

Apollo statement in response to the complaint filed by Cooper Tire & Rubber Company with the Delaware Court of Chancery

“Apollo remains firmly of the belief that a merger with Cooper is compelling from a strategic perspective. Contrary to Cooper’s complaint, we have been working diligently to address significant post-announcement impediments.

“We continue to have committed financing from four major international banks and are ready to launch our financing, subject to reaching agreement with the USW (United Steel workers), which is a requirement before Cooper can close under the September 13 arbitration ruling.

“Additionally, Apollo has asked Cooper to confirm that Cooper has sufficient control over and access to its majority-owned subsidiary in China to permit it to deliver current consolidated financial information and auditors’ comfort letters and that Cooper is in compliance with covenants and representations in the merger agreement. To date, Cooper has been unable or unwilling to provide these confirmations. While Apollo continues to be supportive of Cooper’s efforts to establish control over its subsidiary’s operations and to assert Cooper’s rights against its JV partner, Apollo cannot be responsible for Cooper’s failures to do so.

“Apollo and its financing banks, are justified under the merger agreement to request that Cooper provide updated financial statements and guidance in light of the significant and unanticipated costs that go well beyond those Apollo is obligated to bear under the merger agreement.

Apollo feels that some price reduction is warranted. The issue now is by how much. On top of the USW issue, Cooper has breached material representations and covenants, including with respect to its majority-owned China subsidiary due to the fact that Cooper has no control over the subsidiary or access to its books and records.

“Under the circumstances, Cooper’s decision to file a complaint at this time is inexplicable and can only be seen as a diversionary smokescreen or an unfortunate acknowledgement that Cooper will be unable to meet its obligations necessary to complete the transaction.

“It remains Apollo’s sincere desire to reach a satisfactory resolution on all matters and proceed with closing its acquisition of Cooper.”