companies, and the stock of those subsidiaries was sold to Federal-Mogul. In conjunction with the sale, Federal-Mogul indemnified Cooper for certain liabilities of these subsidiary companies, including liabilities related to the Abex product line. On October 1, 2001, Federal-Mogul and several of its affiliates filed a Chapter 11 bankruptcy petition and indicated that Federal-Mogul may not honor the indemnification to Cooper, although a final decision has not yet been made. To the extent Cooper is obligated to Pneumo for any asbestos-related claims arising from the Abex product line, Cooper has rights, recently confirmed by Pneumo, to significant insurance for such claims. Historically, such insurance has provided 50% to 80% of the total defense and indemnity payments for the Abex claims. Based on Cooper's review of past and pending Abex claims, available insurance and other facts determined to date, Cooper does not believe that the potential net financial impact for the Abex-related exposure is material to Cooper. Cooper is continuing to examine this issue, including the commissioning of independent analyses of the potential exposure, and is preserving its rights as a creditor for breach of Federal-Mogul's indemnification to Cooper and its rights against all Federal-Mogul affiliates.

Statements above concerning Abex-related liabilities may contain forward-looking information, and actual results may differ materially. The potential net financial impact for Abex-related exposure is subject to various factors and assumptions including the ultimate number and amount of Abex claims, the amount of insurance recoveries, the amount of Abex-related liabilities that will be satisfied through Federal-Mogul's bankruptcy proceedings and the treatment of Cooper's rights as a creditor in such bankruptcy proceedings

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