

Purcell Tire & Rubber Company Announces Definitive Agreement to Return Company to Purcell Family Ownership

Successful ESOP Experience Will Fuel Company's Aggressive Future Growth

POTOSI, MO February 5 – The Purcell Tire & Rubber Company Employee Stock Ownership Plan's independent institutional trustee and Board of Directors today announced a definitive agreement under which Bob and Juanita Purcell have acquired the company and have returned it to private family ownership. The sale marks the culmination of the company's successful seven-year run as an Employee Stock Ownership Plan and its return to the family that founded Purcell Tire in 1936. Purcell Tire is currently one of the largest independent tire dealerships in North America and among the nation's largest retreaders.

"We are eager to start this new chapter in our company's future," stated Chairman and CEO Bob Purcell. "Over the past seven years, our associates have worked to increase productivity, build the business and improve our assets. We look forward to continuing that growth over the next seven years and to strengthening Purcell Tire's market leadership and reputation for quality and customer service."

Under the strategic leadership of Chairman/CEO Bob Purcell, the Executive Management Team made up of Operating President Dennis Flynn, Executive President Keith Butcher and Executive Vice President Joe Strycharz, will intensify company focus on future growth and customer service excellence with a strategic business plan designed to strengthen the company's position as an industry leader.

It was the company's growth from 2001 to 2006 and the resulting interest from potential buyers that prompted the ESOP independent Board of Directors and the independent institutional trustee to consider sale of the company. "When the company's success attracted interest in the marketplace and the decision was made to call for bids, Juanita and I saw an opportunity to continue that strategic growth in a way that would retain Purcell Tire's heritage and reputation for quality, service and an outstanding workforce," Purcell noted. "We also welcomed a scenario that allowed our associates to benefit from their productivity in a very tangible way."

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Following a rigorous and thorough review process, the independent Board of Directors and ESOP trustee agreed to return the company to private ownership under the Purcells. The sale enabled Purcell associates to benefit from the return on the ESOP's growth and at the same time, have the opportunity to build more diversified retirement portfolios. "This was a win-win for everyone – the company, our associates and our shareholders," said Juanita Purcell, company co-owner. "Our employee participants in the ESOP are able to convert their ESOP accounts to cash at an attractive value and reinvest in diversified liquid investments. At the same time, they can begin participation in a brand new incentive plan that we are rolling out in early 2008. Many companies talk about partnering with their associates and building their retirement balances, I feel that we have really accomplished that goal and we are going to do it again."

Under the direction of the Executive Management Team, Purcell Tire is poised to achieve growth and increase profitability while enhancing operations and service offerings. "We are excited about the long-term future of the company," said Flynn, speaking on behalf of the Executive Management Team. "Purcell Tire is extremely sound financially. We see significant room for growth in the industry and we have a management team in place that is ready to take us to the next level of success. There is tremendous enthusiasm among our associates and management team about what the next seven years will bring."

Flynn brings more than 28 years experience at Purcell to his position on the Executive Management Team. Joining Flynn on the Executive Management Team are Keith Butcher as Executive President and Joe Strycharz as Executive Vice President. The two executives come to Purcell from senior positions at Morgan Stanley where they provided strategic business advice to numerous clients in the industrial and commercial distribution and manufacturing industries, including five years as strategic advisors to Purcell's Board of Directors and key management.

"We are committed to driving growth and market share for our vendors, creating stability and prosperity for our associates and providing best-in-class total customer solutions," stated Butcher. "If we focus on these principles, the company will continue to experience growth and financial strength."

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