IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
	:	Case No. 09-______ (____)
PROLIANCE INTERNATIONAL, INC., *et al.*,[1]	:	(Jointly Administered)
Debtors.	:	

AFFIDAVIT OF ARLEN F. HENOCK
IN SUPPORT OF FIRST DAY PLEADINGS

STATE OF CONNECTICUT)
) ss:
COUNTY OF NEW HAVEN)

I, Arlen F. Henock, declare:

1. I am the Executive Vice President and Chief Financial Officer of Proliance International, Inc., a Delaware corporation ("Proliance," and together with its three domestic subsidiaries, the "Debtors"), a position I have held since June 2007. In that capacity, I am familiar with the Debtors' day-to-day operations, business and financial affairs.

2. On the date hereof (the "Petition Date"), each of the Debtors filed with the Court a voluntary petition (collectively, the "Petitions") for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), as well as certain other pleadings (collectively, the "First Day Pleadings").

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[1] The Debtors are the following four entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Proliance International, Inc. (7383); Aftermarket Delaware Corporation (9862); Aftermarket LLC; and Proliance International Holding Corporation (9275). The address of each of the Debtors is 100 Gando Drive, New Haven, Connecticut 06513.

3. The non-U.S. subsidiaries and affiliates of Proliance are not seeking relief under chapter 11 of the Bankruptcy Code or any other insolvency laws.[2] Proliance's foreign companies are separate legal entities under the direction of local management and, except as described herein or in the First Day Pleadings, are generally distinct from the Debtors. These non-U.S. entities will continue to operate in the ordinary course during the pendency of these chapter 11 cases.

4. I am authorized by the Debtors to submit this Affidavit in support of the First Day Pleadings. I submit this Affidavit to assist the Court and other parties in interest in understanding the Debtors' business, organizational and capital structure, the circumstances that compelled the commencement of these chapter 11 cases and in support of the Petitions and the First Day Pleadings. Any capitalized term not expressly defined herein shall have the meaning given to that term in the relevant First Day Pleading. Except as otherwise indicated, all facts set forth in this Affidavit are based upon my personal knowledge, my review of relevant documents, information supplied to me by other members of the Company's management team or professionals retained by the Company or my opinion based upon my experience and knowledge of the Company's operations and financial condition. If I were called upon to testify, I could and would testify competently to the facts set forth herein.

5. The First Day Pleadings are intended to enable the Debtors to operate effectively and minimize certain potential adverse consequences that might otherwise result from the commencement of these chapter 11 cases. The First Day Pleadings seek relief aimed at, among other things, ensuring the continuation of the Debtors' business operations without interruption, preserving customer and vendor relationships, maintaining employee morale and

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[2] The Debtors and their nondebtor subsidiaries are referred to herein as the "Company."

confidence and establishing safeguards to promote a seamless transition into chapter 11. Gaining and retaining the support of these key constituencies is critical to the Debtors' chapter 11 strategy and efforts. I have reviewed the First Day Pleadings, and it is my belief that the relief sought therein is necessary to avoid immediate and irreparable harm to the Debtors and to maximize and preserve the value of their estates for all stakeholders.

6. Part I of this Affidavit provides an overview of the Debtors' business. Part II provides a description of the Debtors' organizational and corporate structure, including significant indebtedness and stockholder equity. Part III provides a discussion of the Debtors' financial performance, a detailed discussion of the events that compelled the commencement of these chapter 11 cases and the Debtors' plan to maximize the value of their estates. Part IV incorporates and affirms the facts that support the relief requested in the First Day Pleadings.

Part I

Description of the Debtors' Business

7. The Debtors' roots date back to 1915, when a predecessor of the Debtors commenced operations in New Haven, Connecticut as a manufacturer of radiators for custom built automobiles, fire engines and original equipment manufacturers ("OEMs"). Today's Debtors are the result of a July 22, 2005, merger between Transpro Inc. and Modine Aftermarket Holdings, Inc. The Company is organized into two segments, Domestic and International, which design, manufacture and market heating and cooling components and systems for sale in the automotive, light and heavy duty truck aftermarkets in North and Central America and Europe.

8. The automotive and heavy duty parts industries target two distinct markets, the aftermarket and the OEM market. The products and services used to maintain and repair automobiles, vans, light trucks, heavy trucks and other industrial applications, as well as

accessories not supplied with these products when manufactured, form the respective automotive and light truck and heavy duty aftermarkets. The manufacture of individual component parts for use in the original equipment manufacturing process of automobiles, vans, light trucks, heavy trucks and heavy duty equipment form the automotive and heavy duty OEM markets. The Debtors sell products and services predominantly to the automotive and light truck and heavy duty aftermarkets.

9. The Debtors' Domestic segment supplies heat exchange and air conditioning products to the automotive and light truck aftermarket and heat exchange products to the heavy duty aftermarket in the United States and Canada. A majority of the Debtors' domestic heat exchange sales are distributed out of their warehouse located in Southaven, Mississippi. The Debtors also distribute their temperature control products from such warehouse following the closure of their former warehouse located in Arlington, Texas.

10. The Company's International segment supplies heat exchange and air conditioning products for the automotive and light truck aftermarket and heat exchange products for the heavy duty aftermarket in Mexico, Europe and Central America. The main locations servicing the Debtors' overseas business are located in Mill, The Netherlands (servicing Europe) and Mexico City, Mexico (servicing Mexico and Central America). Other facilities are located in Nuevo Laredo, Mexico and Granada, Spain. In Europe, the Company has a total of 13 locations. In Mexico and Central America, the Company has a total of 7 locations.

11. The Debtors' domestic distribution center for heat exchange products was a 520,000 square foot facility located in Southaven, Mississippi. This Southaven facility was destroyed by strong storms and tornadoes that struck the Mississippi area during the evening of February 5, 2008 (the "Southaven Casualty Event"). The Southaven Casualty Event resulted in

the destruction of a significant portion of the Debtors' automotive and light truck heat exchange inventory, causing serious disruption to the Debtors' overall business operations. As a result, the Southaven Casualty Event created severe liquidity constraints for the Debtors under the terms of their Prepetition Credit Facility (as defined below) and, as described in greater detail herein, was one of the major precipitating factors for these cases.

12. While distribution out of the original Southaven facility was temporarily halted, the Debtors again began shipping heat exchange products on February 14, 2008 from a temporary distribution facility also located in Southaven, Mississippi. In or around mid-May 2008, the Debtors began using a 390,000 square foot warehouse to replace the Southaven facility. Although the damage to the Southaven facility impacted the Debtors' heat exchange products business, the Debtors' other product lines and businesses continued to perform without interruption. The Southaven facility, its contents and any business losses were insured.[3]

13. In addition to the Southaven and Arlington facilities, the Company (a) has principal domestic facilities in New Haven, Connecticut; Dallas, Texas; and Laredo, Texas; (b) maintains a nationwide network of 21 branch and 5 agency locations, which enable the Company to provide its customers with same day delivery service; and (c) operates 8 regional manufacturing and distribution plants.[4]

14. Domestically, the Debtors market their products and services to a wide variety of industrial and commercial customers. In particular, the Debtors sell their automotive

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3 The Debtors' insurance covered losses of property and business interruption up to $80 million.

4 The number of branch, plant and agency locations was reduced from 94 as of December 31, 2006, to 34 as of December 31, 2008 as part of the Debtors' branch realignment process, which began in September 2006. This process included the relocation, consolidation or closure of branch locations and the establishment of expanded relationships with key distribution partners in some areas. These actions allowed the Debtors to continue serving customers in those markets, while at the same time streamlining their go-to-market approach and improving the Debtors' market position and business performance.

and light duty products to: (a) national retailers of aftermarket products such as Advance Auto Parts, CSK, NAPA, O'Reilly and Pep Boys; (b) warehouse distributors; (c) radiator shops; (d) hard parts jobbers, including NAPA, Carquest, Aftermarket AutoParts Alliance and the automotive parts group of Genuine Parts Company; and (e) other manufacturers. In addition, the Debtors sell to a very substantial number of commercial customers through their branch and agency locations in the United States. In Europe, Central America and Mexico, the Debtors service their customer base through sales from their branches and manufacturing located therein.

15. In the domestic automotive and light truck heat exchange product lines, the Debtors are one of the major manufacturers, and compete with the national producers of heat transfer products, internal operations of the OEMs, offshore suppliers and, to a lesser extent, local and regional manufacturers. The Debtors' primary competition in the temperature control aftermarket includes Four Seasons (a division of Standard Motor Products Inc.), international and offshore suppliers and numerous regional operators. The primary competitors in the domestic heavy duty aftermarket are regional manufacturers and offshore suppliers. In Europe, Mexico and Central America, the Debtors face competition from affiliates of the OEMs and from automotive aftermarket parts manufacturers located in the individual countries.

16. For the year ended December 31, 2008, the Debtors had net sales of approximately $350 million, representing a decrease of approximately 11.1% as compared to the year ended December 31, 2007. Of this calendar 2008 amount, $215.6 million (or approximately 62%) represented the Debtors' heat exchange products business; the automotive and light truck temperature control sales were $38.3 million (or approximately 11%), while $96.1 million (or approximately 27%) represented the Debtors' heavy duty product sales. The majority of this decline is attributable to heat exchange sales lost as a result of the Southaven Casualty Event,

along with other factors that include lower sales as a result of branch and agency location closures, competitive pricing pressures and a shift in customer mix from direct customers to wholesale customers, resulting in lower average selling prices.

17. As of the Petition Date, the Debtors had approximately 400 employees in the United States (24 of which were covered by collective bargaining agreements), and the Company had approximately 1,100 employees internationally.

Part II

Organizational and Capital Structure of the Debtors

A. Organizational Structure

18. The Debtors' organizational structure consists of a parent holding company, Proliance, that directly or indirectly owns 100% of the equity interests of the three domestic companies that have contemporaneously herewith filed for relief under chapter 11 of the Bankruptcy Code.

