

COOPER TIRE & RUBBER CO
Form DEFA14A
June 12, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

COOPER TIRE & RUBBER COMPANY

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount previously paid:

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Acquisition: Creating a Global Tire Leader

Apollo to Acquire Cooper
Apollo Tyres and Cooper Tire & Rubber combining to create a
global leader in tire manufacturing and distribution

Agreement must be
approved by regulators
and shareholders

Assuming a timely process,

expected to take place in
the coming months

Until agreement closes,
we remain separate
companies and operate
as such

Business as usual!

1

2
Combined Revenues of \$6.6 Billion
2012 Global Tire Company Rankings
Based on 2011 Sales
2011
2010
2011
RANK
2010
RANK

COMPANY / HEADQUARTERS

TIRE

SALES

% OF TOTAL

CORP. SALES

TIRE

SALES

% OF TOTAL

CORP. SALES

7

7

Yokohama Rubber Co. Ltd.

6,028.0

81.0%

4,750.4

Tokyo, Japan

6

6

Sumitomo Rubber Industries Ltd.

7,413.0

87.2%

5,850.0

85.0%

Kobe, Japan

5

5

Pirelli & C. S.p.A.

7,802.2

99.0%

6,320.5

98.4%

Milan, Italy

4

4

Continental A.G.

10,645.0

25.1%

8,100.0

23.5%

Hanover, Germany

3

3

Goodyear Tire & Rubber Co.

20,490.0

90.0%

16,950.0

90.0%

Akron, Ohio

2

2

Group Michelin

27,413.6

95.0%

22,515.0

95.0%

Clermont-Ferrand, France

1

1

Bridgestone Corp.

28,450.0

75.0%

24,425.0

75.0%

Tokyo, Japan

16

16

Apollo Tyres Ltd.

2,526.8

100.0%

1,943.4

100.0%

Kerala, India

15

14

Triangle Group Co. Ltd.

2,527.1

100.0%

2,258.9

100.0%

Shandong, China

14

15

GITI Tire Pte. Ltd.

2,893.6

100.0%

2,207.5

100.0%

Singapore

13

13

Toyo Tire & Rubber Co. Ltd.

3,064.6

75.4%

2,500.0

73.6%

Osaka, Japan

12

12

Kumho Tire Co. Inc.

3,522.1

99.4%
3,025.9
99.8%
Seoul, South Korea
11
9
Cooper Tire & Rubber Co.
3,927.2
100.0%
3,361.0
100.0%
Findlay, Ohio
10
11
Hangzhou Zhongce Rubber Co. Ltd.
4,262.6
95.1%
3,226.1
97.2%
Hangzhou, China
9
10
Maxxis International/Cheng Shin Rubber
4,268.0
100.0%
3,356.4
100.0%
Yuanlin, Taiwan
8
8
Hankook Tire Co. Ltd.
5,744.2
97.8%
4,513.1
Seoul, South Korea
Combined Company
8
#7

NORTH AMERICA
EUROPE
AFRICA
ASIA
Durban, South Africa
Ladysmith, South Africa
3
Guadalajara, Mexico

Texarkana, AR
Clarksdale, MS
Tupelo, MS
Findlay, OH
Enschede, Netherlands
Melksham, England
Kruševac, Serbia
Rongcheng City, China
Kunshan, China
Limda, India
Oragadam, India
Perambra, India
Kalamassery, India
Significant Presence in the Largest
and Fastest Growing Geographies
Apollo
Cooper

Track Record of Driving Sales Growth

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COOPER
NET SALES

(in billions)

APOLLO
NET SALES

(INRbn)

2009

2010
2011
2012
2.78
3.36
3.93
4.20
\$ 5B
4
3
2
1
0
2009
2010
2011
2012
49.8
81.2
88.7
121.5
125B
100
75
50
25
0

5

Diversified Product Offering

LIGHT VEHICLE

TIRES

Both companies primarily focus on the replacement tire business

PASSENGER

TIRES

COMMERCIAL
TRUCK TIRES
FARM VEHICLE
TIRES

Key OE Relationships
COOPER
APOLLO
6

Strong Brands Respected for Quality

7

NORTH AMERICA
EUROPE
ASIA
Melksham, England
Pearsall, Texas
Shanghai, China
Findlay, OH

Enschede, Netherlands

Limda, India

Oragadam, India

Perambra, India

Kalamassery, India

Apollo

Cooper

Committed to Innovation and Technology

8

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Third-Party Recognition

Shared Values

10

Both companies commit equally to employee safety and development as well as sustainability and giving back to communities.

