the end of any Contract Period beginning with Contract Period four.

3.4 Renewal Term. The term of this Agreement shall automatically extend for one additional seven year period (the "Renewal Term" and together with the Initial Term, the "Term") unless:

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(a) Licensee provides written notice to Goodyear of its intent not to extend the term of this Agreement for the Renewal Term at least twelve months before the seventh anniversary of the Effective Date; or

(b) the Agreement has been terminated pursuant to Section 3.3 or Section 11.1.

ARTICLE 4

ROYALTY

4.1 Pre-Paid Royalty. The Parties hereby agree that a portion of the Purchase Price paid by Licensee under the Purchase Agreement has been allocated by the Parties as an up-front, one-time, payment of royalties (the "Pre-Paid Royalty") by Licensee to Licensors for use of the Licensed Marks in connection with Licensed Products for the Initial Term as contemplated herein. The Pre-Paid Royalty is subject to a Pre-Paid Royalty Adjustment as defined in the Technology Agreement.

4.2 [Intentionally Omitted]

4.3 Royalty During Renewal Term. In each Contract Period during the Renewal Term, Licensee shall pay to Goodyear a *** royalty based on the Net Sales of all Licensed Products sold (the "Earned Royalties"). For purposes of this Agreement, a Licensed Product shall be considered sold on the date upon which such Licensed Product is billed, invoiced, shipped, or paid for, or when title passes to the buyer, whichever occurs first.

4.4 ***

4.5 No Deductions. Unless specified otherwise in the definition of Net Sales, computation of Net Sales (including the computation of the gross price invoiced to customers) shall not include deductions for returns greater than ***, uncollectible accounts, new store allowance(s), advertising allowance(s), co-op allowance(s), costs incurred in the manufacture, sale, distribution, advertising, promotion, or exploitation of the Licensed Products, or any indirect or overhead expense of any kind whatsoever. Similarly, such deductions and costs shall not be deducted from gross sales or Earned Royalties.

4.6 ***

ARTICLE 5.

STATEMENTS AND PAYMENTS

5.1 Statements.

(a) Statement Content. Within 30 days following the last day of each calendar quarter, Licensee shall furnish to Goodyear a complete and accurate statement (in the format attached as Exhibit F) of sales of Licensed Products by Licensee and its Affiliates during the preceding calendar quarter. Such statement shall be certified

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as accurate by Licensee's Chief Financial Officer and shall indicate the following for each Licensed Product by country: (a) a description of the Licensed Product, including SKU number; (b) gross sales price of the Licensed Product; (c) the number of units sold; (d) any itemized deductions from gross sales price which are expressly permitted hereunder; (e) Net Sales of the Licensed Product distributed and/or sold by Licensee during the quarter; and (f) aggregate returns made and credited during the preceding calendar quarter.

(b) Statement Requirements. Such statements shall be submitted whether or not any sales of the Licensed Products occurred during the preceding calendar quarter. The receipt or acceptance by Goodyear of any of the statements furnished pursuant to this Agreement shall not preclude Goodyear from auditing, questioning or objecting to the accuracy of such statements at any time. If any inconsistencies or mistakes are discovered in such statements, they shall immediately be rectified.

5.2 Inspection of Records.

(a) Inspection. Licensee shall keep complete, accurate, and verifiable books and records at its principal place of business showing all transactions relating to this Agreement. Such books and records shall include numerically sequenced invoices. Goodyear or its duly authorized representatives shall have the right, upon no less than five Business Days' notice, and during normal business hours, to inspect Licensee's books and records and all other documents and material in the possession of or under the control of Licensee in order to verify the accuracy of Licensee's sales reports. Goodyear shall have access thereto for such purposes and shall be permitted to make copies thereof. In the absence of any intentional misconduct by Licensee, Goodyear shall be entitled only to contest Licensee's payments under this Agreement for the then-current Contract Period plus one (1) previous Contract Period.

(b) Maintenance After Expiration. For each Contract Period, all books and records relative to Licensee's obligations hereunder shall be maintained and kept accessible and available to Goodyear for inspection for at least three years after the conclusion of that Contract Period.

5.3 Payment.

(a) Payment Requirements. During the Renewal Term, Licensee shall remit within 30 days following the last day of each calendar quarter, together with the statement required for that quarter, a payment of the Earned Royalties due from sales during the preceding quarter. For any Contract Period where the Earned Royalties do not meet or exceed the Minimum Guarantee, in the fourth quarterly payment for that Contract Period (such payment to be made within 30 days following the last day of the fourth calendar quarter), Licensee shall pay the additional amount required to meet the Minimum Guarantee. All payments made under this Agreement shall be in United States currency (converted from any foreign currency at the spot rate of exchange for United States Dollars as published by The Wall Street Journal in New

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York, NY, USA, as of the last Business Day of the quarter for which payment is being made) and shall be remitted by wire transfer of immediately available funds into such account as is designated by Goodyear. Goodyear reserves the right to reject any other form of payment. Except for money owed between the Parties under this Agreement, Licensee shall have no right to set off any money owed to Licensee by Licensors against any money owed by Licensee to Licensors hereunder.

(b) Late Payments. If any payments due under Section 4.3 are not timely paid, Licensee shall pay interest on the amount owed at a rate of 7% per annum (or the maximum rate allowed by law if lower) from the date such amount was due until it is paid. If it becomes necessary for Goodyear to undertake legal action to collect any such payments, Licensee shall pay Licensors' outside legal fees and costs of the action and related negotiations if the legal action undertaken results in a determination that the payments were due.

(c) All Payments. All amounts due to Goodyear under this Agreement shall be paid by Licensee and no other entity.

(d) [Intentionally Omitted]

ARTICLE 6.

