

COOPER TIRE & RUBBER CO

Form 11-K

June 28, 2004

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549**

**FORM 11-K**

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2003

Commission File No. 1-4329

Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
(formerly the Thrift and Profit Sharing Plan)

**COOPER TIRE & RUBBER COMPANY**

(Exact name of registrant as specified in its charter)

DELAWARE	34-4297750
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)

Lima and Western Avenues, Findlay, Ohio 45840  
(Address of principal executive offices)  
(Zip code)

(419) 423-1321  
(Registrant's telephone number, including area code)

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
(formerly the Thrift and Profit Sharing Plan)

ITEM 1. Not applicable.

ITEM 2. Not applicable.

ITEM 3. Not applicable.

ITEM 4. FINANCIAL STATEMENTS OF THE PLAN

The Financial Statements of the Cooper Tire & Rubber Spectrum Investment Savings Plan (formerly the Thrift and Profit Sharing Plan) for the fiscal year ended December 31, 2003, together with the report of Ernst & Young LLP, independent auditors, are attached to this Annual Report on Form 11-K. The Financial Statements and the notes thereto are presented in lieu of the financial statements required by items 1, 2 and 3 of Form 11-K and were prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974.

EXHIBITS:

- (23) Consent of Independent Auditors
- (99) Certification Pursuant To 18 U.S.C. § 1350

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this Annual Report to be signed by the undersigned, thereunto duly authorized.

COOPER TIRE & RUBBER COMPANY

/s/ Philip G. Weaver  
PHILIP G. WEAVER  
Vice President and Chief Financial Officer  
Plan Administrator

Date: June 28, 2004

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FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan

December 31, 2003 and 2002 and Year ended December 31, 2003  
With Report of Independent Registered Public Accounting Firm

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
(formerly the Thrift and Profit Sharing Plan)

Financial Statements and Supplemental Schedule

December 31, 2003 and 2002 and  
Year ended December 31, 2003

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Report of Independent Registered Public Accounting Firm

Pre-Tax Savings Plan Committee  
Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan

We have audited the accompanying statements of assets available for benefits of the Cooper Tire & Rubber Company Spectrum Investment Savings Plan as of December 31, 2003 and 2002, and the related statement of changes in assets available for benefits for the year ended December 31, 2003. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan at December 31, 2003 and 2002, and the changes in its assets available for benefits for the year ended December 31, 2003, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2003 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

June 23, 2004

**Table of Contents**Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan

## Statements of Assets Available for Benefits

	<b>December 31</b>	
	<b>2003</b>	<b>2002</b>
Investments, at market at contract :		
Interest in investment trust	<b>\$251,463,637</b>	\$209,941,235
Mutual funds and common stock	<b>101,796,894</b>	79,197,435
Participant loans	<b>6,714,780</b>	6,358,523
	<hr/>	<hr/>
	<b>359,975,311</b>	295,497,193
Cash, non-interest bearing	<b>3,493,429</b>	2,042,664
Receivables:		
Employer contributions	<b>997,338</b>	1,165,459
Interest receivable	<b>28,544</b>	10,900
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Assets available for benefits	<b>\$364,494,622</b>	\$298,716,216
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*See accompanying notes.*

**Table of Contents**Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan

## Statement of Changes in Assets Available for Benefits

Year ended December 31, 2003

**Additions**Investment income (*Notes 3 and 4*):

Net appreciation in fair value of investments

\$ 57,745,003

Interest and dividends

10,086,542

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67,831,545

Contributions:

Employer

3,955,391

Participant

22,806,403

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26,761,794

Total additions

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94,593,339**Deductions**

Participant withdrawals

28,708,131

Administrative expenses

106,802

Total deductions

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28,814,933

Net increase

65,778,406

Assets available for benefits:

Beginning of year

298,716,216

End of year

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**\$364,494,622***See accompanying notes.*

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
(formerly the Thrift and Profit Sharing Plan)

Notes to Financial Statements

December 31, 2003

**1. Description of the Plan**

The following description of Cooper Tire & Rubber Company Spectrum Investment Savings Plan (formerly the Thrift and Profit Sharing Plan) (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General**

The Plan, as amended and restated effective January 1, 2002, is a defined contribution plan covering all salaried employees of the Cooper Tire & Rubber Company (the Company and Plan Administrator). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective January 1, 2002, the Plan sponsor merged the Profit-Sharing Plan of Oliver Rubber Group, the Cooper-Standard Automotive Money Purchase Pension Plan and Trust for Hourly Employees, the Cooper-Standard Automotive Individual Retirement and Investment Trust and the Siebe Automotive Employees' Profit Sharing Plan with the Cooper Tire & Rubber Company Thrift and Profit Sharing Plan (Cooper Plan) thereby creating a new plan named the Cooper Tire & Rubber Company Spectrum Investment Savings Plan. The plan merger combined all plan assets into one trust under the terms and provisions of the Cooper Plan trust agreement with National City Bank.