19. Proliance also owns, directly or indirectly, all or substantially all of the equity interests in fifteen nondebtor foreign subsidiaries incorporated in Canada, Mexico, The Netherlands and several other countries throughout Europe.

20. Attached hereto as Exhibit A and incorporated herein by reference is a chart that illustrates the corporate structure of the Debtors.

B. Significant Prepetition Indebtedness

Prepetition Secured Credit Facility

21. Proliance is obligated under a certain Credit and Guaranty Agreement (as amended, the "Prepetition Credit Agreement"), dated as of July 19, 2007, entered into by and among: (a) Proliance; (b) Debtors Aftermarket Delaware Corporation and Aftermarket LLC as

guarantors;[5] (c) Silver Point Finance, LLC ("Silver Point"), as administrative agent and collateral agent (the "Prepetition Agent"); and (d) the lenders party thereto (collectively, the "Prepetition Lenders"). Borrowings under the Prepetition Credit Agreement are used for the Debtors' working capital and other general corporate purposes, including capital expenditures.

22. The Prepetition Credit Agreement provides for a $100 million credit facility, consisting of: (a) a $50 million term loan (the "Term Loan"); (b) a $25 million revolver A (the "Revolving A Facility") that includes a $7.5 million subfacility for the issuance of letters of credit (the "Letters of Credit"); and (c) a $25 million revolver B (the "Revolving B Facility," together with the Revolving A Facility, the "Revolving Facility," and the Revolving Facility, together with the Term Loan, the "Prepetition Credit Facility"). The Term Loan has a five-year term, and all amounts outstanding thereunder are due on July 19, 2012. Borrowings under the Prepetition Credit Agreement bear interest at the LIBOR rate or the bank prime rate, plus an applicable margin. Borrowings under the Revolving Facility are limited by amounts available pursuant to a borrowing base calculation that is based on percentages of eligible accounts receivable and inventory with a reduction for applicable reserves (the "Borrowing Base"). As of the Petition Date, Proliance owed approximately $33.6 million under the Term Loan and approximately $6.5 million under the Revolving Facility.

23. The Prepetition Credit Agreement contemplates that Proliance's obligations thereunder are (a) secured by a security interest in and first lien on substantially all of Proliance's assets, including accounts receivable, inventory, equipment, books and records, cash, general intangibles, real property and a pledge of all of the capital stock of each of Proliance's

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[5] Debtor Proliance International Holding Corporation became a guarantor as part of the First Amendment to the Prepetition Credit Agreement.

domestic subsidiaries and 65% of all of the capital stock of each of Proliance's first-tier foreign subsidiaries, and (b) guaranteed by each of the other Debtors, which guarantees are secured by a first priority lien on substantially all of such Debtors' respective assets, including a pledge of all of the capital stock of each of their domestic subsidiaries and 65% of all the capital stock of each of their first-tier foreign subsidiaries.

24. The Southaven Casualty Event in February 2008, and the resulting damage to the Debtors' inventory and fixed assets caused a significant reduction in the Debtors' Borrowing Base under the Prepetition Credit Agreement at the very time that the Debtors needed additional liquidity to restock their decimated inventory in Southaven. In particular, the Prepetition Lenders asserted that, under the Prepetition Credit Agreement, the Borrowing Base definition excluded the damaged assets, without giving effect to the related insurance proceeds received due to the Southaven Casualty Event. Accordingly, at the very time that the Debtors required greater access to cash with which they could restock their decimated inventory, the Debtors' access to liquidity under the Borrowing Base formula, however, was further restricted by the Prepetition Lenders.

25. The Debtors commenced negotiations with the Prepetition Agent and the Prepetition Lenders in an effort to reach an agreement to provide the Debtors access to additional funds. After the Southaven Casualty Event, the Prepetition Lenders cut off the Debtors' ability to access liquidity under the Revolving Credit Facility without the permission of the Prepetition Lenders due to the loss of the inventory and the impact on the Borrowing Base. In particular, the Prepetition Lenders took the position that the Prepetition Credit Agreement did not require that they credit the Borrowing Base formula for the amount of proceeds received by the Debtors as an insurance settlement on account of the damaged inventory. As an interim step in negotiations,

the Prepetition Lenders reviewed any of the Debtors' capital expenditures deemed critical, and permitted only funding of payroll and a few other critical expenditures. The lack of available funding forced the Debtors to renegotiate the terms of the Prepetition Credit Agreement, and accept some very significant cost increases thereunder, including over $3 million in cash fees and over $3 million of value in warrants, all as discussed in greater detail below.

26. In particular, as a result of such negotiations, on March 12, 2008, the Debtors entered into a Second Amendment to the Prepetition Credit Agreement (the "Second Amendment").[6] In the Second Amendment, the Prepetition Lenders agreed to, among other things: (a) temporarily increase the aggregate principal amount of the Revolving B Facility from $25 million to $40 million; (b) permit the Debtors to borrow funds in excess of the available amounts under the Borrowing Base in an amount not to exceed $26 million (the "Borrowing Base Overadvance Amount"); and (c) waive certain events of default. The Debtors were required to reduce the Borrowing Base Overadvance Amount to zero by May 31, 2008.

27. Also as a result of the Southaven Casualty Event, two weeks subsequent to executing the Second Amendment, on March 26, 2008, the Debtors entered into a Third Amendment to the Prepetition Credit Agreement, which reset the 2008 financial covenants – including those relating to leverage, capital expenditures, consolidated EBITDA and the fixed charge coverage ratio.

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6 As of the Petition Date, the Debtors, the Prepetition Agent, the requisite Prepetition Lenders and certain other parties (as applicable) had entered into 36 amendments (collectively, the "Amendments") to the Prepetition Credit Agreement. The summaries of the Amendments included herein highlight only the more pertinent provisions of such Amendments and, particularly, those which aid in relaying the extensive and difficult restructuring negotiations the Debtors were forced to engage in with the Prepetition Agent for well over a year prior to the Petition Date. The circumstances surrounding such Amendments and negotiations are discussed in greater detail in Part III of this Affidavit below.

28. The Debtors were able to so reduce the Borrowing Base Overadvance Amount by May 31, 2008, through a combination of operating results, working capital management (including, among other things, stretching the lag time between receipt and payment of the Debtors' suppliers' invoices) and insurance proceeds. These measures, however, benefited the Prepetition Lenders and created no additional liquidity for the Debtors. On July 18, 2008, the Debtors entered into a Fourth Amendment to the Prepetition Credit Agreement, pursuant to which, among other things:

(a) the Revolving A Facility was increased from $25 million to $35 million;

(b) the Revolving B Facility was reduced from $25 million to $15 million;[7]

(c) Wells Fargo Foothill, LLC ("Wells Fargo") became: (i) the sole lender under the Revolving A Facility; (ii) the borrowing base agent for the Prepetition Lenders; and (iii) the issuing bank with respect to issued Letters of Credit;

(d) the Prepetition Agent and certain of its affiliates remained the Prepetition Lenders under the Revolving B Facility; and

(e) certain financial covenants were adjusted to allow for expenditures relating to the replacement of fixed assets at the Debtors' new Southaven distribution facility.

29. The Fourth Amendment, however, did not give the Debtors any additional liquidity.

30. In subsequent Amendments of the Prepetition Credit Agreement, the parties created a reserve with respect to the Borrowing Base relating to the Southaven Casualty Event (the "Borrowing Base Reserve"), which was intended to give the Debtors, among other things, additional time to negotiate a refinancing of the Prepetition Credit Facility. During such

[7] The total commitment of $50 million under the Revolving Facility remained unchanged.

time, what the Debtors needed, however, was additional liquidity to be able to continue to run their business, not merely additional time to negotiate a refinancing. Unfortunately, neither the Amendments referred to above nor subsequent Amendments, some of which are discussed below, provided the Debtors with such additional liquidity, and, as described in greater detail below, the Debtors were forced to survive on week to week extensions, with no meaningful measures to address the Debtors' worsening liquidity condition.

31. On July 24, 2008, the Debtors entered into the Fifth Amendment (the "Fifth Amendment") of the Prepetition Credit Agreement, pursuant to which, among other things:

(a) the first $5.0 million of additional proceeds of insurance in respect of the Southaven Casualty Event would be applied to repay the outstanding Term Loan;

(b) the Borrowing Base Reserve was reduced from $5.0 million to $3.0 million effective on the date of the Fifth Amendment, and from $3.0 million to zero on the date the Company delivered to the Prepetition Agent a final insurance settlement agreement with respect to the Southaven Casualty Event; and

(c) the Borrowing Base Reserve was increased to $5.0 million on August 31, 2008, unless the Capital Raise (as defined in the Prepetition Credit Agreement) was completed by that date. Thereafter, such Borrowing Base Reserve would be permanently reduced to zero if the Capital Raise was consummated on or before September 30, 2008, and if the Debtors did not consummate the Capital Raise by December 31, 2008, the minimum EBITDA covenant would be increased from $27.5 million to $28.0 million.

32. On October 2, 2008, the Debtors entered into the Eighth Amendment (the "Eighth Amendment") of the Prepetition Credit Agreement. Pursuant to the Eighth Amendment, the Borrowing Base Reserve (a) was reduced from $5.0 million to $2.5 million effective October 2, 2008, and (b) would be increased to $5.0 million on the earlier of (i) the occurrence of an event of default under the Prepetition Credit Agreement, and (ii) October 31,

2008, provided that, if prior to such time, the Debtors provided satisfactory commitment letters in respect of the Mezzanine Financing (as defined below) and Senior Credit Financing (as defined below), then subject to certain conditions described in the Eighth Amendment, the Borrowing Base Reserve would be reduced to $0 until November 30, 2008. If the reduction was extended until November 30, 2008, the Borrowing Base Reserve would be increased to $5.0 million on the earliest of (a) an event of default under the Prepetition Credit Agreement, (b) the date the Prepetition Agent determined the Mezzanine Financing and Senior Credit Financing would not likely be consummated, (c) the date any commitment letter for the Mezzanine Financing and Senior Credit Financing was terminated or (d) November 30, 2008, if the Mezzanine Financing and Senior Credit Financing had not been consummated.