OWNERSHIP, GOODWILL AND PROTECTION OF RIGHTS

6.1 Acknowledgment. Licensee shall not at any time during the Term of this Agreement or thereafter do or permit to be done any act or thing which impairs the rights of Licensors with respect to such Licensed Marks. Licensee will not represent that it has any ownership in the Licensed Marks or in any registration of them and shall not attempt to register the Licensed Marks alone or as part of its own trademark or service mark in any jurisdiction. Licensee will use the Licensed Marks only in the manner specified by Goodyear and this Agreement. Licensee agrees that it will not, during the Term of this Agreement or thereafter, challenge the validity or distinctiveness of the Licensed Marks. The Parties expressly intend and agree that all use of the Licensed Marks shall inure to the sole benefit of the Licensors and that Licensee shall neither acquire nor be allowed to claim any rights to the Licensed Marks. Licensee further agrees that it shall not oppose or seek to cancel any of the Licensed Marks or challenge the ownership or validity of any of the Licensed Marks in any court or agency, including, but not limited to, any trademark office in any country in the Licensed Territory.

6.2 Confusingly Similar Marks. Licensee shall not, either during or after the Term of this Agreement, use or authorize the use of any configuration, mark, name, design, logo or other designation identical or confusingly similar to any Licensed Mark. Should Licensee, during the Term or at any time thereafter, assert ownership in any mark, name, design, logo or other designation in any jurisdiction which is the same as, or confusingly similar to, any of the Licensed Marks, Licensee will, upon request by Goodyear, transfer or assign all of Licensee's right, title, and interest that it asserts in such mark, name,

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design, logo or other designation, including but not limited to any registrations, to the applicable Licensor or its designee, at Licensee's sole cost and expense.

6.3 Registrations. Licensee agrees that it shall not, on the basis of its use of the Licensed Marks, oppose or seek to cancel any registration for any of the Licensed Marks.

6.4 Modifications By Licensee. Licensee shall not develop or authorize the development of variations of the Licensed Marks or elements included within the Licensed Marks without the prior express written consent of Goodyear, which consent may be withheld in Goodyear's sole discretion, for any or no reason. In the event that Goodyear grants the consent contemplated in this Section, any designs created shall be included in the Licensed Marks licensed hereunder, the applicable Licensor shall own all the rights in such new design, and Licensee shall execute any documents required to transfer such rights to such Licensor. All uses and rights of and to the new designs shall inure to the exclusive benefit of such Licensor and such Licensor may register and protect the same in its own name, as it deems necessary or appropriate.

6.5 Goodwill. The Parties recognize the value of the publicity and goodwill associated with the Licensed Marks and that all related rights and goodwill belong exclusively to Licensors. Licensee agrees that it shall not take any action or produce any goods, services or materials that:

(a) in any way question a Licensor's ethics or lawful practices,

(b) reflects adversely upon a Licensor, the Licensed Products, or the Licensed Marks; or

(c) dilutes the Licensed Marks.

ARTICLE 7.
LICENSED MARKS PROTECTION

7.1 Third Party Unauthorized Use of Licensed Marks.

(a) Notification of Unauthorized Use. Licensee shall notify Goodyear in writing of any manufacture, distribution, sale or advertisement of any product or service of the same general type or class as the Licensed Products that Licensee, in its reasonable judgment, believes may constitute an infringement upon Licensors' rights within thirty (30) days after such manufacture, sale or advertisement has come to its attention. Licensee shall not commence, prosecute or institute any action or proceeding against any Person alleging infringement, imitation or unauthorized use of the Licensed Marks without the prior written consent of Goodyear.

(b) Appropriate Action With Respect to the Licensed Marks other than the Goodyear Trademarks. Goodyear shall have the initial right to determine the appropriate action to be taken against any infringement, imitation (including any third-party

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registration or application to register) or any or other unauthorized use ("Infringement") of the Licensed Marks other than the Goodyear Trademarks (which are addressed in Section 7.1(c) below) including whether to settle any claims or controversy arising out of such claims. Licensee shall have no claim against any Licensor for failure to bring an action for any Infringement or alleged Infringement of the Licensed Marks. If Goodyear fails, within a reasonable period of time, to take action regarding an Infringement, after providing written notice to Goodyear, Licensee may institute, maintain and direct an action to enjoin such Infringement and to recover damages, and Goodyear agrees to be named as a party to such action if required under applicable Law. Subject to the provisions of this Section 7.1(b) and Section 7.2, actions with respect to Infringement of such Licensed Marks may be commenced by a Licensor, Licensee, or, if the Parties agree, by Licensors and Licensee jointly. Any and all awards or settlements recovered in any such action or proceeding shall be divided as follows:

(i) Each Party will recover an equal percentage of its legal expenses, up to 100% of such expenses;

(ii) The Party(ies) who commenced the case shall recover its/their demonstrated economic damages if they exceed the combined legal expenses. If Licensor(s) and Licensee commenced the case jointly, each plaintiff will recover an equal percentage of its respective demonstrated economic loss, up to 100% of such loss; and

(iii) Any additional awards or settlements shall be awarded to the Party(ies) who commenced the case.

(c) Appropriate Action With Respect to the Goodyear Trademarks. Notwithstanding the provisions of Section 7.1(b), Goodyear shall have the sole right to determine the appropriate action to be taken against any Infringement of the Goodyear Trademarks, including whether to settle any claims or any controversy arising out of such claims. Goodyear shall bear the expense of any actions and shall be entitled to any and all settlements, damages or benefits received arising from such any action.

7.2 Reasonable Assistance.

(a) Licensee agrees to provide Licensors with such reasonable assistance as Licensors may require in protecting the Licensed Marks, provided that Licensors shall reimburse Licensee's reasonable out-of-pocket expenses.

