

## **Allied Systems Holdings, Inc. Initiates Financial Restructuring**

*Company Obtains Commitment for \$20 Million in Financing  
Customer Deliveries Continue Uninterrupted*

**Atlanta – June 10, 2012** – Allied Systems Holdings, Inc., one of the nation’s leading automotive transportation companies, announced today that it has commenced the final phase of its financial restructuring with a goal to eliminate debt and strengthen the Company’s balance sheet while continuing normal operations and serving customers.

The final phase of the financial restructuring follows an operational restructuring through which the Company reduced expenses. In order to accomplish the plan in an efficient and cost-effective manner, Allied and 18 subsidiaries, including Allied Automotive Group, Inc., Axis Group, Inc., and Allied’s Canadian units, on June 10, 2012 implemented a financial restructuring through Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware. The Court process does not include captive insurance company Haul Insurance Limited or any of the Company’s Mexican or Bermudan subsidiaries. The Company also announced that it intends to seek foreign recognition of its Chapter 11 cases in Canada.

“We believe the financial restructuring will strengthen Allied’s balance sheet and position the Company for a long and profitable future,” said Mark J. Gendregske, the Company’s President and Chief Executive Officer. “All of our customers can be sure that the filing will have no impact on our ability to maintain our best in class service levels. We understand the trust our customers place in us and we are committed to serving them without interruption.”

All operations are expected to continue as normal throughout the restructuring process. Allied’s majority lenders have committed to provide up to \$20 million in debtor-in-possession financing to support the Company’s operations during its voluntary restructuring. The financing is subject to Court approval.

Allied previously filed for Chapter 11 protection in July 2005. Since emerging in May 2007, the Company's sales have been adversely impacted by the reduction in vehicle production and sales due to the global economic crisis that began in 2008. Additionally, the Company and its majority lender Yucaipa have been in litigation with certain minority lenders since 2009. Two of those lenders filed involuntary Chapter 11 proceedings against Allied on May 17, 2012.

"After exploring all of our options with respect to the Company's current financial position and the involuntary petitions, it became clear that implementing the financial restructuring through a Court proceeding presents the most effective means to improve our balance sheet," Mr. Gendregske said. "Chapter 11 allows us to move forward with our planned improvements in operations and systems and allows us to achieve our restructuring objectives in a controlled, orderly and timely manner."

Allied said that while it completes its restructuring, the Company's terminals and locations will continue to operate as usual. The Company's employees will continue to be paid without interruption, and it will continue to pay vendors for products and services provided after the June 10, 2012 filing date in the ordinary course of business. The Company said it is also seeking Court approval to pay key providers in the normal course for services provided on or prior to the June 10, 2012 filing to ensure uninterrupted delivery on all routes.

"With the support of our customers, vendors and the hard work of our employees, we will be able to create a stronger, more competitive company," Mr. Gendregske stated. "The \$20 million financing package we have arranged is more than sufficient to support our ongoing operations. It also continues to demonstrate the commitment the majority of our lenders have to the Company and our plans for Allied's future."

Mr. Gendregske noted a number of key elements of the Company's restructuring activities, including:

- Elimination of debt;

- Completion of the closure of terminals and locations already started; and
- Increasing operating efficiencies by reducing overhead and improving margins and profitability.

The Company is being advised by the law firms of Troutman Sanders, Gowling Lafleur Henderson, and Richards Layton & Finger.

For more information, please visit [www.alliedautomotive.com](http://www.alliedautomotive.com).

### **About Allied Systems**

Allied Systems owns and operates the largest and most diverse fleet in the industry, with an extensive network that spans the North American continent. The Company was founded nearly 80 years ago, and today offers not only the capacity to meet increasing manufacturer volumes – but the infrastructure, the workforce, the fleet diversity, and the experience to lead our industry.