33. On October 6, 2008, in an effort to try to refinance the Prepetition Credit Facility, the Debtors signed a letter of intent with a group of institutional lenders that would provide $30 million of mezzanine financing (the "Mezzanine Financing"), and, on November 18, 2008, the Debtors signed a proposal letter with a major bank that would provide the Debtors with a new $60 million senior secured credit facility (the "Senior Financing Facility"). Unfortunately, however, the Debtors were never able to fully secure either the Mezzanine Financing or the Senior Financing Facility due to, among other things, the worsening global financial crisis and the resulting freeze of the credit markets.[8] Accordingly, the Debtors were forced to continue to negotiate with the Prepetition Agent and the Prepetition Lenders regarding availability under the Borrowing Base and the Borrowing Base Reserve.

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[8] The circumstances surrounding the Debtors' efforts to refinance the Prepetition Credit Facility are discussed in greater detail in Part III of this Affidavit below.

34. The Ninth through the Twenty-First Amendments of the Prepetition Credit Agreement, entered into from October 29, 2008 through March 10, 2009, repeatedly extended the original October 31, 2008 deadline for increasing the Borrowing Base Reserve to $5.0 million, ultimately to March 17, 2009.

35. On March 17, 2009, the Debtors entered into the Twenty-Second Amendment of the Prepetition Credit Agreement (the "Twenty-Second Amendment"), pursuant to which, among other things, the terms of the Borrowing Base Reserve were amended, and it was to be increased from $2.5 million to $7.5 million on the earliest of (a) an event of default under the Prepetition Credit Agreement, and (b) March 24, 2009. Further, pursuant to the Twenty-Second Amendment, the Prepetition Lenders agreed to continue to provide funds under the Prepetition Credit Agreement during a forbearance period and to forbear from exercising remedies during the forbearance period as a result of any noncompliance with the financial covenants for the period ending March 31, 2009. The forbearance period was defined to commence on March 17, 2009, and continue until the earlier of (a) the occurrence of an event of default under the Prepetition Credit Agreement, other than from a violation of the financial covenants, and (b) May 15, 2009.

36. On April 7, 2009, the Debtors entered into the Twenty-Sixth Amendment of the Prepetition Credit Agreement (the "Twenty-Sixth Amendment"), pursuant to which the Borrowing Base Reserve was reduced to $0, to be increased to $7.25 million on the earliest of (a) the occurrence of an event of default and (b) April 21, 2009 (the "Automatic Increase Date").[9]

9 Subsequent Amendments through the Thirty-Sixth Amendment (as defined below) to the Prepetition Credit Agreement solely extended the Automatic Increase Date.

37. On May 5, 2009, the Debtors entered into the Twenty-Ninth Amendment of the Prepetition Credit Agreement (the "Twenty-Ninth Amendment"), pursuant to which (i) the Automatic Increase Date was extended to May 12, 2009 and (ii) events of default relating to first quarter financial covenants were excluded from the definition of an event of default that could trigger the increase of the Borrowing Base Reserve as described above.

38. On May 19, 2009, the Debtors entered into the Thirty-First Amendment of the Prepetition Credit Agreement (the "Thirty-First Amendment"), pursuant to which (i) the Automatic Increase Date was extended to May 26, 2009, and (ii) the maximum amount that could be outstanding under the Revolving Facility was reduced to $6.2 million.

39. Most recently, on June 22, 2009, the Debtors entered into the Thirty-Sixth Amendment of the Prepetition Credit Agreement (the "Thirty-Sixth Amendment"), pursuant to which the Automatic Increase Date was extended to June 26, 2009.

40. As a result, over the course of fourteen months, the Prepetition Lender were able to reduce their exposure to the Debtors in excess of $20 million, and were able to extract approximately $6 million in fees and other consideration, all without providing the liquidity desperately needed by the Debtors to rebuild and run their businesses.

Unsecured Prepetition Indebtedness

a. Enterex Supply and Security Agreements

41. On June 4, 2002, a predecessor in interest to Proliance entered into that certain Relationship and Supply Agreement (the "Enterex Supply Agreement") with Enterex Industrial Co., Ltd. ("Enterex"). Under the Enterex Supply Agreement, (a) Enterex agreed, among other things, not to manufacture, market, distribute or sell certain goods to any customer other than the Debtors within the United States, its territories, Mexico and Canada, and (b) Proliance agreed to (i) purchase a minimum amount of goods from Enterex and (ii) not to

purchase such goods from any other supplier in Asia than Enterex. As of the Petition Date, Proliance owed Enterex approximately $17.2 million under the Enterex Supply Agreement.

42. The obligations of Proliance under the Enterex Supply Agreement were initially secured by a junior[10] security interest in and lien on substantially all of the personal property and fixtures of all of the Debtors other than Proliance International Holding Corporation, pursuant to that certain Pledge and Security Agreement dated as of July 19, 2007 (the "Enterex Security Agreement"). Pursuant to section 11(a)(ii) of the Enterex Security Agreement, if Enterex supplies any of the relevant goods (the "Covered Goods") to any of the Debtors' competitors or subsidiaries in the United States or Canada, the security interest in and lien on the collateral created under the Enterex Security Agreement are automatically terminated without any further action by either party.

43. Upon information and belief, Enterex has supplied Covered Goods to various competitors of the Debtors in the United States prior to the termination of exclusivity under the Enterex Supply and Security Agreements. Further, during subsequent meetings with Enterex regarding the competitor supply issue and other issues under the Enterex Supply Agreement, Enterex has not denied supplying Covered Goods to the Debtors' competitors in the United States. Therefore, and pursuant to section 11(a)(ii) of the Enterex Security Agreement, Enterex's security interest in and lien on the collateral created under the Enterex Security Agreement automatically terminated as of the date of sale of such Covered Goods to the Debtors' competitors in the United States.

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[10] On July 11, 2007, Silver Point and Enterex entered into that certain intercreditor and lien subordination agreement pursuant to which, among other things, Silver Point and Enterex agreed that all liens granted to Enterex under the Enterex Supply Agreement and the Enterex Security Agreement are junior and subordinate to the liens granted to Silver Point under the Prepetition Credit Agreement.

b. Trade Debt

44. As of the Petition Date, the Debtors estimate that they had approximately $51.7 million in trade debt outstanding with their trade creditors, including domestic and foreign vendors,[11] shippers, warehousemen, customs brokers and insurance companies. The approximately $17.2 million owed to Enterex is included in the approximately $51.7 million of trade debt.

C. Stockholders' Equity

a. Common and Preferred Stock

45. Proliance's common stock is traded on the NYSE Amex exchange (f/k/a American Stock Exchange) (the "Exchange") under the symbol "PLI." Proliance has fully disclosed its financial condition, results of operations and other relevant information. The market price for its stock has decreased from about $3.00/share before the Southaven Casualty Event, to less than $0.50 per share at the outset of the credit crisis in the fourth quarter of 2008, to less than $0.20/share today. On June 1, 2009, the Company received notice from the Exchange that Proliance was not in compliance with certain sections of the Exchange's regulations regarding continued listing thereon. Due to these chapter 11 filings, Proliance's shares will likely be delisted.

46. As of the Petition Date, 2009, Proliance had 125,000,000 authorized shares of common stock, with a par value of $.01, with approximately 15,788,744 shares outstanding. Of the shareholders of record as of the Petition Date, there were two holders who each own or control 5% or more of the outstanding common stock, based on public filings.

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[11] Six of the Debtors' ten largest unsecured creditors are trade vendors located outside the United States.

47. Proliance also has 2,500,000 authorized shares of preferred stock, par value of $.01. As of June 15, 2009, there were 30,000 authorized shares of Series B preferred stock (the "Series B Preferred") with approximately 9,913 shares outstanding. The Series B Preferred is held by one individual, Paul S. Wilhide, as a result of Proliance's 1998 acquisition of EVAP, Inc. The Series B Preferred pays a 5% quarterly dividend based on the liquidation preference value of the shares.

b. Warrants

48. On March 26, 2008, pursuant to the Second Amendment, Proliance issued warrants to purchase up to the aggregate amount of 1,988,072 shares of common stock (representing 9.99% of the common stock on a fully-diluted basis) to two affiliates of Silver Point. As of the Petition Date, the warrants remain outstanding.

Part III

Events Leading to the Commencement of the Chapter 11 Cases

A. Summary

49. As described more fully herein, the Debtors have spent the better part of the last year and a half navigating through a number of landmines that began with the well-publicized decline in the U.S. auto industry. These difficult industry-related challenges were dwarfed, however, by the various operational and other obstacles that arose and followed from the Southaven Casualty Event.

50. The Southaven Casualty Event dramatically reduced the Debtors' Borrowing Base under the Prepetition Credit Agreement at the very time that the Debtors needed additional liquidity to restock their decimated inventory.

51. In particular, as described in greater detail below, the Prepetition Lenders asserted that, under the Prepetition Credit Agreement, the Borrowing Base definition excludes

the damaged assets, without giving effect to the related insurance proceeds received due to the Southaven Casualty Event. Further, under the Prepetition Credit Agreement, at the end of each day, the Debtors' bank accounts were left with zero balances and the Debtors were required to draw on the Revolving Facility daily for operational and working capital needs. The lack of liquidity forced the Debtors to renegotiate the terms of the Prepetition Credit Agreement, and accept significant cost increases under it, including over $6 million in aggregate cash fees and warrants, all as discussed in greater detail below. This, coupled with the severe deterioration in general economic conditions over the ensuing months, marked the beginning of a process from which the Debtors never recovered, essentially living hand-to-mouth from a financial point of view and being required to enter into 36 amendments to the Prepetition Credit Agreement during the period from the Southaven Casualty Event to the Petition Date.

52. In particular, the Southaven Casualty Event and the resulting reduction in the Debtors' Borrowing Base gave the Prepetition Lenders overwhelming leverage in negotiations with the Debtors regarding necessary waivers to events of defaults that resulted under the Prepetition Credit Facility. The Debtors were ultimately required by the Prepetition Lenders to (a) pay them millions of dollars in fees and (b) pay down the outstanding obligations under the Prepetition Credit Facility with approximately 40% of the insurance proceeds[12] from the Southaven Casualty Event that would have otherwise been available to the Debtors to rebuild their business.

