Modine Manufacturing Company

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Presentation to

Gabelli & Company

28th Annual Automotive Aftermarket Symposium

November 2, 2004

Las Vegas, Nevada

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Vice President, Finance and Chief Financial Officer

Safe Harbor Statement

This presentation contains forward-looking statements that involve assumptions, risks and uncertainties, and Modine's actual results, performance or achievements may differ materially from those expressed or implied in these statements. A detailed discussion of factors that could affect Modine's results are on page 31 of the Company's fiscal 2004 annual report to shareholders and in other recent public filings with the U.S. Securities and Exchange Commission.

Modine Agenda

- About Modine
- Markets & Products
- Growth Drivers
- Corporate Priorities
- Aftermarket Transaction
- Outlook and Value Proposition

About Modine

- **World leader in thermal management**
- **Provides highly engineered heating and cooling solutions**
- **Focused on globalization and technology advances**

Elements of business strategy

– Emphasis on profitability and returns

– Diversified markets and customer base

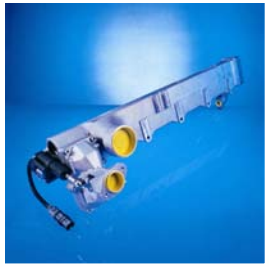
– Differentiating products, technology and service

– Partnering with customers on global OE platforms

Garage heater

Cooling module

Donut oil coolers

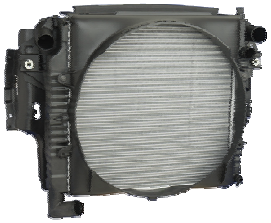


EGR cooler

About Modine

- **Founded in 1916 - 88 years of history**
- **Long, uninterrupted profitable history**
- **Strong corporate governance practices**
- **Healthy balance sheet and financial position**
- **Commitment to technology (over 1,800 patents worldwide)**
- **8,500 employees and 35 manufacturing locations worldwide**
- **Record fiscal 2004 sales of $1.2 billion**
- **Fiscal 2005 first half sales of $711 million (25% increase)**