(b) In connection with any action regarding an Infringement commenced, maintained or directed by Licensee as permitted pursuant to Section 7.1(b), Licensors shall provide Licensee with such reasonable assistance as Licensee may request in connection with such action, provided that Licensee shall reimburse Licensors for their expenses incurred in providing such assistance.

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ARTICLE 8.

QUALITY CONTROL

8.1 Quality Requirements. Licensee warrants that the Licensee-Made Licensed Products will have performance characteristics and be of a quality equal to the Licensed Product sold by the Business as of the Effective Date. Licensee warrants that it will manufacture the Licensee-Made Licensed Products according to Licensee's approved standard quality control and manufacturing procedures and requirements in place in each case on the date hereof, and shall meet all applicable Laws and the then current industry standards relating to such products (if such industry standards were met prior to the Effective Date). Licensee must provide written notice to Goodyear prior to the production of any new products which are to bear Licensed Marks. Any such products must also be added to the quarterly reports issued by Licensee. The Parties agree that products currently made or sold by Licensee are not "new products" under this section, and that for a Farm Tire to be a "new product" it must bear a new SKU designation (a mere redesignation of the SKU for an existing product does not, however, constitute the product a "new product" hereunder). Except to the extent consistent with the practices and policies of the Business prior to the date hereof, Licensee shall not offer for sale, advertise, promote, distribute, or use for any purpose any Licensee-Made Licensed Products or packaging that are damaged, defective, seconds, or that otherwise fail to meet the quality requirements described in this Agreement.

8.2 Product Sample Testing. Goodyear, at its reasonable discretion, may require Licensee to submit ***. Any testing laboratory engaged by Licensors for the purposes set forth herein shall be required to enter into a confidentiality agreement with Licensee protecting the confidential and proprietary information of Licensee prior to engaging in any testing activities.

8.3 Review of Marketing Materials Incorporating Licensed Marks. Goodyear may request Licensee to provide samples of all packaging, promotional materials, and advertisements associated with the Licensee-Made Licensed Products and containing any Licensed Mark and any other information or materials containing, displaying, or used in conjunction with the Licensed Marks for Goodyear 's inspection and approval. Such inspection shall be restricted solely to the use of the Licensed Marks.

8.4 [Intentionally Omitted]

8.5 Quality Maintenance/Inspection of Facilities. During the Term of this Agreement, to ensure that the quality of Licensee-Made Licensed Products is being maintained in accordance with this Agreement, Licensors or their authorized representatives shall have the right to enter and inspect the facilities of Licensee or its Affiliates during reasonable hours on three Business Days' notice.

8.6 Substandard Quality.

(a) If the quality of any particular Licensee-Made Licensed Product falls below the requisite quality level set forth in Section 8.1, Licensee shall, upon written notice from Goodyear, have 60 days to either (i) return the quality level of such Licensee-Made Licensed Product to the requisite quality level or (ii) provide Goodyear with a plan reasonably acceptable to Goodyear to return the quality level of such Licensee-Made Licensed Product to the requisite quality level. If Licensee fails to do either (i) or (ii) within the 60 day period, then Licensee shall immediately discontinue the production, sale, distribution and marketing of such Licensee-Made Licensed Product until such time the Licensee-Made Licensed Product is brought up to the quality standards described in Section 8.1.

(b) Without limiting the requirements of Section 8.6(a), a particular Licensee-Made Licensed Product will be deemed to have fallen below the requisite quality level set forth in Section 8.1 if returns of such Licensee-Made Licensed Product due to substandard quality exceed *** of Licensee's Net Sales of such Licensee-Made Licensed Product in any Contract Period (the "Return Rate"). Licensee shall promptly notify Goodyear in writing if returns of any Licensee-Made Licensed Product exceed the Return Rate.

8.7 Disposal of Substandard Products. Licensee shall destroy, and upon Goodyear 's written request certify such destruction in writing, all substandard Licensee-Made Licensed Products that do not meet the quality levels described in this Article 8. Notwithstanding the foregoing sentence, with the prior written consent of Goodyear, Licensee instead may dispose of the substandard Licensee-Made Licensed Products at its own discretion as long as no use of or reference to the Licensed Marks is made in connection with such products. In such event, prior to disposal, Licensee must completely remove all labels, tags and marks that would identify any Licensor or any of the Licensed Marks from the substandard products to be disposed of.

8.8 Customer and Consumer Inquiries. Licensee shall, at its sole cost, establish and maintain procedures satisfactory to Goodyear for the handling of all customer and consumer complaints about quality or product warranty issues, relating to any of the Licensee-Made Licensed Products (collectively "Customer Inquiries"). Licensors may forward to Licensee for handling any and all Customer Inquiries that they receive relating to the Licensee-Made Licensed Products. Licensee shall submit to Goodyear a written quarterly report summarizing all Customer Inquiries and the manner in which they were handled.

8.9 Recalls. Licensee is solely responsible for ensuring Licensee-Made Licensed Products comply with all applicable standards of any Governmental Authority, including all costs and recall activities associated with Licensee-Made Licensed Products that do not conform to Governmental standards. In addition, Licensee shall notify Goodyear in writing immediately upon determining, or becoming aware of any Governmental Authority claiming, that any Licensee-Made Licensed Products fail to comply with any Law.

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ARTICLE 9.