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[12] On July 30, 2008, the Debtors reached a global settlement of $52.0 million with the Debtors' insurance company regarding all damage claims arising from the Southaven Casualty Event. Of the $52.0 million insurance settlement amount, $25.8 million represented the estimated recovery on inventory damaged by the Southaven Casualty Event, $3.4 million represented the estimated recovery on damaged fixed assets and $22.8 million represented the business interruption reimbursement of margin on lost sales, incremental costs for travel, product procurement and reclamation, incremental customer costs and other items resulting from the tornado, incurred through December 31, 2008.

53. Following the Southaven Casualty Event, Proliance initiated an extensive process in an effort to refinance its debt and obtain more flexible financing for its business. Proliance retained a nationally recognized investment bank, Jefferies & Company, Inc. ("Jefferies"), to assist in this effort. Proliance, directly and through Jefferies, canvassed over 60 banks and other financial institutions in an exhaustive effort to obtain such financing. In October 2008, Proliance signed a letter of intent to obtain $30 million of mezzanine financing, subject to the Company's ability to obtain a new senior credit facility. In November 2008, despite the onset of the crisis in the global financial markets, Proliance signed a proposal letter with a money center bank to obtain a $60 million senior secured credit facility and refinance its existing indebtedness. However, as discussed in greater detail below, for reasons outside the Debtors' control, the Debtors were unable to close on such refinancing.

54. Throughout this period, the Company implemented (and continues to implement) cost-reduction and other measures to improve its results of operations. Thus, while the Company's 2008 revenues decreased primarily due to the Southaven Casualty Event, its EBITDA (earnings before income taxes, depreciation and amortization, adjusted to eliminate restructuring charges and non-operating gains/losses), increased $27.7 million in 2008 compared to 2007 despite the deteriorating general economic environment over the course of the year. The tension between improving operating results and the Company's inability to secure adequate financing due to the global credit crisis was explained in Proliance's 2008 earnings release:

> "As in previous quarters, profitability continued to improve [in the fourth quarter of 2008] due to our domestic cost reduction initiatives, including our product cost improvements, overhead reductions and branch strategy," said Charles E. Johnson, President and CEO. "Our international business also had a very strong year in 2008. In all cases, our Associates have achieved our public earnings objectives even under very difficult business conditions. This increase in performance was achieved despite the restrictions placed on us by our senior

lender, which have made it difficult to secure enough replacement inventories to meet the strong customer demand we have been experiencing."

> "This points to our biggest immediate challenge, which is refinancing our debt. While we have been working diligently on this, we have experienced continued delays resulting in part from the current financial environment. To mitigate this to the greatest extent possible, we have continued to implement new cost cutting strategies to further improve operating performance. In addition, we have retained a new investment banking firm to assist us in pursuing a refinancing. Given the uncertainties in today's financial environment, the banker will also assist Proliance in actively evaluating all available alternatives." (Proliance March 24, 2009 press release (Exhibit B)).

55. The investment banking firm mentioned in the 2008 earnings release was Broadpoint Gleacher Securities Group Inc. ("Broadpoint"), which was commissioned to assist the Debtors in their ongoing efforts to obtain permanent financing and also to solicit possible investment or other strategic transactions by the Debtors.

56. The process initiated by the Debtors with the assistance of Broadpoint was exhaustive, involving contacts with 26 possible capital providers and potential strategic investors and partners, including potential purchasers of the Debtors' business, over a period of 13 weeks. The Company received written proposals from eight such parties and engaged in substantive discussions with all relevant parties. As described in the Company's May 6, 2009 press release:

> "The Company has, with the assistance of investment banking firms, run and continues to run, an extensive process to identify and consider all available options in an attempt to refinance its current credit agreement with the objective of providing Proliance with adequate liquidity to continue to operate its business. As a result, Proliance has received a number of indications of interest, including some refinancing proposals described in the Company's prior communications. However, the refinancing proposals described in previous communications have not proven to be viable under today's difficult financing conditions and all the current remaining offers contemplate a going concern sale of Proliance as part of a bankruptcy filing by the Company. While the Company would prefer a transaction outside of bankruptcy and continues to explore all other available options, it may have no other choice but to select one of these offers to preserve the business, enable it to continue to properly serve customers, improve fill rates and maximize enterprise value." (Proliance May 6, 2009 press release (Exhibit C)).

57. Proliance and its Board of Directors did everything possible to secure adequate financing and avoid a chapter 11 filing. Proliance hired two recognized investment banking firms to assist in its efforts; the management has been fully devoted to maximizing value, working tirelessly to improve Proliance's results of operations and secure financing; the Board of Directors, in addition to considering these matters at seven regularly scheduled Board meetings, actually met 21 other times since the Southaven Casualty Event in respect of the possible refinancing and related efforts to put Proliance on sound financial footing.

58. Ultimately, the protracted negotiations with the Prepetition Lenders forced the Debtors to drastically alter their business operations, and led to the need to either refinance the Prepetition Credit Facility or seek an investment or strategic transaction with a third party. Such restructuring efforts were made even more difficult due to the ongoing global financial crisis, which resulted in the Debtors not being able to secure sufficient financing to replace the Prepetition Credit Facility and create sufficient liquidity for the Debtors to be able to run their business efficiently. Similarly, the current credit environment made it extremely difficult, if not impossible, for the Debtors to locate an investor in, or purchaser of, the Debtors' assets that was willing to make such investment or purchase outside of bankruptcy, which left the Debtors and their management with no other option but to commence these chapter 11 cases for the purpose of preserving and maximizing value for the benefit of all creditors and parties in interest through a sale of substantially all of their assets under section 363 of the Bankruptcy Code to an entity that owns the Visteon automotive aftermarket business ("Visteon Aftermarket").

59. Proliance's management and directors did not, of course, want to be in a position in which the Debtors' only real alternative was to file for chapter 11 protection and would prefer not to be selling substantial assets in an extraordinarily difficult economic

environment. In fact, they did everything reasonably possible to avoid this result. However, the events outside of their control chronicled above took that decision out of their hands — they were required to proceed as explained herein due to the absence of any viable alternatives.

B. The Southaven Casualty Event Resulted in Events of Default under the Prepetition Credit Agreement

60. As a result of the Southaven Casualty Event, nearly all of the Debtors' automotive and light truck heat exchange inventory was destroyed. The February 5, 2008, tornadoes and thunderstorms took a particularly catastrophic toll on the Debtors' inventory because at that time the Southaven inventory included at least two major shipments that were ready for delivery at the end of February. As could be expected, this loss posed serious issues for not only the Debtors, but more importantly customers awaiting such shipment, which led to the loss of that business.

61. While the Debtors had insurance to cover the damage to the Southaven facility and its contents, as well as any business interruption losses, up to $80 million, the Prepetition Agent would not give credit to the insurance proceeds in the Borrowing Base in order to allow the Debtors to use any portion of such insurance proceeds to help stem the damage to their business operations that resulted from the Southaven Casualty Event. The Prepetition Agent, in its negotiations with the Debtors, repeatedly asserted that the damage to the inventory and fixed assets resulted in a significant reduction in the Borrowing Base, based on the Prepetition Agent's interpretation of the Borrowing Base definition in the Prepetition Credit Agreement as excluding the damaged assets therefrom without giving effect to the related insurance proceeds.

62. Although the Debtors' insurance carrier was quick to respond with a $10 million advance on the Debtors' claim arising from the Southaven Casualty Event, the

Prepetition Agent would not release the $10 million to the Debtors to be used to replenish inventory and restore business operations. Instead, the Prepetition Agent required that the Debtors apply $5 million of such amount to pay down the outstanding obligations under the Term Loan and the remaining $5 million to pay down the outstanding obligations under the Revolving Facility, taking the position that the Debtors would risk being in default under the Prepetition Credit Agreement if they did not do so. In order to comply with the Prepetition Agent's demands, the Debtors began implementing measures to appropriately manage their working capital to allow use of the received insurance proceeds to (a) pay down the outstanding obligations under the Term Loan and the Revolving Facility as required by the Prepetition Agent, and (b) replenish the destroyed inventory and attempt to get their business operations back on track. Subsequent to the first advance, the Debtors' received, as part of the insurance claims process, additional preliminary advances of $24.7 million during the second quarter of 2008 and $17.3 million during the third quarter of 2008, which the Prepetition Agent likewise required be used to reduce borrowings and other obligations under the Prepetition Credit Facility.

63. The Debtors estimated that they would need additional temporary funding in the amount of approximately $25 million to be able to replace the decimated inventory and restore business operations. Unfortunately, however, in addition to the liquidity squeeze imposed by the Prepetition Agent, the Debtors originally expected that, under the terms of their insurance agreement, it would not be until early 2009 that the Debtors would settle and receive the full amount of the insurance proceeds with which they could replace their inventory and continue to run their business as they had prior to the Southaven Casualty Event.

64. As discussed above, after significant negotiations, the Prepetition Agent ultimately agreed to amend the Prepetition Credit Agreement to implement the Borrowing Base

Overadvance Amount and provide the Debtors with approximately $24 million in interim financing to be repaid by May 31, 2008, subject to the following conditions: (a) of the original $10 million insurance proceeds advance, (i) $5 million would be applied to the Term Loan and the Prepetition Agent would collect 7-8% (approximately $400,000) in prepayment penalty fees, and (ii) $5 million would be used to pay down the Revolving Facility; (b) all availability under the Revolving Facility would be blocked, and only the Prepetition Agent, in its sole discretion, could remove the block; (c) the Debtors would agree that once they received insurance proceeds over a certain threshold amount, the Prepetition Agent would share the proceeds with the Debtors on a 50% basis; (d) the Prepetition Agent would receive warrants to purchase up to 9.99% of the Debtors' common stock, the market value of which, at the time of issuance, was estimated at approximately $3 million; and (e) the Prepetition Agent would collect various fees in connection with the refinancing.