Vehicular HVAC module

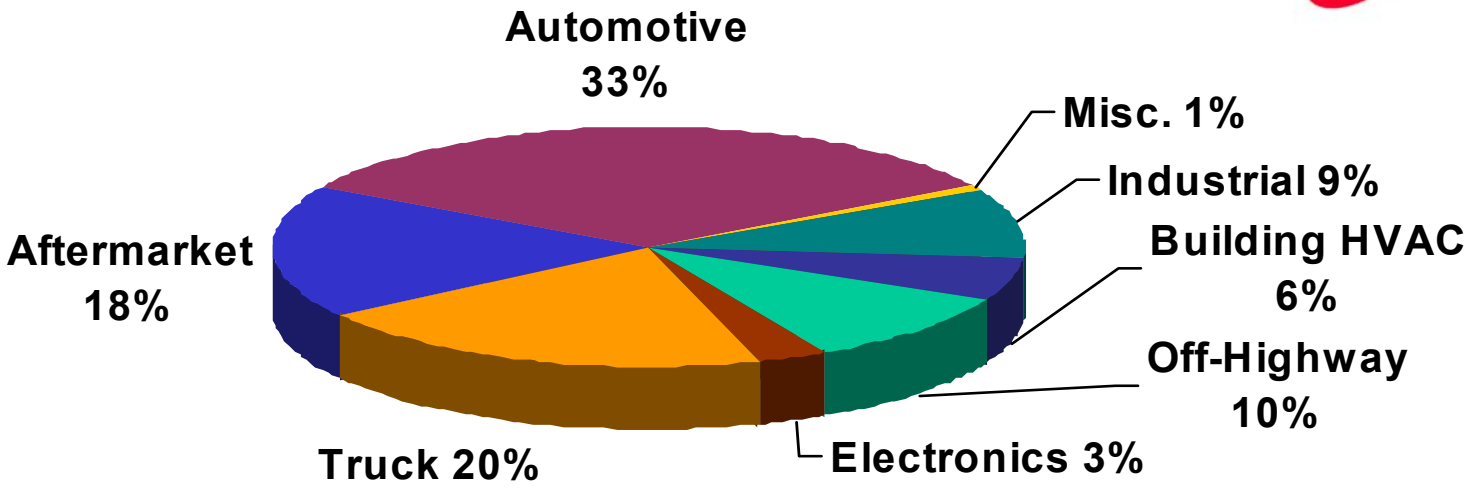


Cooling module

Charge air cooler

Electronics cooler

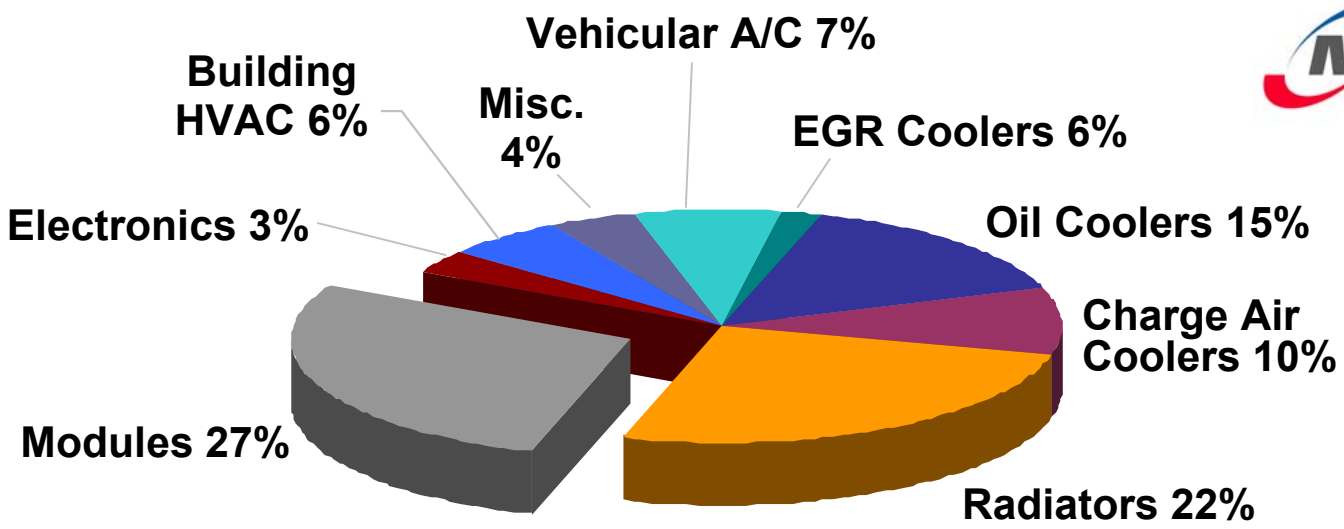
Diversified Markets & Customer Base*



- ***Top 4 customers in 3 different markets (auto, truck, off-highway)***
- ***Top 10 customers account for 55% of sales***
- ***U.S. sales 53%, exports from U.S. 7%, international sales 40%***

* For the fiscal year ended March 31, 2004

Broad Product Offerings*



- ***Growing shift from components to modules***
- ***Environmental opportunities: EGR, CO_2 & fluid coolers (oil, fuel & transmission)***
- ***New markets and products: electronics, fuel cells, CO_2 (refrigerant)***
- ***Product line growth (PF^2 vs. coils)***