**Contributions**

Each year, participants may contribute up to 15% of their pretax compensation and up to 16% of their post-tax compensation. In no event shall the aggregate of a participant's contributions exceed 16%. Participants may direct their contributions to any of the Plan's investment fund options.

The Company contributions are made annually as provided in the Plan document and at the discretion of the Company's Board of Directors. All Company contributions are invested in Cooper Tire & Rubber Company common stock until they become vested, after which they are invested as directed by the participant.



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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
(formerly the Thrift and Profit Sharing Plan)

Notes to Financial Statements (continued)

**1. Description of the Plan (continued)**

**Participant Accounts**

Individual accounts are maintained for each participant in the Plan. Each participant's account is credited with the participant's contributions, allocation of the Company's contributions and Plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

**Forfeitures**

At December 31, 2003 forfeited nonvested accounts totaled \$231,721. These accounts will be used to reduce future employer contributions. Also, in 2003, employer contributions were reduced by \$326,598 from forfeited nonvested accounts.

**Vesting**

The participants are immediately vested in their contributions plus actual earnings thereon. After three years, the participants are 100% vested in the Company's contributions plus actual earnings thereon.

**Participant Loans**

Participants may borrow the lesser of 50% of the vested value of their entire account. In no event should the maximum loan exceed \$50,000. The interest rate is established based on the prime rate. Interest rates as of December 31, 2003 range from 4.00% to 4.25%. The loan repayment schedule can be no longer than 60 months. Principal and interest is paid ratably through payroll deductions.

**Participant Withdrawals**

In the event of retirement, death, termination, permanent disability or other separation from service, participants are entitled to receive an amount equal to the value of the vested interest in their accounts. Payment of benefits are taken in a lump sum distribution.

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
(formerly the Thrift and Profit Sharing Plan)

Notes to Financial Statements (continued)

**1. Description of the Plan (continued)**

In the event of hardship, as defined, participants may make a partial or full distribution of their accounts, subject to certain tax withholdings.

**Termination of the Plan**

Although it has not expressed any intent to do so, the Company has the right, under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts

**2. Summary of Accounting Policies**

**Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis of accounting. Participant withdrawals are recorded upon distribution.

**Investment Valuation and Income Recognition**

Except for the investment contracts held in the Investment Trust, the Plan's investments are stated at fair value, which equals the quoted market price on the last business day of the plan year. The shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. The participant loans are valued at their outstanding balances, which approximate fair value.

Investment contracts are recorded at their contract values, which represent contributions and reinvested income, less any withdrawals plus accrued interest, because these investments have fully benefit-responsive features. There are no reserves against contract values for credit risk of contract issues or otherwise. The average yield was approximately 6.6% in 2003. The crediting interest rate for these investment contracts is reset monthly by the issuer but cannot be less than zero and ranged from 1.4% to 1.6% at December 31, 2003.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
(formerly the Thrift and Profit Sharing Plan)

Notes to Financial Statements (continued)

**2. Summary of Accounting Policies (continued)**

**Administrative Expenses**

The Company pays the administrative expenses of the Plan, unless the expenses relate to specific investment directions of the participant.