65. Subsequently, the Debtors negotiated 36 additional Amendments to the Prepetition Credit Agreement, all stemming substantially from (a) the impact of the Southaven Casualty Event on the Debtors' operations, (b) the corresponding effect on the Debtors' financial condition, and (c) the lockdown by the Prepetition Agent to the Debtors' access to availability under the Prepetition Credit Facility. Although the Debtors were ultimately successful in meeting the May 31, 2008 repayment deadline (through a combination of operating results, working capital management (including, among other things, stretching the lag time between receipt and payment of the Debtors' suppliers' invoices) and implementation of various cost reduction measures), the Southaven Casualty Event severely disrupted the Debtors' business and allowed the Prepetition Agent to significantly restrict their access to liquidity. Overall, due to

the combination of all such obstacles, the Debtors estimate that they have lost at least $100 million in past and future business.

C. The Debtors' Restructuring Efforts and the Negative Impact of the Global Financial Crisis

66. As mentioned above, in connection with the Second Amendment, the Prepetition Agent not only limited the Debtors' use of the insurance proceeds and access to availability under the Prepetition Credit Facility, but also required that the Company pursue options to refinance the Prepetition Credit Facility.

67. Accordingly, immediately after the Southaven Casualty Event, the Debtors, with the assistance of Jefferies, contacted 61 parties over a six month period, seeking (a) potential strategic or other investors in the Debtors' business, and/or (b) potential sources of new credit with which the Debtors could refinance the Prepetition Credit Facility. Although further amendments to the Prepetition Credit Facility provided the Debtors with additional time to, with the assistance of Jefferies, secure a refinancing of the Prepetition Credit Facility or a sale of all or substantially all of the Debtors' assets, the interest to invest in or lend money to the Debtors, or to purchase the Debtors' business, was limited.

68. Nonetheless, as a result of the Debtors' efforts, in or around late March 2008, the Debtors began negotiating a new senior secured credit facility with a major institutional bank, which resulted in the Debtors receiving from that bank a term sheet regarding such credit facility. Among other terms, this new senior secured credit facility was expressly conditioned on the Debtors first securing a $30 million in mezzanine financing. In an effort to secure the required mezzanine financing facility, the Debtors selected the best available party with which to work, and were in fact working towards finalizing terms with respect thereto when, in late August 2008, after the negotiations had proceeded to an advanced stage, the

institution with whom the Debtors were negotiating the new senior secured credit facility informed the Debtors that, due to its own liquidity issues, it had cancelled all lending activities and would not proceed with the new senior secured facility.

69. In August and September of 2008, the Debtors confronted the perfect storm. The global financial crisis significantly reduced access to liquidity in the credit markets and banking systems, effectively freezing credit markets. Despite such obstacles, the Prepetition Agent set October 31, 2008, as the latest date for the Debtors to resolve outstanding issues under the Prepetition Credit Agreement and obtain new financing. Accordingly, the Debtors continued negotiations concerning the senior piece of the new financing with another party and, in order to increase their options, commenced negotiations with a third party regarding such senior financing.

70. On or around October 6, 2008, the Debtors signed a letter of intent with a group of institutional lenders that would provide $30 million of Mezzanine Financing. Completion of this financing was subject to various closing conditions, including, among others, (a) satisfactory completion of due diligence, (b) the Debtors establishing a new senior financing facility (including a new revolver) with a new lender other than the Prepetition Lenders, (c) the payment of a dividend from the Debtors' non-debtor affiliate in the Netherlands (the "Netherlands Affiliate"), and (d) execution of definitive agreements.

71. In an attempt to satisfy the conditions to the Mezzanine Financing described above, on November 18, 2008, the Debtors signed a proposal letter with a major bank to provide a new $60 million senior secured credit facility. The bank informed the Debtors that it intended to complete the requisite due diligence on schedule to close the deal by the end of 2008. Working against both time and the deteriorating economy, the Debtors meticulously

complied with all of the bank's requests regarding their due diligence and simultaneously pursued necessary approvals from the Works Council (representatives of employees of the Netherlands Affiliate) relating to the Netherlands Affiliate dividend.

72. On or about December 25, 2008, the bank with whom the Debtors had been negotiating the $60 million senior secured facility informed the Debtors that due diligence would not be complete by the end of 2008, explaining that the diligence process had become more complicated than originally projected. At the same time, the Works Council gave negative advice regarding the necessary approvals to proceed with issuing a Netherlands Affiliate dividend. The negative Works Council response had a significant chilling effect on the lenders contemplating both the senior and mezzanine pieces of the refinancing.

73. In January 2009, the Debtors ultimately obtained a positive advisement from the Works Council regarding the funding necessary to effect the Netherlands Affiliate dividend. However, the proposed mezzanine lenders subsequently indicated that, due in part to the global financial crisis-induced market conditions and delays encountered in obtaining authorization from the Works Council to effect the dividend from the Netherlands Affiliate, they would require that the Debtors provide additional sources of equity capital and/or debt in order for them to complete their part of the refinancing.

74. In particular, the potential mezzanine lenders indicated that, due to, among other things, the delay in the deal caused by the Works Council, they would forge ahead with the investment only if the Prepetition Lenders would make an additional investment of approximately $15 million in the Debtors' business, whether in the form of equity or debt junior to their mezzanine investment. The Prepetition Lenders initially considered such investment, and directed their advisors to conduct diligence to that end. Ultimately, after briefly considering

the deal in consultation with their advisors, the Prepetition Lenders suggested that the Debtors instead attempt to locate an investor in, or purchaser of, substantially all of the Debtors' assets or some similar transaction by which the Prepetition Lenders could instead recoup their total investment under the Prepetition Credit Facility quickly.

75. As a result, the Debtors began to consider a possible investment or other strategic transaction, as detailed above. Accordingly, it was clear to the Debtors that the optimal method by which they could maximize the value of their assets and best protect the interests of all stakeholders was to pursue a sale of substantially all of their assets.

D. The Debtors' Entry into the Purchase Agreement and the Section 363 Sale Process

76. As a result of the Debtors' extensive prepetition marketing efforts, the Debtors entered into a Purchase Agreement, dated July 2, 2009 (the "Purchase Agreement") prior to the Petition Date. The Purchase Agreement establishes Centrum Equities XV, LLC as the "stalking horse" bidder for the purchase of the Purchased Assets (as defined in the Purchase Agreement), and contemplates the continuation in chapter 11 of an extensive, but expeditious, sale process to realize the highest and best offer for substantially all of the Debtors' assets.

77. In connection with the sale process, the Debtors have filed or will file a motion seeking approval, pursuant to section 363 of the Bankruptcy Code, of certain bidding and sale procedures to govern the sale process (the "Sale Motion"). The Sale Motion provides a detailed overview of the proposed bidding procedures and the intended sale process, the terms of the Purchase Agreement and a description of the assets being sold.

78. In light of the Debtors' deteriorating financial condition due to their lack of access to liquidity and loss of customer base, as well as the number and size of the assets the Debtors seek to sell, the Debtors believe it necessary, appropriate and in the best interests of all stakeholders to establish an orderly, but expeditious, sale process at the very outset of these

chapter 11 cases that will continue the extensive sale process ran by the Debtors and their advisors prepetition (the "Sale Process"). The Debtors believe that commencing these chapter 11 cases with the filing of the Sale Motion enables and greatly facilitates the realization of the greatest value for the Debtors' assets for the benefit of their estates and their creditors.

E. The Urgent Need to Use the Debtors' Operating Revenues to Continue the Sale Process

79. In order to fund these chapter 11 cases for a sufficient amount of time to complete the Sale Process, the Debtors have concluded that they have an urgent need to access their prepetition and postpetition accounts receivable and revenue generated from the operation of their business (the "Operating Revenues"). Under the terms of the Prepetition Credit Facility, the Debtors' Operating Revenues are deposited into bank accounts controlled by the Prepetition Agent and swept nightly to satisfy outstanding indebtedness under the Prepetition Credit Facility.

80. Accordingly, as of the Petition Date, the Debtors have little, if any, cash on hand from which to operate their business and pay expenses incurred in the ordinary course, absent the ability to use their Operating Revenues going forward. The Debtors will need the Operating Revenues to satisfy payroll, pay suppliers, meet overhead, pay utility expenses, as well as make any other payments that are essential for the continued management, operation and preservation of the going concern value of the Debtors' business while they seek to complete the Sale Process.

81. It is essential to the preservation of the Debtors' business as a going concern that the Debtors immediately obtain authority to use their Operating Revenues pending the consummation of a sale thereof pursuant to section 363 of the Bankruptcy Code. The preservation of estate assets and the Debtors' ability to maximize the value of their estates thus depend heavily upon expeditious approval of the usage of their Operating Revenues. In contrast,

in the absence of authority to use their Operating Revenues, the Debtors would be forced to liquidate immediately and abruptly to the direct detriment of the Debtors, their estates and all stakeholders therein (including the Prepetition Lenders).

Part V

Facts Relevant to the First Day Pleadings

82. Concurrently with the filing of their Petitions, the Debtors filed the First Day Pleadings, requesting various forms of relief. The Debtors anticipate that the Court will conduct a hearing soon after the commencement of their chapter 11 cases (the "First Day Hearing"), at which the Court will hear and consider certain First Day Pleadings. The Debtors further anticipate that the Court will consider the remainder of the First Day Pleadings on or about 20 days after the Petition Date. The Debtors respectfully request that the relief requested in each of the First Day Pleadings be granted, as such relief is essential to stabilizing the Debtors' operations during the pendency of these chapter 11 cases and preventing the immediate and irreparable harm that would befall the Debtors and their estates if such relief were not granted, and is necessary to help facilitate the successful implementation of the Debtors' chapter 11 strategy, including the sale of the substantially all of the Debtors' assets to the highest bidder.

