



United Components Reports Results of Operations for First Quarter 2009

EVANSVILLE, IN May 12, 2009 – United Components, Inc. (“UCI”) today announced results for the quarter ended March 31, 2009. Revenue of \$219.9 million decreased \$9.4 million over the year-ago quarter. Excluding the effects of obtaining new customer business in both quarters, revenue decreased by 3.5% from the year-ago quarter. On this basis, the company reported revenue increases in the retail and traditional channels and declines in the OEM, OES and heavy duty channels.

Net income attributable to UCI for the quarter was \$1.6 million, including \$2.9 million in special charges, net of tax, including costs related to obtaining new business, reductions in force, defending class action litigation, the establishment of new facilities in China and integration of water pump operations. Excluding these charges, adjusted net income would have been \$4.5 million. Net income attributable to UCI for the first quarter of 2008 was \$6.8 million, including \$1.8 million of special charges, net of tax, related to the establishment of new facilities in China, costs of obtaining new business and integration of water pump operations. Excluding these charges, adjusted net income would have been \$8.6 million.

Earnings before interest, taxes, depreciation and amortization, or EBITDA, as adjusted consistent with the company’s historical presentations, was \$25.2 million for the first quarter, compared with \$32.6 million for the year-ago quarter. The reconciliation of net income to adjusted EBITDA, a non-GAAP measure of financial performance, is set forth in Schedule A.

“In the midst of this serious economic downturn, we are very pleased with our results for the quarter, particularly the significant improvement over the fourth quarter of 2008,” said Bruce Zorich, Chief Executive Officer of UCI. “We saw the beginnings of a return in consumer demand, especially in the retail sector, and we are encouraged by a continuing uptick in demand as we head into the second quarter.”

“In addition, our aggressive cost structure initiatives resulted in significant savings over last year’s first quarter, with additional savings to come in the second quarter,” continued Zorich. “We are very well positioned to capitalize on the opportunities that we see as the economy recovers.”

As of March 31, 2009, the company’s debt stood at \$425.1 million. The company ended the quarter with \$73.0 million in cash, up from \$46.6 million at December 31, 2008. The company had no outstanding balance under its revolving credit facility at March 31, with \$20 million outstanding at December 31, 2008.

Conference Call

The company will host a conference call to discuss its results and performance on Wednesday, May 13, 2009, at 11:00 a.m. Eastern Time. Interested parties are invited to listen to the call by telephone. Domestic callers can dial (800) 637-1381. International callers can dial (502) 498-8424.

A replay of the call will be available from May 13, 2009, for a ninety-day period, at www.ucinc.com. Click on the [UCI 2009 1st Quarter Results](#) button.

About United Components, Inc.

United Components, Inc. is among North America's largest and most diversified companies servicing the vehicle replacement parts market. We supply a broad range of products to the automotive, trucking, marine, mining, construction, agricultural and industrial vehicle markets. Our customer base includes leading aftermarket companies as well as a diverse group of original equipment manufacturers.

Forward Looking Statements

All statements, other than statements of historical facts, included in this press release and the attached report that address activities, events or developments that UCI expects, believes or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements give UCI's current expectations and projections relating to the financial condition, results of operations, plans, objectives, future performance and business of UCI and its subsidiaries. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They are subject to uncertainties and factors relating to UCI's operations and business environment, all of which are difficult to predict and many of which are beyond UCI's control. UCI cautions investors that these uncertainties and factors, including those discussed in Item 1A of UCI's 2008 Annual Report on Form 10-K and in its other SEC filings, could cause UCI's actual results to differ materially from those stated in the forward-looking statements. UCI cautions that investors should not place undue reliance on any of these forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and except as required by law, UCI undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

For More Information, Contact:

Dan Johnston, Chief Financial Officer (812) 867-4726

(continued on next page)

United Components, Inc.

Condensed Consolidated Income Statements (unaudited)
(in thousands)

| | Three Months ended March 31, | |
|--|------------------------------|-----------------|
| | 2009 | 2008 |
| Net sales | \$ 219,862 | \$ 229,290 |
| Cost of sales | <u>179,598</u> | <u>178,230</u> |
| Gross profit | 40,264 | 51,060 |
| Operating expense | | |
| Selling and warehousing | (14,298) | (15,505) |
| General and administrative | (11,896) | (12,528) |
| Amortization of acquired intangible assets | (1,480) | (1,593) |
| Costs of integration of water pump operations | <u>(205)</u> | <u>(363)</u> |
| Operating income | 12,385 | 21,071 |
| Other expense | | |
| Interest expense, net | (7,999) | (9,142) |
| Management fee expense | (500) | (500) |
| Miscellaneous, net | <u>(1,485)</u> | <u>(527)</u> |
| Income before income taxes | 2,401 | 10,902 |
| Income tax expense | <u>(1,135)</u> | <u>(4,176)</u> |
| Net income | 1,266 | 6,726 |
| Less: loss attributable to noncontrolling interest | <u>(304)</u> | <u>(29)</u> |
| Net income attributable to United Components, Inc. | <u>\$ 1,570</u> | <u>\$ 6,755</u> |

United Components, Inc.