USE OF OTHER MARKS WITH THE LICENSED MARKS

9.1 Use of Other Marks. Licensee may add the words “Made by Titan” to all molds bearing any of the Licensed Marks. Except for use of “Made by Titan” and the use of “Titan” as part of Licensee’s corporate name in conjunction with the sale of Licensed Products or as otherwise provided in this Agreement, Licensee shall not use any trademark, service mark, trade name, logo, symbol or device in combination with the Licensed Marks without the prior written consent of Goodyear, which consent may be withheld in Goodyear’s sole discretion, for any or no reason. Licensee shall not attempt to obtain or register the copyright or trademark in any artwork which contains or is derived from any of the Licensed Marks without the prior written consent of Goodyear (on behalf of the relevant Licensor), which consent may be withheld, in its sole discretion, for any or no reason. At Goodyear’s request, Licensee shall remove from any Licensed Product or associated materials bearing the Licensed Marks and under Licensee ‘s control or access, any element which Goodyear believes will harm, dilute or otherwise weaken the Licensed Marks or such Licensor ‘s reputation. Licensee shall not be required to remove any marks, or alter any Licensed Products or associated materials if such goods or materials have previously been consented to by Licensors, unless such Licensed Product or associated materials must be changed pursuant to any Law. Nothing herein is intended to prevent Licensee from complying with applicable Laws.

ARTICLE 10.

INDEMNIFICATION

10.1 Indemnification of Licensors. Except as specifically provided in Section 10.2, Licensors assume no liability to Licensee or any third parties with respect to Licensee-Made Licensed Products, whether or not bearing a Licensed Mark. Licensee agrees to hold harmless, defend and indemnify Licensors and their respective Affiliates, officers, shareholders, employees and agents against third party claims, liabilities, demands, judgments or causes of action, and costs and expenses related thereto (including, but not limited to, reasonable attorneys’ fees and costs), arising out of the manufacture, distribution, advertising, use, sale or marketing of the Licensee-Made Licensed Products, whether or not bearing a Licensed Mark, or the use of the Licensed Marks, by Licensee, provided that (a) prompt written notice is given to Licensee of any suit or claim of infringement, (b) Licensee shall have the option and right to undertake and conduct the defense of any such suits or claims brought against Licensor, and (c) no settlement of any suit or claim brought by a third-party with respect to Licensee’s use of the LicenseeMade Licensed Products is made or entered into without the prior express written consent of Licensee, which consent shall not be unreasonably withheld.

10.2 Indemnification of Licensee. Goodyear agrees to hold harmless, defend and indemnify Licensee, its affiliates, officers, shareholders, employees and agents against third party claims, liabilities, demands, judgments, or causes of action and costs and expenses related thereto (including but not limited to reasonable attorneys' fees and costs) arising out of any third-party claim alleging trademark, trade dress or copyright infringement, or unfair competition, related to Licensee 's use of the Licensed Marks (except for the Unregistered Marks) as expressly authorized by this Agreement. This indemnification shall not apply to actions arising out of the unauthorized use of Licensed Marks, including the use of the Licensed Marks in territories that are not Licensed Territories for the products on which they are used or the application of the Licensed Marks to Licensed Products intended for sale within the Licensed Territory where application of the Licensed Marks is performed outside of the Licensed Territory.

ARTICLE 11.

TERMINATION AND EXPIRATION

11.1 Licensors' Right of Termination.

(a) Unless otherwise provided herein, Goodyear, on behalf of the Licensors, shall have the right to terminate this Agreement if Licensee materially breaches this Agreement and Licensee fails to cure such breach or to adopt a plan reasonably designed to cure such breach within 60 days after receipt of written notice of such breach from Goodyear. Material breach includes, without limitation, any of the following:

(i) Licensee breaches any provision in Article 8 (Quality Control) or Article 9 (Use of Other Marks with Licensed Mark);

(ii) any Licensed Product is recalled for any reason and Licensee fails or refuses to correct the condition or defect which caused the recall;

(iii) except under federal bankruptcy laws, Licensee files a petition in bankruptcy, is adjudicated as bankrupt or insolvent, makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy law, or a receiver is appointed for Licensee's business;

(iv) Licensee breaches its confidentiality obligations in Article 13;

(v) Licensee sells Licensed Products outside the Licensed Territory except as allowed in Section 2.13, Section 2.16, or otherwise by this Agreement or the Purchase Agreement, the Farm Tire Supply Agreement (Colombia), or the Related Agreements; or

(vi) Licensee ceases or threatens to cease to carry on all or any material part of its business or the Business.

(b) Goodyear, on behalf of the Licensors, may also terminate this Agreement immediately upon notice to Licensee if Licensee undergoes a Change of Control; provided, however, that

(i) Licensee shall notify Goodyear in writing (A) promptly after it becomes aware of any Change of Control described in Clause (1) of the definition of Change of Control hereunder or (B) not less than 60 days prior to the proposed closing date with respect to any proposed Change of Control other than a Change of Control described in such Clause (1) of the definition; and

(ii) if Licensee provides the notice referred to in Clause (i) of this Section 11.1(b), Goodyear may exercise the termination right provided in this Section 11.1(b) within 30 days after its receipt of such notice.

(iii) Notwithstanding anything to the contrary in this Agreement, if Licensee undergoes a Change of Control by a Person who is not a competitor of Goodyear or its Affiliates, then Goodyear on behalf of the Licensors may exercise its termination rights under Section 11.1(b) only if Goodyear also terminates all other Related Agreements.

11.2 Licensee's Right of Termination. Licensee shall have the right to terminate this Agreement if Licensors materially breach this Agreement and fail to cure such breach, or to adopt a plan reasonably designed to cure such breach within 60 days after receipt of such notice. Material breach includes, without limitation, the following:

(a) Except under federal bankruptcy laws, Goodyear files a petition in bankruptcy, is adjudicated as bankrupt or insolvent, makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy law, discontinues all or a significant portion of its business, or its business is appointed a receiver, or

(b) Either Licensor materially breaches any of the conditions or provisions of this Agreement.