83. Generally, the First Day Pleadings have been designed to meet the goals of: (a) continuing the Debtors' operations in chapter 11 with as little disruption and loss of productivity as possible during the pendency of the sale of their assets; (b) maintaining the confidence and support of customers, employees and certain other key constituencies; (c) obtaining the necessary liquidity to continue their operations during the pendency of the sale of their assets; and (d) establishing procedures for the smooth and efficient administration of these chapter 11 cases.

84. I have reviewed each of the First Day Pleadings, including the exhibits thereto and supporting memoranda, and incorporate herein by reference the factual statements set forth in each of the First Day Pleadings. I believe that the relief sought in each of the First Day Pleadings is tailored to meet the goals described above and, ultimately, will be critical to the Debtors' ability to successfully implement their chapter 11 strategy, thereby maximizing the value of the Debtors' assets and protecting the best interests of all stakeholders.

85. I also believe that it is critical that the First Day Pleadings be heard as soon as possible. If the First Day Pleadings (particularly those First Day Pleadings (collectively, the "Prepetition Payment Motions") seeking relief related to the Debtors' obligations to their: (a) employees; (b) customers; (c) shippers, warehousemen and customs brokers and insurers;[13] and (d) taxing authorities)[14] are not granted on an expedited basis, the Debtors, among other things, will not have access to cash to continue their operations, may be unable to fulfill their obligations to, among others, customers, employees and essential suppliers. Under such circumstances, the Debtors will not be able to purchase goods or manufacture, sell and deliver their products. The impact of such a stoppage on the value of the Debtors' business would be immediate, widespread and irreparable. In particular, these measures are critical to maximizing the going concern value of the Debtors' business while they pursue a sale thereof. Accordingly, the expedited approval of the First Day Pleadings is (a) critical to protect the Debtors' going

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[13] In connection with the relief sought in Prepetition Payment Motions relating to the Debtors' obligations to their shippers, warehousemen and customs brokers and insurers, the Debtors seek to make such payments only to the extent provided under the budget that will control the Debtors' use of cash collateral, as contemplated in the Debtors' motion for authority to use such cash collateral and operating revenues.

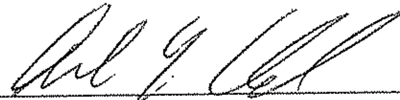
[14] The immediate harm resulting from the Debtors' failure to obtain the authority to pay certain prepetition claims and continue certain prepetition programs would not be limited to the Debtors' estates. For example, the employee-related payments the Debtors seek authority to make are needed to enable the Debtors' employees to meet their own personal obligations and to avoid the likelihood that the employees would suffer serious financial difficulties in the absence of the relief requested.

concern value, (b) essential to the maximization of the value of the Debtors' assets and (c) in the best interests of all of the Debtors' stakeholders.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief.

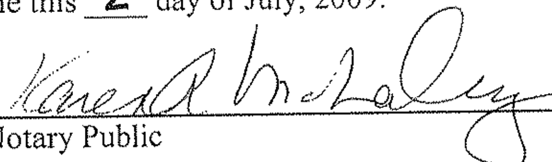
Executed on July 2, 2009 in New Haven, Connecticut.

Dated: July 2, 2009



Arlen F. Henock
Executive Vice President and
Chief Financial Officer of
Proliance International, Inc.

Sworn to and subscribed before
me this 2 day of July, 2009.



Notary Public

My Commission Expires: NOV. 30, 2012

EXHIBIT A

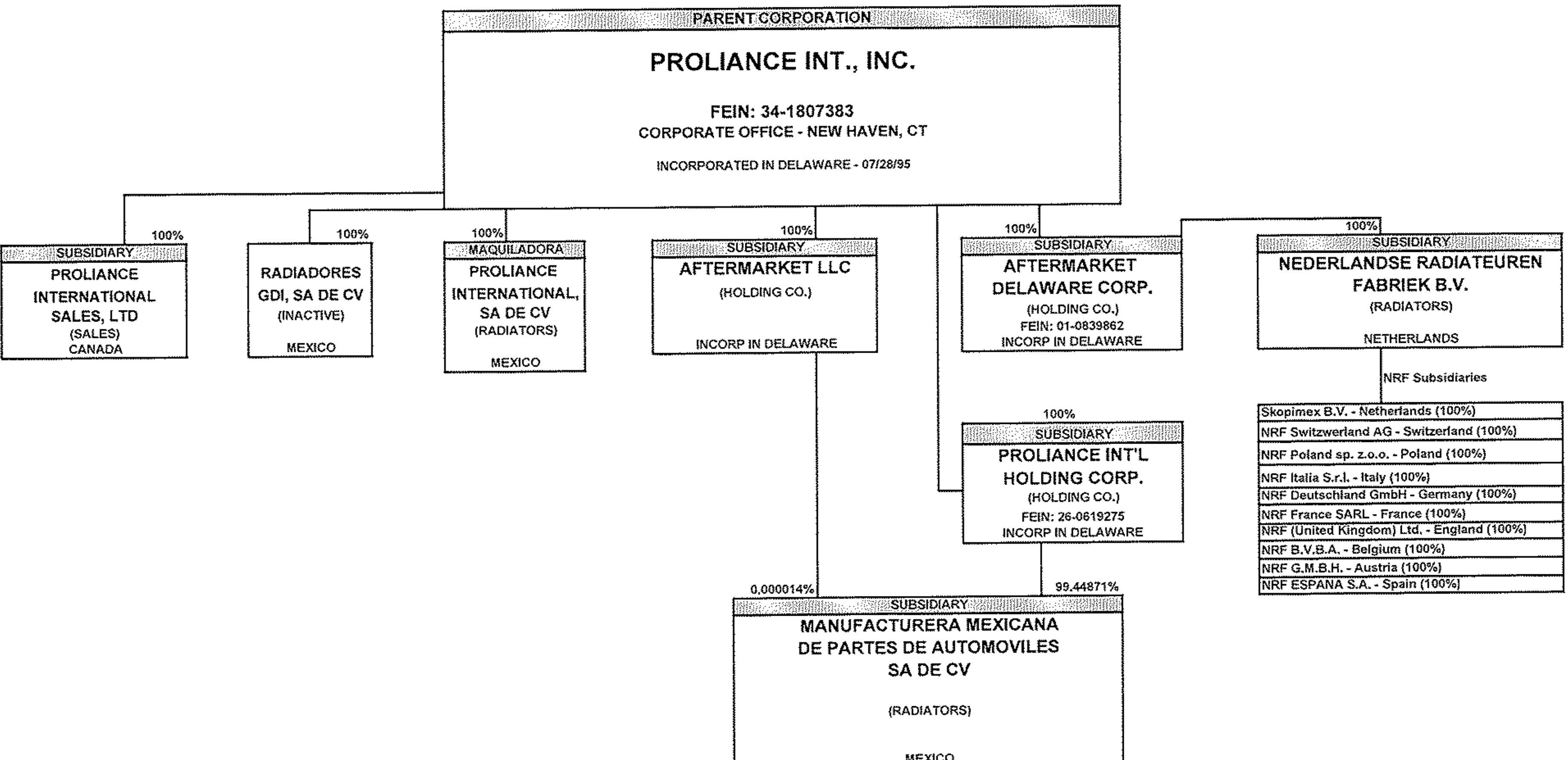

AS OF: June 18, 2009
PARENT CORPORATION
PROLIANCE INT., INC.
FEIN: 34-1807383
CORPORATE OFFICE - NEW HAVEN, CT
INCORPORATED IN DELAWARE - 07/28/95
100%
SUBSIDIARY
PROLIANCE INTERNATIONAL SALES, LTD
(SALES)
CANADA
100%
RADIADORES GDI, SA DE CV
(INACTIVE)
MEXICO
100%
MAQUILADORA
PROLIANCE INTERNATIONAL, SA DE CV
(RADIATORS)
MEXICO
100%
SUBSIDIARY
AFTERMARKET LLC
(HOLDING CO.)
INCORP IN DELAWARE
100%
SUBSIDIARY
AFTERMARKET DELAWARE CORP.
(HOLDING CO.)
FEIN: 01-0839862
INCORP IN DELAWARE
100%
SUBSIDIARY
NEDERLANDSE RADIATEUREN FABRIEK B.V.
(RADIATORS)
NETHERLANDS
NRF Subsidiaries
Skopimex B.V. - Netherlands (100%)
NRF Switzwerland AG - Switzerland (100%)
NRF Poland sp. z.o.o. - Poland (100%)
NRF Italia S.r.l. - Italy (100%)
NRF Deutschland GmbH - Germany (100%)
NRF France SARL - France (100%)
NRF (United Kingdom) Ltd. - England (100%)
NRF B.V.B.A. - Belgium (100%)
NRF G.M.B.H. - Austria (100%)
NRF ESPANA S.A. - Spain (100%)
100%
SUBSIDIARY
PROLIANCE INT'L HOLDING CORP.
(HOLDING CO.)
FEIN: 26-0619275
INCORP IN DELAWARE
0,000014%
99.44871%
SUBSIDIARY
MANUFACTURERA MEXICANA DE PARTES DE AUTOMOVILES SA DE CV
(RADIATORS)
MEXICO

EXHIBIT B

Exhibit 99.1

FOR IMMEDIATE RELEASE

PROLIANCE ACHIEVES OPERATING INCOME FORECAST FOR FY08;

PROVIDES UPDATE ON REFINANCING

NEW HAVEN, CT, March 24, 2009 – Proliance International, Inc. (NYSE Amex: PLI), a leading global manufacturer and distributor of aftermarket heat exchange and temperature control products for automotive and heavy-duty applications, today announced results for the fourth quarter and year ended December 31, 2008.

- Net income for the fourth quarter of $0.2 million, or $0.01 per share, compared to a net loss of $4.4 million, or $0.28 per share, in the similar period last year, a $4.6 million improvement. Net sales were $76.0 million compared to $84.3 million in the year ago period.
- A decline in the net loss for the year to $4.1 million, or $0.27 per share, from a net loss of $16.8 million, or $1.18 per share, for 2007, on net sales of $350.1 million compared to $393.9 million a year ago.
- Operating income for the fourth quarter increased to $4.3 million from an operating loss of $0.2 million in the year ago period, and for the year, increased to $16.6 million from an operating loss of $0.3 million in 2007.
- The Company's forecast of $20 million of adjusted operating income was achieved. (Adjusted operating income and related measures herein are non-GAAP financial measures. See attached Supplementary Information table for reconciliation to GAAP.)