**Use of Estimates**

The preparation of financial statements in conformity with the U.S. generally accepted accounting principles require management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**3. Investments**

During 2003, the Plan's investments (including investments purchased, sold as well as held during the year) appreciated in fair value, as determined by quoted market prices as follows:

	<b>Net Realized and Unrealized Appreciation in Fair Value of Investments</b>
Interest in Investment Trust	<b>\$36,168,629</b>
Mutual funds and common stock	<b>21,576,374</b>
	<b>\$57,745,003</b>

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
(formerly the Thrift and Profit Sharing Plan)

Notes to Financial Statements (continued)

**3. Investments (continued)**

Investments that represent 5% or more of the fair value of the Plan's assets available for benefits are as follows:

	<b>December 31</b>	
	<b>2003</b>	<b>2002</b>
American Washington Mutual Investors Fund	<b>\$40,517,418</b>	\$30,728,132
Investment Company of America Fund	<b>22,302,436</b>	15,815,148

**4. Investment Trust**

Certain investments of the Plan are held in an Investment Trust, which also combines similar investments of the other defined contribution plans sponsored by the Company. Each participating retirement plan has an undivided interest in the Investment Trust. The Plan's interest in the Investment Trust was determined by the Plan's relative asset value to the Investment Trust's total asset value at the end of the year. Investment income is allocated to the Plan based on its pro-rata share in the net assets of the Investment Trust.

At December 31, 2003 and 2002, the Plan's interest in the net assets of the Investment Trust was approximately 82.4% and 84.8%, respectively.

The following presents the fair value of investments in the Investment Trust:

	<b>December 31</b>	
	<b>2003</b>	<b>2002</b>
Investments, at fair value:		
Cooper Tire & Rubber Company common stock*	<b>\$175,065,255</b>	\$124,386,354
Investment contracts	<b>126,712,953</b>	119,169,527
Money market mutual fund	<b>3,475,630</b>	4,013,166
Total assets	<b>\$305,253,838</b>	\$247,569,047

\*Includes nonparticipant-directed shares

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Notes to Financial Statements (continued)

**4. Investment Trust (continued)**

The fair value of the investment contracts was \$133,975,826 and \$122,235,019 at December 31, 2003 and 2002, respectively.

Investment income for the Investment Trust for the year ended December 31, 2003 is as follows:

Interest and dividends	<b>\$ 9,335,190</b>
Net appreciation of fair value of investments, as determined by quoted market prices:	
Common stock	<b>52,267,178</b>
Money market mutual fund	-
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	<b>\$61,602,308</b>
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**5. Nonparticipant-Directed Investment**

Cooper Tire & Rubber Company common stock held in the Investment Trust is a nonparticipant-directed investment. Information about the significant components of changes in net assets related to the nonparticipant-directed investment for the year ended December 31, 2003 is as follows:

Contributions	<b>\$ 18,728,754</b>
Dividends	<b>3,615,880</b>
Net appreciation of fair value of investment	<b>52,267,178</b>
Participant withdrawals	<b>(1,672,463)</b>
Transfers out to other investment options	<b>(22,260,448)</b>

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Cooper Tire & Rubber Company  
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Notes to Financial Statements (continued)

**6. Income Tax Status**

The Plan has received a determination letter from the Internal Revenue Service dated July 2, 2003, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

**7. Related Party Transactions**

Certain Plan investments are shares of mutual funds managed by the trustee, National City Bank, and, therefore, these transactions qualify as party-in-interest transactions. There have been no known prohibited transactions with a party-in-interest.

**8. Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that the changes in the values of investment securities will occur in a near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of assets available for benefits.

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Spectrum Investment Savings Plan

EIN: 34-4297750      Plan Number: 005

Schedule H, line 4i Schedule of Assets (Held At End of Year)

December 31, 2003

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
National City Bank: Mutual Funds:		
American Funds	1,407,832.41 shares, American Washington Mutual Investors Fund	\$ 40,517,418
* Armada	773,316.22 shares, Investment Company of America Fund	22,302,436
Aim Funds Group	999,303.20 shares, Armada Equity Index Fund #42	9,563,332
Janus Funds	354,594.45 shares, Balanced Fund Class A Shares	8,485,449
	163,993.50 shares, Worldwide Fund	6,484,306
	496,725.51 shares, Massachusetts Investors Growth Stock Funds	5,622,933
MFS Family of Funds		5,783,447
Invesco Funds	392,364.05 shares, Dynamics Fund	
Money Market Funds:		
* Armada	219,673.48 shares, Government Money Market Fund #509	227,193
Common Stock:		
* Cooper Tire & Rubber Company	131,449.02 shares, Common Stock	2,810,380
* Participant loans	Interest rates ranging from 4.00% to 4.25%, with the longest maturity date of November 28, 2008	6,714,780
		<u>\$108,511,674</u>

\* Indicates party-in-interest to the Plan.