11.3 Duties Upon Termination.

(a) Termination of this Agreement shall be without prejudice to any rights that the terminating Party may otherwise have against the other Parties. Upon termination of this Agreement by Goodyear, on behalf of Licensors, pursuant to Section 11.1(a), Licensee shall immediately discontinue the use of the Licensed Marks.

(b) Upon termination of this Agreement by Goodyear, on behalf of Licensors, pursuant to Section 11.1(b) or by Licensee pursuant to Section 11.2, Licensee shall do the following:

(i) No later than six months after such termination (the "Initial Transition Period"), Licensee shall remove and change signage, retool molds (provided that such retooled molds shall not infringe any of Licensors' intellectual property), change and substitute promotional or advertising material in whatever medium, change stationery and packaging and take all such other steps as may be required or appropriate to cease use of the Licensed Marks, and

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(ii) No later than 18 months after such termination, Licensee shall sell-off its inventory of Licensed Products manufactured before the end of the Initial Transition Period; provided, however, if a termination pursuant to Section 11.1(b) occurs due to a Change of Control to a Competitor of Goodyear or its Affiliates, no later than 12 months after such termination, Licensee shall sell-off its inventory of Licensed Products manufactured before the effective date of termination. During such sell-off period, Licensee shall be entitled to use the Licensed Marks as authorized by this Agreement in connection with the promotion, marketing, advertising, packaging, distribution and sale of Licensed Products. Licensee may not sell molds, plates, dies or the like bearing Licensed Marks to a third party absent the express written consent of Licensor. During the sell-off period, Licensee shall pay Earned Royalties on its sales of Licensed Products.

(c) Upon termination of this Agreement by Goodyear, on behalf of Licensors, pursuant to Section 11.1(b), Licensee shall be entitled to a refund within 60 days of the Discontinuation Date of that portion of the Pre-Paid Royalty (including, without limitation, any Pre-Paid Royalty allocated to any royalties due under the Technology Agreement) determined by multiplying the Pre-Paid Royalty by a fraction, the numerator of which is the number of calendar days remaining in the Initial Term following the Discontinuation Date and the denominator of which is the number of calendar days in the Initial Term.

For purposes of this Section 11.3(c), the Discontinuation Date shall mean that date (i) after the termination of this Agreement by Goodyear, on behalf of Licensors, under Section 11.1(b), and (ii) after which Licensee discontinues all use of the Licensed Marks including, without limitation, any use permitted under Article 11. Any payment made under this Section 11.3(c) shall be in U.S. currency and shall be remitted by wire transfer of immediately available funds into such account as is designated by Licensee.

11.4 Duties Upon Expiration; Sell-off. Effective on the expiration date of this Agreement, Licensee shall discontinue all use of the Licensed Marks; provided, however, Licensee shall have one (1) year within which to dispose of any existing inventory of the Licensed Products. Thereafter, Licensee shall promptly discontinue the sale or distribution of the Licensed Products using the Licensed Marks and shall remove the Licensed Marks (if practical) from the Licensed Products. If it is not practical to remove the Licensed Marks from the Licensed Products, Licensee shall, at Goodyear's direction, ship to Goodyear or destroy, with written confirmation to Goodyear, all Licensee's inventory of Licensed Products existing on the expiration date of this Agreement.

11.5 Retooling of Molds and Other Materials Upon Expiration or Termination. Following the termination or expiration of this Agreement, Licensee shall, at Licensee's discretion, retool all molds containing the Licensed Marks, to fully remove the Licensed Marks from the molds, or ship to Goodyear all such molds. Further, Licensee shall remove the Licensed Marks from all goods in progress, designs, plates, dies, screens, and

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advertising/promotional materials, within 180 days after termination or expiration of this Agreement. An officer of Licensee shall certify such removal, destruction or shipment in writing to Goodyear.

11.6 Commercialization by Licensee. During the Term of this Agreement, Licensee shall diligently distribute, promote, and sell the Licensed Products, and Licensee will make and maintain adequate arrangements for the distribution of the Licensed Products throughout the entire Licensed Territory. Any determination that Licensee has failed to diligently manufacture, distribute, promote, or sell any single Licensed Product in any country within the Licensed Territory at any given time during the Term shall permit Licensors to terminate the license granted under this Agreement with respect to that Licensed Product and/or Licensed Territory.

ARTICLE 12.

INJUNCTIVE AND OTHER EQUITABLE RELIEF

12.1 Injunctive Relief. It is expressly agreed that Licensors would suffer irreparable harm from a breach by Licensee of any of its covenants contained in this Agreement, and that remedies other than injunctive relief cannot fully compensate or adequately protect Licensors for or from such a violation. Therefore, without limiting the right of Licensors to pursue all other legal and equitable remedies available for violation of this Agreement, in the event of actual or threatened breach by Licensee of any of the provisions of this Agreement, Licensee agrees that Licensors shall be entitled to injunctive or other relief in order to enforce this Agreement or prevent any violation or continuing violation thereof without necessity of posting bond or other security, any requirements therefore being expressly waived by Licensee. Licensee agrees not to raise the defense of an adequate remedy at law in any such proceeding. Licensee acknowledges and agrees that the provisions of this Section are reasonably necessary and commensurate with the need to protect Licensors against irreparable harm and to protect their legitimate and proprietary business interests and property.

ARTICLE 13.

CONFIDENTIALITY

13.1 Confidential Information.

(a) During the term of this Agreement and for a period of seven years following the expiration or termination of this Agreement, the Parties agree not to disclose to others the subject matter of this Agreement (except to Licensee's lenders or as required by the rules and regulations of the Securities and Exchange Commission) or any Confidential Information of the other Party without the prior written consent of the other Party.