Comment

Compared to year ago periods, net sales for the quarter and the year declined due to the adverse effects of the February 2008 tornadoes that destroyed Proliance's Southaven, MS heat exchange products distribution facility, in addition to the Company's change in strategy to sales through wholesalers for certain products and away from direct sales through branches.

However, operating income increased as a result of the Company's continuing cost reduction program, which lowered operating expenses and product costs. This improvement was partially offset by lower margins due to lost sales, higher product related costs and higher operating expenses, all of which were attributable to the Southaven casualty event, net of insurance proceeds.

Proliance's senior lender required the Company to apply a significant portion of the Southaven casualty event insurance proceeds to pay down borrowings. As a result, total debt of $44.8 million at December 31, 2008 was $22.6 million less than at December 31, 2007.

"As in previous quarters, profitability continued to improve due to our domestic cost reduction initiatives, including our product cost improvements, overhead reductions and branch strategy," said Charles E. Johnson, President and CEO. "Our international business also had a very strong year in 2008. In all cases, our Associates have achieved our public earnings objectives even under very difficult business conditions. This increase in performance was achieved despite the restrictions placed on us by our senior lender, which have made it difficult to secure enough replacement inventories to meet the strong customer demand we have been experiencing."

"This points to our biggest immediate challenge, which is refinancing our debt. While we have been working diligently on this, we have experienced continued delays resulting in part from the current financial environment. To mitigate this to the greatest extent possible, we have continued to implement new cost cutting strategies to further improve operating performance. In addition, we have retained a new investment banking firm to assist us in pursuing a refinancing. Given the uncertainties in today's financial environment, the banker will also assist Proliance in actively evaluating all available alternatives."

Fourth Quarter 2008 Financial Analysis

(All comparisons are to the corresponding year-ago period unless otherwise indicated)

Domestic net sales of $49.2 million declined 14%, primarily due to the aftereffects of the Southaven casualty event and the change in branch distribution strategy. The Company operated 34 branches at the close of 2008, compared to 46 at the end of 2007 and 94 at the end of 2006. International sales of $26.8 million declined 2%, primarily reflecting exchange rate differences from the stronger U.S. dollar.

Consolidated gross margin was 18.5% of sales compared to 20.4%. Domestic gross margin reflected the impact of the Southaven casualty event and lower average selling prices, in part attributable to the change in distribution strategy, which were partially offset by lower manufacturing costs as a result of product innovations and production efficiencies. International gross margin was slightly higher due to cost reductions.

Selling, general and administrative expenses (SG&A) declined to $9.7 million or 12.8% of sales compared to $16.4 million or 19.5% of sales a year ago. SG&A in the fourth quarter of 2008 was favorably impacted by $4.6 million of other income associated with the Southaven casualty event, which partially offset costs associated with the event included in gross margin. Excluding the impact of the Southaven casualty event, domestic overhead was lower, reflecting the change in distribution strategy as well as general expense reductions.

Interest expense decreased slightly as lower average debt levels and lower discounting expense associated with customer sponsored payment programs more than offset the impact of higher average interest rates and higher amortization of deferred debt costs.

Opinion of Independent Accountants

Due to the possibility that a loan covenant violation could result in future periods, requiring, at the lender's discretion, the retirement of the entire amount of indebtedness at that time, amounts payable under Proliance's credit agreement have been classified in current liabilities at December 31, 2008 and 2007. As a result, the Company's independent accountants have included an explanatory paragraph in their audit opinion in Proliance's 2008 Annual Report on Form 10-K, concerning the Company's ability to continue as a going concern.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) of $8.6 million for the quarter increased from $3.1 million in the year ago quarter, and for the year, increased to $27.7 million from $14.5 million in 2007.

Adjusted EBITDA and related measures herein constitute "non-GAAP financial measures" as defined by the rules of the Securities and Exchange Commission. A separate tabular presentation of this information is provided below, to indicate how the non-GAAP financial measure was determined and to reconcile the non-GAAP financial measure to net income. The Company has provided the foregoing data as it believes that it provides the marketplace with supplemental information with respect to the comparative baseline performance of its business operations. Although Adjusted EBITDA should not serve as a substitute for operating income or net income, the Company believes that the marketplace may find this non-GAAP financial measure to be useful as a supplement to the GAAP financial information provided. Specifically, Adjusted EBITDA for the periods presented excludes: (1) restructuring charges, which we believe to be non-recurring in nature and not reflective of the baseline performance of the Company's business; (2) the gain on the sale of an unused building, which does not reflect the results of the Company's core automotive parts business; (3) an arbitration earn-out decision, which we believe to be non-recurring in nature and not reflective of the baseline performance of the Company's business; and (4) the estimated operating loss impact due to the February 5, 2008 tornadoes that destroyed the Company's Southaven, MS distribution center, which we believe does not accurately reflect the Company's core operating performance under normalized business conditions.

Conference Call

Proliance will host a conference call today at 4:30 PM ET with Charles E. Johnson, President and CEO, and Arlen F. Henock, CFO, to discuss the results for the fourth quarter and year ended December 31, 2008. The call will be accessible live via a webcast on Proliance's Investor Relations Webcast page at http://www.pliii.com/39-webcasts?side or http://www.wsw.com/webcast/pli/. A webcast replay will be available shortly thereafter.

About Proliance International, Inc.

Proliance International, Inc. is a leading global manufacturer and distributor of aftermarket heat transfer and temperature control products for automotive and heavy-duty applications serving North America, Central America and Europe.

Forward Looking Statements

Statements included in this press release, which are not historical in nature, are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements relating to the future financial performance or liquidity of the Company are subject to business conditions and growth in the general economy and automotive and truck business, the impact of competitive products and pricing, changes in customer product mix, failure to obtain new customers or retain old customers or changes in the financial stability of customers, changes in the cost of raw materials, components or finished products, the discretionary actions of its suppliers and lenders, and changes in interest rates. Such statements are based upon the current beliefs and expectations of Proliance management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. When used in this press release, the terms "anticipate," "believe," "efforts," "estimate," "expect," "goal," "may," "objective," "plan," "possible," "potential," "project," "proposal," "pursue," "will" and similar expressions identify forward-looking statements.

Factors that could cause Proliance's results to differ materially from those described in the forward-looking statements include the effects of the financial crisis and turmoil in the capital markets, the absence of refinancing commitments, the global recession and other factors identified in Proliance's 2007 Annual Report on Form 10-K and Proliance's other subsequent filings with the SEC. The forward-looking statements contained in this press release are made as of the date hereof, and Proliance does not undertake any obligation to update any forward-looking statements, whether as a result of future events, new information or otherwise.

Contact

Arlen F. Henock, Chief Financial Officer, Proliance International, Inc., (203) 859-3626, or Steven Anreder (steven.anreder@anreder.com) or Gary Fishman (gary.fishman@anreder.com) of Anreder & Company, (212) 532-3232.

PROLIANCE INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for per share amounts)
(unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
Net sales	$75,986	$84,257	$350,067	$393,942
Cost of sales	61,926	67,106	284,671	310,963
Gross margin	14,060	17,151	65,396	82,979
Selling, general and administrative expenses	9,735	16,429	48,611	76,031
Arbitration earn-out decision	—	—	—	3,174
Restructuring charges	—	925	172	4,117
Operating income (loss)	4,325	(203)	16,613	(343)
Interest expense	3,634	3,679	15,764	13,838
Debt extinguishment costs	7	—	2,829	891
Income (loss) before income taxes	684	(3,882)	(1,980)	(15,072)
Income tax provision	509	485	2,082	1,732
Net income (loss)	$ 175	$ (4,367)	$ (4,062)	$ (16,804)
Net income (loss) per common share — basic	$ 0.01	$ (0.28)	$ (0.27)	$ (1.18)
Net income (loss) per common share — diluted	$ 0.01	$ (0.28)	$ (0.27)	$ (1.18)
Weighted average common shares — basic	15,756	15,668	15,748	15,368
Weighted average common shares — diluted	25,304	15,668	15,748	15,368

PROLIANCE INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31, 2008	December 31, 2007
Cash and cash equivalents	$ 2,444	$ 476
Accounts receivable, net	57,005	60,153
Inventories	84,586	106,756
Other current assets	5,198	7,645
Net property, plant and equipment	21,886	21,164
Other assets	16,086	12,699
Total assets	$ 187,205	$ 208,893
Accounts payable	$ 64,788	$ 48,412
Accrued liabilities	18,546	24,649
Total debt	44,837	67,453
Other long-term liabilities	16,845	5,353
Stockholders' equity	42,189	63,026
Total liabilities and stockholders' equity	$ 187,205	$ 208,893

PROLIANCE INTERNATIONAL, INC.
SUPPLEMENTAL INFORMATION
(in thousands)
(unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
SEGMENT DATA:				
Net sales:				
Domestic	$49,202	$56,993	$227,876	$286,665
International	26,784	27,264	122,191	107,277
Total net sales	$75,986	$84,257	$350,067	$393,942
Operating income (loss):				
Domestic	$ 4,543	$ 573	$ 18,457	$ 11,105
Restructuring charges	—	(1,164)	(172)	(3,891)
Domestic total	4,543	(591)	18,285	7,214
International	817	1,001	5,662	3,690
Restructuring charges	—	239	—	(226)
International total	817	1,240	5,662	3,464
Corporate income (expenses)	(1,035)	(852)	(7,334)	(7,847)
Arbitration earn-out decision	—	—	—	(3,174)
Total operating income (loss)	$ 4,325	$ (203)	$ 16,613	$ (343)
NET CAPITAL EXPENDITURES	$ 946[a][b]	$ 1,276[a]	$ 5,156[a][b]	$ 3,018[a]

(a) Excludes proceeds from sale of building and insurance recovery on damaged fixed assets in 2008 and from sale of facility in 2007.

