

Apollo Files Counterclaim Against Cooper Tire

The Associated Press

FINDLAY, Ohio (AP) -- Apollo Tyres Ltd. has filed a counterclaim against Cooper Tire & Rubber Co., saying Cooper has not provided the information necessary to close their merger.

The counterclaim, which Apollo said was filed Monday with the Delaware Court of Chancery, is the latest move in a monthslong battle between the two companies. Apollo is asking for a judgment that Cooper hasn't provided documents and met other requirements for a merger.

Apollo Tyres, based in India, announced in June it was buying Cooper for \$35 a share, or about \$2.2 billion. The deal was approved by boards of both companies and later by Cooper shareholders, but it has been delayed by talks with the United Steelworkers union, which represents Cooper workers in Findlay, Ohio, and Texarkana, Ark.

An arbitrator ruled last month that Cooper and Apollo must enter into new agreements with the union prior to closing.

On Oct. 4, Cooper asked the Delaware court to compel Apollo to close the deal. Cooper, which is based in Findlay but incorporated in Delaware, said Apollo is delaying reaching agreements with the union. The union has said it is concerned about workers' jobs because Apollo would finance the sale with debt.

Apollo responded that it is working diligently to reach a settlement but that a reduction of the deal's price is warranted. The company said it is still waiting for Cooper to provide information, particularly from its Chinese subsidiary Cooper Chengshan Tire. Workers in China are also protesting the merger, and Apollo faulted Cooper for its "lack of control of its Chinese subsidiary."

The deal would create the seventh-largest tire company in the world.

In afternoon trading, Cooper Tire's shares were up 21 cents at \$26.01, an indication investors doubt a deal will get done at the original price of \$35 a share.

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