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(b) Each of the Parties shall exercise care to prevent the disclosure of Confidential Information to any third party, using the same standard of care which it employs with its own confidential information of similar character. The Parties also shall limit internal dissemination of Confidential Information within their own organization in strict conformity with each Party's established internal policies and procedures regarding the protection of confidential information. Each Party further agrees that it shall be liable to the other Party for unauthorized disclosures or use of Confidential Information of the other Party by any of its employees; provided, however, that the Parties shall not be liable to one another for disclosures or use of Confidential Information of the other Party by any employee of a Party who makes such disclosure or engages in such use more than ten years after the termination of the employee's employment with such Party.

13.2 Compelled Disclosures. If a Party believes that it is legally required to disclose any Confidential Information, that Party (the "Initial Party") will promptly notify the other Party. Unless the other Party within 10 days of receipt of that notice gives notice to the Initial Party that the other Party intends to seek a protective order or act in some other way to prevent disclosure of the information in question, the Initial Party may disclose the information without a violation of this Agreement. After giving the notice referred to in the preceding sentence, the other Party must act promptly to contest the obligation of disclosure, notify the Initial Party of its actions and give the Initial Party notice if it does not successfully contest the obligation of disclosure in time to permit the Initial Party to disclose the information without violation of Law or contempt of any Governmental Authority. If compelled to disclose any Confidential Information, the Initial Party will disclose only such Confidential Information as to which disclosure is required and will use all commercially reasonable efforts to ensure that the Confidential Information required to be disclosed is accorded confidential treatment by the person, entity or Governmental Authority to whom or to which such Confidential Information is disclosed.

13.3 Rights to Documents. Each Party acknowledges that all documents and digital materials setting forth any Confidential Information of the other Party will be and remain the property of the other Party.

13.4 Public Announcements. Subject to the terms of, and in addition to the requirements imposed by, the Confidentiality Agreement, the Parties shall:

(a) consult with each other prior to issuing any other press release or any written public statement with respect to this Agreement or any of the Related Agreements or the contemplated transactions; and

(b) not issue any such press release or written public statement prior to review and approval by the other Party; provided, however, that prior review and approval shall not be required if (i) in the reasonable judgment of the Party seeking to issue such release or public statement, prior review and approval would prevent the timely dissemination of such release or announcement in violation of any applicable Law or any rule, regulation or policy of any securities exchange on which the securities of such Party are traded, and (ii) the Party seeking to issue such press release or public statement provides notice of the content and proposed timing thereof to the other Party, as promptly as practicable.

ARTICLE 14.

WARRANTIES

14.1 Licensors' Warranty.

(a) Each Licensor respectively represents and warrants, severally and not jointly, that it has the full right, power, and authority to enter into and perform this Agreement, that it is not a Party to any agreement or understanding which would conflict with this Agreement, and that it owns, controls, or has previously been granted the necessary rights in and to the Licensed Marks (other than the Unregistered Marks) which enable such Licensor to grant to Licensee the rights granted herein. Each Licensor respectively further represents and warrants, severally and not jointly, that it is in, and shall remain within, compliance with all applicable Laws required for performance of its obligations under this Agreement. Except for the Licensed Marks identified in Exhibit G, each Licensor further represents that, as of the Effective Date, it is not aware of any infringements of its Licensed Marks in the Licensed Territory, and that, to the best of its knowledge, information and belief, the Licensed Marks are noninfringing.

(b) Except as otherwise set forth in this Agreement, each Licensor:

(i) makes no other representation or warranty, express or implied;

(ii) assumes no liability with respect to any infringement of any patent or other right of third parties resulting from Licensee's activities under the license granted hereby; and

(iii) assumes no liability with regard to any claim, specious or otherwise, arising out of alleged side effects or any other alleged performance defect arising out of the use or misuse of the Licensed Products.

14.2 Licensee's Warranty.

(a) Licensee represents and warrants that it has the full right, power, and authority to enter into and perform this Agreement and that it is not a party to any agreement or understanding that prevents it or restrains its ability to comply with its obligations under this Agreement.

(b) Licensee represents and warrants that, with respect to any improvements or modifications to Licensed Products after the Effective Date, prior to using the Licensed Marks on such improved or modified Licensed Products, it will own or have acquired all intellectual property rights that, to its knowledge, it requires to manufacture, promote, market, distribute, and/or sell to manufacture, promote, market, distribute, and/or sell such improved or modified

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(c) Licensee represents and warrants that it is in, and shall remain within, compliance with all applicable Laws required for its conduct of the Business and its performance of its obligations under this Agreement. Before accruing any rights to use the Licensed Marks, all of Licensee's sublicensees, Affiliates and (to the extent applicable) the Licensee Permitted Users and the Licensee Permitted Manufacturers shall be required to make (in writing) to the Licensee for the benefit of Licensors the same representations and warranties set forth in this Section 14.2(c) as the Licensee.

(d) Except as otherwise set forth in this Agreement, none of Licensee, its sublicensees, Affiliates, or the Licensed Permitted Users:

(i) makes any other representation or warranty, express or implied, or

(ii) assumes any liability with respect to any infringement of any patent or other right of third parties resulting from Licensors' activities under the license granted hereby.

ARTICLE 15.

GOVERNING LAW; JURISDICTION; DISPUTES

15.1 Governing Law. This Agreement will be governed and construed in accordance with the substantive Laws of the State of New York, except for any Laws of that state that would require the application of the substantive Laws of a different jurisdiction.

15.2 Jurisdiction. To the extent subject matter jurisdiction exists, Licensee and Goodyear agree that any action arising out of or relating to this Agreement shall be brought in any United States District Court having jurisdiction over the Parties. Each Party irrevocably consents to the jurisdiction and venue of such courts (and of the appropriate appellate courts thereof) in any such action, claim or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such action, suit or proceeding in any such court or that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such action, suit or proceeding may be served on any Party anywhere in the world, whether within or without the jurisdiction of any such court.

