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<b>Update: Titan Intl.</b>	<b>(TWI: \$17.62)</b>	<b>Oct. 2, 2008</b>
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**Close position**

**Target: n/a**

	<b>3Q08e</b>	<b>4Q08e</b>	<b>1Q09e</b>	<b>2Q09e</b>	<b>FY2008e</b>	<b>FY2009e</b>
<b>Rev (\$Ms)</b>	<b>244.90</b>	<b>244.00</b>	<b>302.94</b>	<b>312.28</b>	<b>1,011.54</b>	<b>1,155.92</b>
<b>EPS (\$)</b>	<b>0.26</b>	<b>0.24</b>	<b>0.37</b>	<b>0.37</b>	<b>1.11</b>	<b>1.32</b>
<b>Y/Y Gro</b>	<b>na</b>	<b>na</b>	<b>58.5%</b>	<b>-4.0%</b>	<b>na</b>	<b>19.1%</b>
<b>PE</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>15.87</b>	<b>13.32</b>
<b>PSR</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>0.61</b>	<b>0.53</b>
<b>Consen</b>	<b>0.25</b>	<b>0.29</b>	<b>na</b>	<b>na</b>	<b>1.17</b>	<b>2.24</b>

**Shares Out: 34.95M**

**Market Cap: \$616M**

**FYE: Dec.**

Summary: Recent conversations with industry observers lead us to think that Titan has just two curing stations, or molds, on line, with three more ready to be set up in the near term. The molds produce about one tire per day, so that would put capacity at about 100-

125 tires per month. This is far below the targets set by the company. Moreover, a good percentage of the tires that will be made near term are probably for testing, so revenue producing tires will be fewer still. Given what we know, it does not seem possible that Titan could produce the 6,000 tires next year that it has set as a target, and it is very unlikely that it can make anywhere close to the 900 tires in Q4 that have been in the “street” model. We currently are modeling 300 63” tires produced in Q4, and we have reduced our earnings projections for Q3 and for Q4 accordingly. Missing targets has become something of a habit at Titan.

Additionally, our checks continue to show that there is no shortage of 63” tires, currently. Furthermore, mining and agricultural companies’ share prices have been declining. End user demand is likely to moderate with lower commodity prices. This was never part of our story on Titan, but it is icing on the cake, so to speak.

The Titan short story has been of the classic good short idea variety: management lacking credibility, aggressive “street” analysts and aggressive growth investors, a story that did not check out on the ground when adequate field research could be accomplished, and a business that could not produce the hoped for results,

The shares have fallen below our \$18.00 (post split) target. We have a 51% gain from initiation on August 10, 2008. While we think the shares may have considerable downside, because Titan may spend a lot of money trying to make a bad operations situation better, only to make it financially worse by throwing money at the problem, we can not predict that management will go that route.