



Avon Automotive Completes Operational Improvement Plan

CADILLAC, MI, Dec. 5 / PRNewswire/ -- Avon Automotive Holdings, Inc. today announced the completion of its 2007 Operational Improvement Plan, initiated in December 2006.

The significant global actions involved the closure of the company's Manton, Michigan manufacturing facility and the relocation of production to Cadillac, Michigan and Orizaba, Mexico. In Europe, Avon Automotive completed actions to relocate some production from facilities in Spain and Portugal to the Czech Republic and Turkey. In addition, the company implemented several actions to reduce headcount in Spain and France and better align engineering support to meet customer needs.

The operational improvement actions were contemplated as part of the management-led buyout closed in August 2006 with Red Diamond Capital, a New York-based private equity firm. Red Diamond Capital is an affiliate of Mitsubishi Corporation, Japan's largest trading company.

"We are grateful for the support of our customers and vendors throughout this year of significant transition," commented Lee Richards, Avon Automotive President and CEO. "As we look to 2008, we are now better positioned to support our customers, suppliers, and markets with world class quality and globally competitive pricing," he added.

Mark Kammert, Managing Director of Red Diamond Capital, stated, "We have been impressed by Avon Automotive's successful execution of the Operational Improvement Plan in 2007. For 2008 and beyond, the company's shareholders continue to support Avon Automotive's plans to expand through new investments in Asia, Europe and the Americas. In addition, we remain interested in taking advantage of opportunistic strategic acquisitions to build the company's market share."

Headquartered in Cadillac, Michigan, Avon Automotive is a leading global supplier of low-pressure hoses for air-induction, fuel and coolant systems, as well as vibration management products. The company serves a diversified customer base within the automotive, heavy truck, small engine and recreational vehicle markets. Avon Automotive generates annual revenues of approximately \$350 million at 11 manufacturing facilities in nine countries. The company has over 3,500 employees.

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