15.3 Requirement for Mutual Consultation. Subject to Section 12.1, in the event of a dispute between or among the Parties arising out of or in connection with this Agreement, the Parties will make every effort to resolve, promptly and in good faith, such dispute. If the dispute cannot be resolved, either Party may notify the other of the existence of a possible deadlock by sending a letter signed by management responsible for the operation of this Agreement to management of the other Party. Within 15 Business Days after receipt of that notice, management of the Parties shall arrange to meet at a mutually agreeable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If responsible management have not been successful in resolving the dispute within 90 days from the date

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either Party may initiate an action or take such other action as is permitted under this Agreement in accordance with the time periods set out elsewhere in this Agreement, or, in each case, under any of the Related Agreements. Except as otherwise set forth herein or therein, each Party shall be responsible for its own legal fees and expenses.

15.4 Extraordinary Remedies. Notwithstanding the requirement for mutual consultation, (a) either Party may at any time initiate an action to prevent the disclosure of its Confidential Information; and (b) either Party may initiate an action in respect of any of the equitable remedies to which it is entitled.

15.5 Legal Fees and Expense. Each Party shall be responsible for its own legal fees and expenses.

ARTICLE 16.

FORCE MAJEURE

16.1 Force Majeure Events. Neither Licensee nor Licensors will be liable to the other for any delay in the performance of, or failure to perform, any action required under this Agreement, whether in whole or in part, to the extent that such delay or failure is caused by any of the following causes: war; acts of terrorism; strike, work stoppage, lockout or other labor disturbance; fire; severe weather; extraordinary natural occurrence; earthquake; extraordinary governmental action (whether or not valid) or similarly extraordinary occurrences, whether foreseeable or unforeseeable (collectively, "Force Majeure").

16.2 Duty of Affected Party. The affected Party will use its best efforts to (a) eliminate the effects of the Force Majeure as soon as possible and resume full performance hereunder and (b) perform to the fullest extent possible prior to the elimination of such effects.

16.3 Force Majeure Delay Exceeding 60 Days. If either Party's performance under this Agreement should be prevented, delayed or impaired, whether in whole or in part, by reason of Force Majeure for a period of 60 days or more, then the other Party, by written notice to the Party affected by the Force Majeure event, may elect to do any one or more of the following: (a) suspend this Agreement, either in whole or in part, until the affected Party is able to resume full performance; or (b) terminate this Agreement by notice to the affected Party, but such right of termination, if not exercised, shall expire immediately upon the discontinuance of the event of Force Majeure.

ARTICLE 17.

NOTICES

17.1 Notices. Notices, demands and other communications which may or are required to be given or made by either Party to the other in connection with this Agreement shall be in writing (including fax or other similar writing) and shall be deemed to have been duly given or made: (a) if sent by registered or certified mail, three days after the posting

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thereof with first class postage attached; (b) if sent by hand or overnight delivery, upon the delivery thereof; and (c) if sent by fax, upon confirmation of receipt of such telex or fax, in each case addressed to the respective Parties as follows:

if to Goodyear:

The Goodyear Tire & Rubber Company
1144 East Market Street
Akron, Ohio 44316-0001
Attn: Corporate Secretary
Fax No.: 330-796-7861

in each case with a copy to (which copy shall not constitute notice):

Associate General Counsel Intellectual Property
The Goodyear Tire & Rubber Company
1144 East Market Street
Akron, Ohio 44316-0001
Fax No.: 330-796-7861

and

Squire, Sanders & Dempsey L.L.P.
4900 Key Center
127 Public Square
Cleveland, Ohio 44114-1291
Attn: Carolyn J. Buller
Cipriano S. Beredo
Fax No.: 216-479-8780

if to Licensee:

Maurice M. Taylor, Jr. Titan International, Inc.
2701 Spruce Street
Quincy, IL 62301
Fax: (217) 228-3166

in each case with a copy to (which copy shall not constitute notice):

Cheri T. Holley
General Counsel
Titan International, Inc.
2701 Spruce Street
Quincy, IL 62301
Fax: (217) 228-3040

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with a second copy to:

Robert J. Diehl, Jr.
Bodman LLP
6th Floor at Ford Field
1901 St. Antoine Street
Detroit, MI 48226
Fax: (313) 393-7579

or to such other address and to the intention of such other Persons as may be designated from time to time by such other Party hereto by notice given in the manner provided in this section.

ARTICLE 18.

MISCELLANEOUS

18.1 Interpretation. In interpreting this Agreement, the following principles will apply:

(a) All references to persons or entities in this Agreement include individuals and all legal entities, including but not limited to corporations, companies, partnerships, unincorporated associations, estates, trusts, unincorporated organizations, and governmental or quasi-governmental authorities or bodies.

(b) All words that are singular include the plural, and a word in any one gender includes the other genders, as the context may require.

(c) The headings and captions that appear in this Agreement have been inserted for the convenience of the reader and do not limit or in any other way affect the meaning of its terms and conditions.

18.2 Entire Agreement. This Agreement, together with the Purchase Agreement, the Related Agreements, and the documents and instruments referred to herein, contains the entire agreement made by the Parties with respect to the subject matter, superseding any and all prior or contemporaneous representations, warranties and agreements, whether oral or written.

18.3 Amendment. This Agreement may be amended or varied only by a written instrument signed by duly authorized representatives of both Parties.

18.4 Parties in Interest; Assignment. This Agreement will be binding upon, and inure to the benefit of, the Parties and their permitted successors and assigns, and nothing herein is intended to or shall confer any right, benefit or remedy on any other person or entity, except for the Affiliates of Goodyear and Licensee, which are intended beneficiaries of, and shall be entitled to enforce, this Agreement and the persons and entities entitled to indemnification hereunder, which are intended beneficiaries of, and shall be entitled in enforce, the indemnity obligations set forth herein. Licensee may not assign its rights under this Agreement or delegate performance hereunder to another person or entity without the written consent of Goodyear; provided, however, that Goodyear will be deemed to have given its consent to an assignment in connection with Licensee's Change of Control if Goodyear fails to exercise its termination right provided in Section 11.1(b).

