

Apollo Tyres to buy US-based Cooper Tire & Rubber for ₹14,500 crore

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APOLLO Tyres today said it will acquire US-based Cooper Tire & Rubber Company in an all-cash transaction valued at approximately Rs 14,500 crore. The company has executed a definitive merger agreement under which a wholly-owned subsidiary of Apollo will acquire Cooper, Apollo Tyres said in a statement.

“Under the terms of the agreement, which has been unanimously approved by the boards of directors of both companies, Cooper stockholders will receive \$35.00 per share in cash,” it said.

The transaction represents a 40 per cent premium to Cooper’s 30-day volume-weighted average price, it added.



Apollo Tyres chairman Onkar S Kanwar said, “This transformational transaction provides an unprecedented opportunity to serve customers across a host of geographies in both developed and fast-growing emerging markets around the world.”

The combined company will be the seventh-largest tyre company in the world and will have a strong presence in high growth end-markets across four continents,

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Apollo Tyres said.

“With a combined \$6.6 billion in total sales in 2012, the combined company will have a full range of brands and greater ability to satisfy customer needs worldwide,” it added.

“The combined company will be uniquely positioned to address large, established markets, such as the US and the European Union, as well as the fast-growing markets of India, China, Africa, and Latin America where there is significant potential for further growth,” Kanwar said.

Cooper Tire & Rubber Co

Chairman and President Roy Armes said the deal is a compelling transaction that is in the best interest of Cooper’s stockholders and offers attractive benefits to its customers and employees.

“Together, our two organisations have almost no geographic overlap and significant opportunities for growth,” he added.

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Apollo Tyres chief financial officer Sunam Sarkar said about \$2.1 billion will be through “leveraging” the cash flows of Cooper and the European operations of Apollo.