(b) Excludes $2,176 for racking acquired through capital lease.

PROLIANCE INTERNATIONAL, INC.
SUPPLEMENTARY INFORMATION
(in thousands)
(unaudited)

NON-GAAP FINANCIAL MEASURE – ADJUSTED OPERATING INCOME — OPERATING INCOME AND ESTIMATED OPERATING LOSS FROM TORNADOES

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
Net income (loss)	$ 175	$(4,367)	$ (4,062)	$(16,804)
Income tax provision	509	485	2,082	1,732
Debt extinguishment costs	7	—	2,829	891
Interest expense	3,634	3,679	15,764	13,838
Operating income (loss)	4,325	(203)	16,613	(343)
Estimated operating loss from tornadoes[a]	2,313	—	4,788	—
Adjusted Operating Income[b]	$ 6,638	$ (203)	$21,401	$ (343)

(a) Estimated operating loss from tornadoes includes margin less related expenses on lost sales, costs net of insurance recovery and gains from asset conversions due to the February 5, 2008 tornado damage to the Southaven, Mississippi distribution facility.

(b) Operating income excluding the estimated operating loss from the tornadoes ("Adjusted Operating Income"), constitutes a "non-GAAP financial measure" as defined by the rules of the Securities and Exchange Commission. The Company has provided the foregoing data as it believes that it provides the marketplace with additional information useful in evaluating the financial performance of the Company during the three and twelve months ended December 31, 2008 and 2007.

PROLIANCE INTERNATIONAL, INC.
SUPPLEMENTARY INFORMATION
(in thousands)
(unaudited)

NON-GAAP FINANCIAL MEASURE – ADJUSTED EBITDA — EBITDA BEFORE RESTRUCTURING, GAIN ON SALE OF BUILDING, ARBITRATION EARN-OUT DECISION AND ESTIMATED OPERATING LOSS FROM TORNADOES

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
Net income (loss)	$ 175	$(4,367)	$ (4,062)	$(16,804)
Income tax provision	509	485	2,082	1,732
Debt extinguishment costs	7	—	2,829	891
Interest expense	3,634	3,679	15,764	13,838
Operating income (loss)	4,325	(203)	16,613	(343)
Depreciation and amortization[a]	1,982	2,403	7,675	8,260
EBITDA	6,307	2,200	24,288	7,917
Restructuring charges	—	925	172	4,117
Gain on sale of building	—	—	(1,538)	(750)
Arbitration earn-out decision	—	—	—	3,174
Estimated operating loss from tornadoes[b]	2,313	—	4,788	—
Adjusted EBITDA[c]	$ 8,620	$ 3,125	$27,710	$ 14,458

(a) Depreciation and amortization does not include amortization of deferred debt costs that are classified as interest expense.

(b) Estimated operating loss from tornadoes includes margin less related expenses on lost sales, costs net of insurance recovery and gains from asset conversions due to the February 5, 2008 tornado damage to the Southaven, Mississippi distribution facility.

(c) Earnings before interest, taxes, depreciation and amortization ("EBITDA") and EBITDA less restructuring charges, gain on sale of building, arbitration earn-out decision and estimated operating loss from the tornado ("Adjusted EBITDA"), constitute "non-GAAP financial measures" as defined by the rules of the Securities and Exchange Commission. The Company has provided the foregoing data as it believes that it provides the marketplace with additional information useful in evaluating the financial performance of the Company during the three and twelve months ended December 31, 2008 and 2007.

EXHIBIT C

Exhibit 99.1

FOR IMMEDIATE RELEASE

PROLIANCE ANNOUNCES FIRST QUARTER RESULTS AND PROVIDES UPDATE ON REFINANCING PROCESS

NEW HAVEN, CT, May 6, 2009 — Proliance International, Inc. (NYSE Amex: PLI) today reported net sales of $61.0 million and a net loss of $14.4 million, equal to $0.92 per share, for the first quarter ended March 31, 2009. This compares to net sales of $76.5 million and a net loss of $6.2 million, equal to $0.40 per share, in the year ago quarter.

Underlying the Company's performance, and as previously reported, the lack of adequate financing in 2008 and the first quarter of 2009 resulted in significantly lower sales of domestic automotive and light truck heat exchange products that the Company purchases overseas. The Company believes that the lack of sufficient financing reduced total net sales by over 20% in the first quarter. In addition, first quarter 2009 results were also negatively affected by a number of additional factors, including lower than expected sales volume in the Company's domestic automotive and light truck air conditioning business, necessitating a $0.8 million increase in reserves for excess inventory; a $1.5 million write-off of a receivable from a customer which is in the process of liquidation; restructuring costs of $0.8 million related to the reduction of personnel and infrastructure expenses in the U.S. and Mexico; and a $1.9 million write-off of previously capitalized financing costs no longer related to the refinancing process. The Company also noted that additional restructuring actions to improve future performance are expected in subsequent quarters.

While Proliance has been unable to purchase sufficient product to meet strong demand, fill rates on many products manufactured by the Company have continued to be satisfactory. A recent amendment to Proliance's loan agreement with its senior lender, to temporarily remove remaining revolving loan blocks, is increasing the availability of funds by a limited amount, which should help to improve near-term fill rates. However, the prompt refinancing of the Company's senior debt to provide greater liquidity is becoming increasingly critical for the successful operation of the business.

While international sales and profitability were slightly lower than the year ago period, first quarter 2009 results also reflected the negative effect of currency translation due to a stronger US dollar versus the Euro and the Mexican peso, and general softness related to the worldwide recession, offset in part by continued strength in the marine business in Europe.

Refinancing Update

The Company has, with the assistance of investment banking firms, run and continues to run, an extensive process to identify and consider all available options in an attempt to refinance its current credit agreement with the objective of providing Proliance with adequate liquidity to continue to operate its business. As a result, Proliance has received a number of indications of interest, including some refinancing proposals described in the Company's prior communications. However, the refinancing proposals described in previous communications have not proven to be viable under today's difficult financing conditions and all the current remaining offers contemplate a going concern sale of Proliance as part of a bankruptcy filing by the Company. While the Company would prefer a transaction outside of bankruptcy and continues to explore all other available options, it may have no other choice but to select one of these offers to preserve the business, enable it to continue to properly serve customers, improve fill rates and maximize enterprise value.

For reference, in February 2008, tornadoes destroyed most of the Company's heat exchange product inventory and distribution facility in Southaven, MS. Proliance's lead lender required the Company to apply a significant portion of the insurance proceeds to pay down debt under its senior indebtedness, thereby significantly reducing the Company's liquidity and making it difficult for Proliance to finance the acquisition of product to meet sales demand. The Company promptly initiated an effort to refinance its debt and raise additional capital. However, the process has been hampered by the continued tight and chaotic credit and financial markets and other factors. The challenges faced by the Company are discussed in greater detail in the Company's Form 10-K for the year ended December 31, 2008 and other SEC filings.

Conference Call

Proliance will host a conference call today at 9:00 AM ET with Charles E. Johnson, President and CEO, and Arlen F. Henock, CFO, to discuss the results for the first quarter ended March 31, 2009. The call will be accessible live via a webcast on Proliance's Investor Relations Webcast page at http://www.pliii.com/39-webcasts?side or http://www.wsw.com/webcast/cc/pli2/. A webcast replay will be available shortly thereafter.

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Forward Looking Statements

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Additional factors that could cause Proliance's results to differ materially from those described in the forward-looking statements include the effects of the financial crisis and turmoil in the capital markets, the absence of refinancing commitments, the global recession and other factors identified in Proliance's 2008 Annual Report on Form 10-K and Proliance's other subsequent filings with the SEC. The forward-looking statements contained in this press release are made as of the date hereof, and Proliance does not undertake any obligation to update any forward-looking statements, whether as a result of future events, new information or otherwise.

Contact

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PROLIANCE INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2009	**2008**
Net sales	$ 60,978	$76,540
Cost of sales	54,678	65,458
Gross margin	6,300	11,082
Selling, general and administrative expenses	15,237	12,831
Restructuring charges	835	172
Operating loss	(9,772)	(1,921)
Interest expense	3,020	3,736
Debt extinguishment costs	7	576
Write off of financing costs	1,905	—
Unrealized (gain) from warrant fair value adjustment	(327)	—
Loss before taxes	(14,377)	(6,233)
Income tax (benefit) provision	16	(57)
Net loss	$(14,393)	$(6,176)
Net loss per common share — basic and diluted	$ (0.92)	$ (0.40)
Weighted average common shares — basic and diluted	15,758	15,730

PROLIANCE INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	March 31, 2009 *(unaudited)*	December 31, 2008
Cash and cash equivalents	$ 2,233	$ 2,444
Accounts receivable, net	45,924	57,005
Inventories, net	72,375	84,586
Other current assets	4,427	5,198
Net property, plant and equipment	21,162	21,886
Other assets	14,186	16,086
Total assets	$ 160,307	$ 187,205
Accounts payable	$ 62,451	$ 64,788
Accrued liabilities	17,414	18,546
Total debt	36,600	44,837
Warrants outstanding, at fair value	234	—
Other long-term liabilities	16,792	16,845
Stockholders' equity	26,816	42,189
Total liabilities and stockholders' equity	$ 160,307	$ 187,205

PROLIANCE INTERNATIONAL, INC.
SUPPLEMENTAL INFORMATION
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2009	**2008**
SEGMENT DATA:		
Net sales:		
Domestic	$38,636	$49,717
International	22,342	26,823
Total net sales	$60,978	$76,540
Operating income (loss):		
Domestic	$ (6,126)	$ (883)
Restructuring charges	(432)	(172)
Domestic total	(6,558)	(1,055)
International	(654)	62
Restructuring charges	(403)	—
International total	(1,057)	62
Corporate expenses	(2,157)	(928)
Total operating income (loss)	$ (9,772)	$ (1,921)
NET CAPITAL EXPENDITURES	$ 777	$ 1,437