Continuity and Business as Usual
11

Apollo to retain and grow
existing Cooper facilities

Cooper to continue
to recognize unions

Cooper to continue
to honor collective
bargaining agreements

Compensation and benefit
levels for non-union
employees generally
maintained

Management continuity

Key Takeaways A Great Match
12

Combined organization will
be world's seventh-largest
tire company with sales of
\$6.6B

More options for customers;
growth opportunities for
employees

Existing Cooper facilities
maintained

No plan to outsource
manufacturing from
North America

Cooper will generally
maintain current
employee compensation
and benefit levels

Cooper will recognize
labor unions and honor
collective bargaining
agreements

Management continuity

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ADDITIONAL INFORMATION

In connection with the proposed transaction, Cooper will file a proxy statement with the SEC. INVESTORS ARE URGED TO READ THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND COOPER. You will be able to obtain the proxy statement, as well as other filings containing information about Cooper, free of charge, at the website maintained by the SEC at www.sec.gov. Copies of the proxy statement and other filings made by Cooper with the SEC can also be obtained free of charge, by directing a request to Cooper Tire & Rubber Company, 701 Lima Avenue, Findlay, Ohio 45840, c/o Jerry Long (investorrelations@coopertire.com).

Participants in the Solicitation

Cooper and its directors and officers may be deemed to be participants in the solicitation of proxies from Cooper's stockholders with respect to the special meeting of stockholders that will be held to consider the proposed transaction.

Information about Cooper's directors and officers and their ownership of Cooper's common stock is set forth in its Form 10-K which was filed with the SEC on February 25, 2013 and the proxy statement for Cooper's Annual Meeting of stockholders, which was filed with the SEC on March 26, 2013. Stockholders may obtain additional information regarding the interests of Cooper and its directors and executive officers in the proposed transaction, which may be different than those of Cooper's stockholders generally, by reading the proxy statement and other relevant documents regarding the proposed transaction, when filed with the SEC.

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FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements are statements that are not historical facts but instead reflect Cooper's and Apollo's expectations, estimates or projections concerning future results or events. They are identified by the use of forward-looking words or phrases such as believe, expect, anticipate, project, may, could, intend, plan, likely, will, should or similar words or phrases. These statements are not guarantees of performance and are subject to various risks, uncertainties and assumptions that are difficult to predict and could cause our actual results, performance or achievement to differ materially from those expressed or indicated by those statements. We cannot assure you that any of our expectations, estimates or projections will be realized. The forward-looking statements included in this presentation are only made as of the date of this document and we disclaim any responsibility for any forward-looking statement to reflect subsequent events or circumstances.

Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements. One such factor is the limitation: volatility in raw material and energy prices, including those of rubber, steel, petroleum based products and natural gas.

materials or energy sources; the failure of Cooper's or Apollo's suppliers to timely deliver products in accordance with contracts and business conditions in the world; failure to implement information technologies or related systems, including failure by Cooper's ERP system; increased competitive activity including actions by larger competitors or lower-cost producers; the failure to achieve in Cooper's or Apollo's customer relationships, including loss of particular business for competitive or other reasons; litigation, including products liability claims, which could result in material damages against Cooper or Apollo; changes to tariffs or the imposition of trade restrictions; changes in pension expense and/or funding resulting from investment performance of Cooper's pension plan assets, salary increase rate, and expected return on plan assets assumptions, or changes to related accounting regulations; government initiatives including environmental and healthcare matters; volatility in the capital and financial markets or changes to the credit markets; changes in interest or foreign exchange rates; an adverse change in Cooper's or Apollo's credit ratings, which could hamper access to the credit markets; the risks associated with doing business outside of the United States; the failure to develop products needed to support consumer demand; technology advancements; the inability to recover the costs to develop and test products; the impact of labor problems, including labor disruptions at Cooper or Apollo or at one or more of their large customers or suppliers; personnel; consolidation among competitors or customers; inaccurate assumptions used in developing Cooper's or Apollo's strategies; inability or failure to successfully implement such plans; failure to successfully integrate acquisitions into operations or their operations and capital resources; changes in Cooper's relationship with joint-venture partners; the inability to obtain and maintain price in the market or material costs; inability to adequately protect Cooper's or Apollo's intellectual property rights; inability to use deferred tax assets; in management's discussion and analysis of Cooper's most recently filed reports with the SEC; and uncertainties associated with the transaction by Apollo, including uncertainties relating to the anticipated timing of filings and approvals relating to the transaction, the transaction and the ability to complete the transaction. This list of factors is illustrative, but by no means exhaustive. All factors are evaluated with the understanding of their inherent uncertainty.