



MAY 15, 2007

MORNING NOTE

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PROLIANCE INTERNATIONAL INC.
(AMEX: **PLI**: \$3.15, ACCUMULATE/BUY)
INDUSTRY: TRANSPORTATION

Disclosures: 1, 10

PLI will hold a conference call today, May 15, 2007, to discuss their first-quarter results.

Net sales in the 1Q07 were \$91.9 million, compared to \$91.3 million in the first quarter of 2006.

The sales increase was primarily attributable to growth in Europe. However, it falls short of the \$94.7 million we had projected. In addition, with the dollar weak against the euro, European sales will include some foreign currency translation benefit.

PLI reported a net loss for the first quarter of 2007 of (\$6.3 million), or (\$0.42) per basic and diluted share, compared to a net loss of (\$5.1 million), or (\$0.33) per basic and diluted share, in 1Q06.

We had expected closer to (0.33) or (\$0.34) per share.

Inventories at March 31, 2007 were \$113.7 million versus \$118.9 million at December 31, 2006, a decrease of \$5.2 million or 4.4%. We are glad to see high-cost inventories moving through the pipeline and out, but will be looking on the call to determine whether PLI has moved it all out.

DISCLOSURES

This update report has been commissioned by Proliance International, Inc. (the Company) as part of an on-going research and awareness program contracted between Catalyst Financial Resources LLC (CFR), and the Company. CFR has been paid or promised payment for the production and editorial content of this report. The Company is paying CFR \$6,000 per month for 12 months for services rendered. However, the opinions, forecasts and price targets are based on our examination of company fundamentals, conversations with management, independent analysis of markets, economic conditions, and other publicly available information.

This report has been written in accordance with current SEC regulations and the Standards of Practice developed by the Association of Investment Management & Research (AIMR). Our research has been conducted by employing analytical practices generally accepted as standard within the analytical industry. In this instance, a comparison of financial strength, a bottom-up earnings projection based on a recovery in the U.S. economy, and relative multiples, were employed. The target price was calculated on comparative EPS, sales and book value multiples, a projection of potential multiples given other similar operations, and our knowledge of small-cap markets when enjoying both a sector and a cyclical rebound. Our conclusions are, by the very nature of forecasting, speculative, but are also reasonable, supportable and consistent.

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Buy	Immediate purchase is recommended. The security expected to outperform the market over the next 12 to 18 months.
Accumulate	Purchase of the stock is recommended for above average appreciation over the next 12 to 18 months, but the buyer may have an opportunity to acquire the stock within a 10% trading range.
Hold	Holding the stock is recommended because the share price has moved above the specific "Buy" range and, therefore, appreciation potential is less than or equal to the market.
Sell	The stock has reached the target price objective and/or conditions have changed sufficiently to alter the outlook for the stock.

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Low	The security is less volatile than the market and/or the company is less leveraged than its peer group.

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