18.5 No Partnership. Nothing contained in this Agreement will be deemed or construed by the Parties, or by any other person or entity, to create the relationship of principal and agent, or of partnership, strategic alliance, fiduciary or joint venture.

18.6 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

18.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any rule of law or public policy, all other conditions and provisions of this Agreement shall remain in full force and effect, so long as the economic and legal substance of the transactions contemplated are not affected in a manner materially adverse to either Party. Upon any determination that any such term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated be consummated as originally contemplated to the fullest extent possible.

18.8 Action to be Taken by Affiliates. The Parties shall cause their respective Affiliates to comply with all the obligations that may be specified in this Agreement to be performed by such Affiliates.

18.9 Limitation on Certain Remedies. In no event will any Party hereto be responsible to any other Party for any indirect, consequential, special, punitive, exemplary or other similar losses for any reason.

18.10 Survival. Unless otherwise expressly provided herein, all of the Parties' representations, warranties, and covenants set forth in this Agreement shall survive for the Term. Notwithstanding the foregoing,

(a) indemnification in Article 10 shall survive the expiration or termination of this Agreement until the end of the statute of limitations period applicable to the indemnified claim;
(b) the sell-off period in Section 11.3 shall survive six months from the expiration or termination of this Agreement;
(c) retooling of molds in Section 11.5 shall survive 180 days from the expiration or termination of this Agreement; and
(d) confidentiality provisions of Article 13 shall survive ten years from the expiration or termination of this Agreement.

Upon expiration of such periods, neither Party shall have any further right to indemnification relating to such representations, warranties, and covenants, provided, however, that to the extent that written notice specifically setting forth a claim for indemnification is provided with respect to an indemnifiable matter prior to the date that the representation or warranty claimed to have been breached would have expired, then such claim shall survive until its resolution.

[Remainder of page intentionally left blank. Signature page to follow.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first above written.

LICENSORS:

THE GOODYEAR TIRE & RUBBER COMPANY

By: /s/ Laura Thompson
(Signature)
Name: Laura Thompson
(Print)
Title: Vice President of Finance

Date: April 1, 2011

ATTEST:

/s/ Anthony E. Miller
Assistant Secretary

LICENSEE:

TITAN INTERNATIONAL, INC.

By: /s/ Maurice Taylor
(Signature)
Name: Maurice Taylor
(Print)
Title: Chairman/CEO

Date: April 1, 2011

GOODYEAR CANADA INC.

By: /s/ Douglas S. Hamilton
(Signature)
Name: Douglas S. Hamilton
(Print)
Title: President

Date: April 1, 2011

By: /s/ Caroline A. Pajot
(Signature)
Name: Caroline A. Pajot
(Print)
Title: Comptroller

Date: April 1, 2011

[Signature Page to Trademark License Agreement (Americas-Goodyear Brand)]

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

Attachments:

Exhibit A-1: Goodyear Licensed Marks

Exhibit A-2: Goodyear Canada Licensed Marks

Exhibit A-3: Unregistered Marks

Exhibit B: Locations of the Business

Exhibit C:Farm Tires [Copies of Schedules A and B from Purchase Agreement]

Exhibit D:Deductions to Reach Net Sales

Exhibit E: Description of ANLAS Anadolu Lastik San ve Tic AS and Alliance Tire Company Authorizations

Exhibit F: Sales Report Format

Exhibit G: Marks subject to opposition proceedings

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

Exhibit A-1

Americas - GOODYEAR Brand
Owner: The Goodyear Tire & Rubber Company

Licensed Marks

***

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

Exhibit A-2

Americas - GOODYEAR Brand
Owner: Goodyear Canada, Inc.

<u>Licensed Marks</u>

***

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

Exhibit A-3

Americas - GOODYEAR Brand
Unregistered Marks

***

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

Exhibit B (Americas)

Locations of the Business

***

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

Exhibit C

Schedule A to Purchase Agreementt

Tires Omitted from Sale

***

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

EXHIBIT D
DEDUCTIONS TO REACH NET SALES

***

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

EXHIBIT E

DESCRIPTION OF ANLAS ANADOLU LASTIK SAN ve TIC AS and
ALLIANCE TIRE COMPANY AUTHORIZATIONS

***

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

EXHIBIT F
SALES AND ROYALTY REPORT FORM

***

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934.   Such portions are marked by a series of asterisks.

Exhibit G

Americas - GOODYEAR Brand

***

Portions of this exhibit were omitted and filed separately with the Secretary of the Commission pursuant to an application for confidential treatment filed with the Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by a series of asterisks.

Exhibit 31.1

CERTIFICATION

I, Maurice M. Taylor Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Titan International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2015

By: /s/ MAURICE M. TAYLOR JR.

Maurice M. Taylor Jr.
Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, John Hrudicka, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Titan International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2015

By: /s/ JOHN HRUDICKA
John Hrudicka
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

CERTIFICATION

In connection with the Quarterly Report of Titan International, Inc. on Form 10-Q for the period ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies that, to the best of their knowledge, this Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in this report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

TITAN INTERNATIONAL, INC.
(Registrant)

Date: April 30, 2015

By: /s/ MAURICE M. TAYLOR JR.
Maurice M. Taylor Jr.
Chairman and Chief Executive Officer
(Principal Executive Officer)

By: /s/ JOHN HRUDICKA
John Hrudicka
Chief Financial Officer
(Principal Financial Officer)