Condensed Consolidated Balance Sheets

(in thousands)

| <u>Assets</u> | March 31, 2009 <i>(unaudited)</i> | December 31, 2008 <i>(audited)</i> |
|--|---|--|
| Current assets | | |
| Cash and cash equivalents | \$ 73,005 | \$ 46,612 |
| Accounts receivable, net | 253,741 | 261,624 |
| Inventories, net | 146,838 | 159,444 |
| Deferred tax assets | 24,310 | 24,245 |
| Other current assets | <u>19,463</u> | <u>19,452</u> |
| Total current assets | 517,357 | 511,377 |
| Property, plant and equipment, net | 163,953 | 167,906 |
| Goodwill | 241,461 | 241,461 |
| Other intangible assets, net | 72,470 | 74,606 |
| Deferred financing costs, net | 2,403 | 2,649 |
| Other long-term assets | <u>1,536</u> | <u>1,823</u> |
| Total assets | <u>\$ 999,180</u> | <u>\$ 999,822</u> |
| <u>Liabilities and equity</u> | | |
| Current liabilities | | |
| Accounts payable | \$ 109,677 | \$ 104,416 |
| Short-term borrowings | 6,595 | 25,199 |
| Current maturities of long-term debt | 384 | 422 |
| Accrued expenses and other current liabilities | <u>96,221</u> | <u>85,730</u> |
| Total current liabilities | 212,877 | 215,767 |
| Long-term debt, less current maturities | 418,106 | 418,025 |
| Pension and other postretirement liabilities | 80,649 | 79,832 |
| Deferred tax liabilities | 4,030 | 3,560 |
| Due to parent | 18,406 | 17,535 |
| Other long-term liabilities | <u>2,760</u> | <u>2,540</u> |
| Total liabilities | 736,828 | 737,259 |
| Equity | <u>262,352</u> | <u>262,563</u> |
| Total liabilities and equity | <u>\$ 999,180</u> | <u>\$ 999,822</u> |

United Components, Inc.

Condensed Consolidated Statements of Cash Flows *(unaudited)*
(in thousands)

| | Three Months ended March 31, | |
|---|------------------------------|------------------|
| | <u>2009</u> | <u>2008</u> |
| Net cash provided by operating activities | \$ <u>49,239</u> | \$ <u>6,768</u> |
| Cash flows from investing activities | | |
| Capital expenditures | (4,018) | (7,886) |
| Proceeds from sale of other property, plant and equipment | <u>24</u> | <u>58</u> |
| Net cash used in investing activities | <u>(3,994)</u> | <u>(7,828)</u> |
| Cash flows from financing activities | | |
| Issuances of debt | 3,672 | 347 |
| Debt repayments | <u>(22,391)</u> | <u>(18,256)</u> |
| Net cash used in financing activities | <u>(18,719)</u> | <u>(17,909)</u> |
| Effect of currency exchange rate changes on cash | <u>(133)</u> | <u>109</u> |
| Net increase (decrease) in cash and cash equivalents | 26,393 | (18,860) |
| Cash and cash equivalents at beginning of year | <u>46,612</u> | <u>41,440</u> |
| Cash and cash equivalents at end of period | \$ <u>73,005</u> | \$ <u>22,580</u> |

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are presented because they are believed to be frequently used by parties interested in United Components, Inc. ("UCI"). Management believes that EBITDA and Adjusted EBITDA provide useful information to investors because they facilitate an investor's comparison of UCI's operating results to that of companies with different capital structures and with cost basis in assets that have not been revalued and written-up in an allocation of a recent acquisition's purchase price.

The calculation of Adjusted EBITDA, presented on Schedule A, reflects the calculation of EBITDA as used in the amended and restated credit agreement for UCI's senior credit facilities. The adjusted EBITDA required by the credit agreement is used to measure compliance with covenants of that agreement such as interest coverage.

EBITDA and Adjusted EBITDA are not measures of financial performance under United States generally accepted accounting principles ("U.S. GAAP") and should not be considered alternatives to net income, operating income or any other performance measures derived in accordance with U.S. GAAP or as an alternative to cash flow from operating activities as a measure of liquidity.

Schedule A

Reconciliation of Net Income to EBITDA and Adjusted EBITDA
(in millions)

| | <u>Three Months ended March 31,</u> | |
|--|-------------------------------------|-----------------------|
| | <u>2009</u> | <u>2008</u> |
| Net income attributable to United Components, Inc. | \$ 1.6 | \$ 6.8 |
| Interest, net of noncontrolling interest | 8.0 | 9.1 |
| Income tax expense, net of noncontrolling interest | 1.2 | 4.2 |
| Depreciation, net of noncontrolling interest | 7.1 | 6.7 |
| Amortization | <u>2.1</u> | <u>2.2</u> |
| EBITDA | 20.0 | 29.0 |
| Special items: | | |
| Cost to defend antitrust litigation | 0.5 | -- |
| Reduction in force severance | 1.0 | -- |
| Cost of integration of water pump operations | 0.2 | 0.4 |
| Establishment of new facilities in China | 0.4 | 1.4 |
| New business changeover and sales commitment costs | 2.4 | 1.1 |
| Non-cash charges (stock options) | 0.2 | 0.2 |
| Management fee | <u>0.5</u> | <u>0.5</u> |
| Adjusted EBITDA | <u>\$ 25.2</u> | <u>\$ 32.6</u> |