

## **Titan International Proposing All-Share Offer For Titan Europe Plc**

QUINCY, Ill.— Titan International, Inc. (NYSE: TWI) (“Titan Inc.”) announced on July 18, 2012 that it has approached the Board of Titan Europe PLC (“Titan Europe”) which may or may not lead to an offer being made for the whole of the issued share capital of Titan Europe. There can be no certainty that a formal offer will be made for Titan Europe or the terms on which such an offer may be made. As a result of certain of the Directors of Titan Europe being directors of Titan Inc. an Independent Committee of the Board of Titan Europe has been formed for the purposes of considering any possible offer.

Titan Inc. is proposing an indicative all-share offer for Titan Europe of one Titan Inc. common share per 11 Titan Europe ordinary shares subject to certain conditions. Included with this press release is the amended 2.4 announcement submitted to the London Stock Exchange.

Titan International, Inc., a holding company, owns subsidiaries that supply wheels, tires and assemblies for off-highway equipment used in agricultural, earthmoving/construction and consumer (including all terrain vehicles) applications. For more information, visit [www.titan-intl.com](http://www.titan-intl.com).

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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE.

For immediate release

Titan International, Inc. (“Titan International”)

Amended 2.4 announcement regarding the recent approach by Titan International to Titan Europe Plc (“Titan Europe”)

The Board of Titan Europe announced on 17th July 2012 that it was in talks with Titan International, which may or may not lead to an offer being made for the whole of the issued and to be issued share capital of Titan Europe. That announcement placed Titan Europe in an offer period under the provisions of the Code (the “Offer Period”).

As a result of certain of the directors of Titan Europe being directors of Titan International, an independent committee of the board of Titan Europe (the “Independent Directors”) has been formed for the purposes of considering any possible offer.

### **PROPOSED INDICATIVE OFFER FOR TITAN EUROPE**

Titan International is proposing an indicative all-share offer for Titan Europe of one Titan International common share per 11 Titan Europe ordinary shares (“Indicative Offer”). The proposed Indicative Offer would be subject to certain conditions including, inter alia, valid acceptances being received (and not, where permitted, withdrawn) in respect of such number of Titan Europe ordinary shares that Titan International and/or any of its wholly-owned subsidiaries shall have acquired or

agreed to acquire, whether pursuant to the proposed offer or otherwise, Titan Europe Shares representing not less than 51 per cent. (or such lower percentage as Titan International may decide) in nominal value of the issued Titan Europe Shares and not less than 51 per cent. (or such lower percentage as Titan International may decide) of the voting rights carried by the issued Titan Europe shares, provided that this condition shall not be satisfied unless Titan International and/or any of its wholly-owned subsidiaries shall have acquired or agreed to acquire, whether pursuant to the proposed offer or otherwise, Titan Europe Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at general meetings of Titan Europe.

The announcement of a formal offer under Rule 2.7 of the Code will be pre-conditional upon, inter alia, satisfactory mutual due diligence and a change of control consent being obtained from Titan Europe's lending banks. The parties reserve the right to waive such conditions.

The proposed Indicative Offer would value each Titan Europe share at approximately 123.9 pence per share and the entire issued and to be issued share capital of Titan Europe at approximately £115.2 million (based upon the closing price of US\$21.17 per Titan International common share on 25 July 2012 (being the last practicable day before the date of this announcement) and an exchange rate of US\$1.5527/£1), a premium of 11.7% over the closing share price of Titan Europe on 25 July 2012 (being the last practicable day before the date of this announcement) and a premium of approximately 9.7% over the closing price of Titan Europe on 16th July 2012, the last day before the commencement of the Offer Period.

## BACKGROUND TO AND REASONS FOR THE PROPOSED INDICATIVE OFFER

Titan International believes that there is compelling logic in the acquisition of Titan Europe as it will establish a truly global wheel, tyre and track industrial group servicing customers across the agricultural, construction, earthmoving and mining industries. Titan Europe is well known to Titan International, having been spun-off by Titan International onto AIM in April 2004. Titan International retained a substantial holding in Titan Europe's share capital and, as at the date of this announcement, Titan Luxembourg S.a.r.l., a wholly-owned subsidiary of Titan International, holds 18,993,821 Titan Europe Shares, representing approximately 21.67 per cent. of Titan Europe's issued share capital. The Titan International Board now believes that Titan Europe would once more benefit from being part of a larger group with a strong balance sheet which could achieve greater revenue growth and increased profitability than on a standalone basis. That does not mean, however, that the earnings from Titan Europe Shares will be greater than those for the preceding financial period.

Titan International considers Titan Europe to have a strong presence in its chosen markets with a complementary product offering, customer base and strong manufacturing capabilities that fit well with Titan International's stated aim of increasing its global presence to service its customers better. In particular, the Titan International Board believes the acquisition of Titan Europe presents opportunities for Titan International's tyre business in South America and Europe, and will cement the existing co-operation between Titan International Mining Services, established in 2011 to offer complete tyre, wheel and track services near large mines worldwide, and Titan Europe's own Mining Service Centres expertise.

The Titan International Board is also mindful that a number of the markets and industries in Europe in which Titan Europe operates are experiencing economic uncertainty which is likely to continue and which has the potential to impact those markets and industries. Furthermore, the Titan International Board believes that further consolidation will occur in the industries in which Titan International and Titan Europe both operate which will bring both challenges, as well as

opportunities, and therefore believes that Titan Europe, as part of the enlarged Titan International Group, will be better placed to respond to these market changes.

Titan International expects that the acquisition of Titan Europe will be accretive to earnings per share and provide opportunities to drive further revenue growth and margin improvement. That does not mean, however, that the earnings from Titan International common shares will be greater than those for the preceding financial period.

Furthermore, by providing Titan Europe shareholders with the ability to retain an ongoing interest in Titan Europe through a shareholding in the enlarged Titan International Group, Titan International believes Titan Europe shareholders can both participate in the future success of the enlarged Group, as well as benefit from the enhanced liquidity offered by Titan International's publicly traded stock on the New York Stock Exchange.

## TAKEOVER CODE

As a consequence of the announcement of 17th July 2012, and in accordance with Rule 2.6(a) of the Code, Titan International must, by no later than 5.00 p.m. on 14th August 2012, being the 28th day following the commencement of the Offer Period, either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

This announcement does not amount to a firm offer announcement and, accordingly, there can be no certainty that a formal offer will be made for Titan Europe (even if the pre-conditions are satisfied or waived).

This announcement is being made with the prior agreement and approval of Titan Europe.

Titan International reserves the right to announce an offer at a different value from one Titan International common share per 11 Titan Europe ordinary shares in the event that (i) the independent directors of Titan Europe agree an offer at a different value; or (ii) a third party announces a firm intention to make an offer for Titan Europe. If (i) the issued and to be issued share capital of Titan Europe comprises a greater number of shares than 92,912,155; or (ii) Titan Europe declares or pays a dividend or other distribution to its shareholders the ratio under the Indicative Offer will be adjusted accordingly.

A further announcement will be made in due course, as appropriate.

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