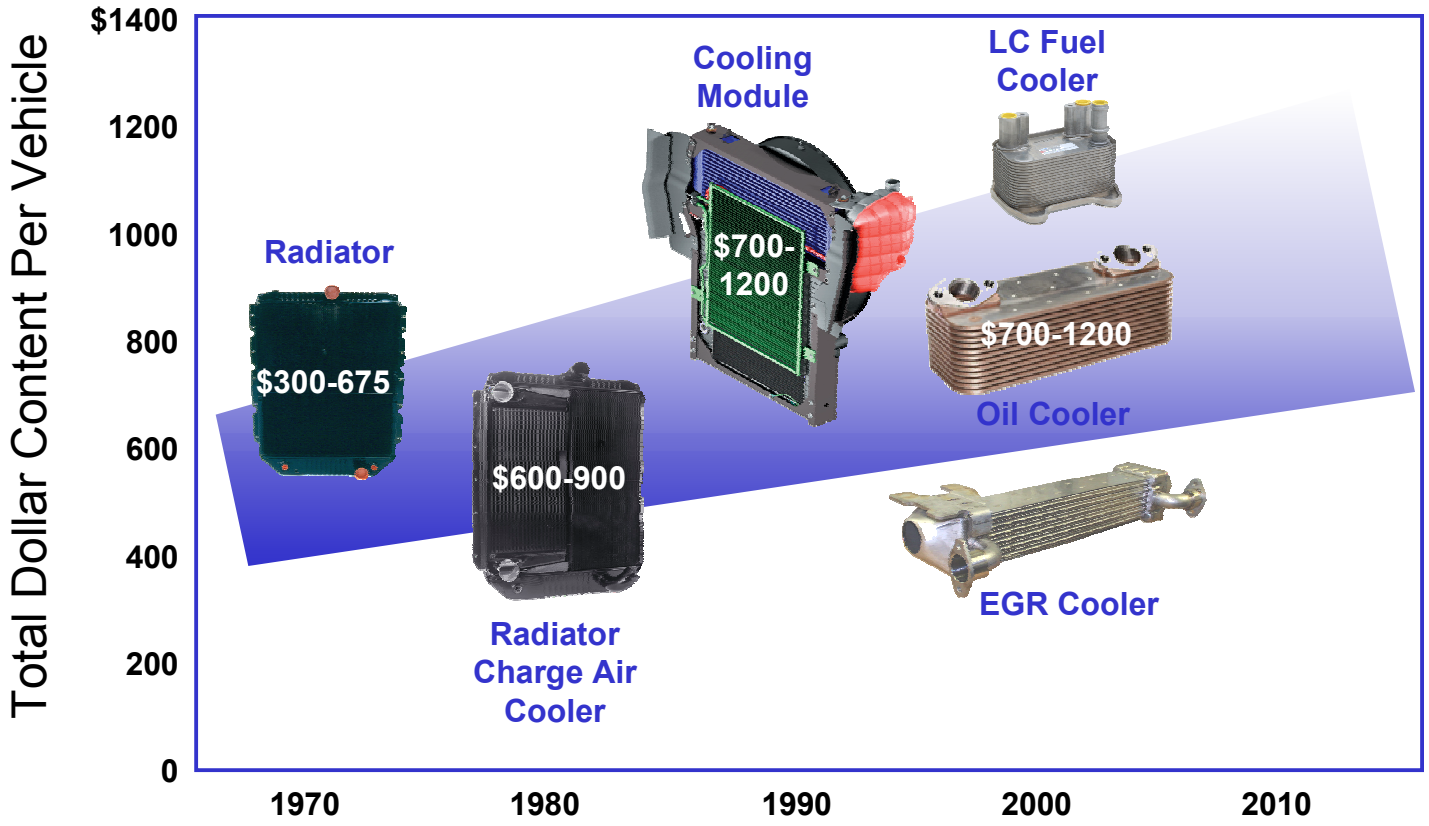
* For the fiscal year ended March 31, 2004

Growth Drivers

- **Market recovery/share growth**
- **New business**
  - $330 million net new OE business maturing between mid-2004 and 2009 (split evenly between North America and Europe)
- **New products and technologies**
- **Environmental regulations**
  - Vehicular emissions regulations
  - Kyoto protocol (phase-out of HFC-134a)
  - Building energy/air quality standards (HVAC Seer ratings)
- **Geographic expansion (products, processes, procedures, people)**
- **Acquisitions (e.g., WiniaMando ACC)**

Heavy-Duty Truck Content

Heavy-duty truck content/front-end progression
… add-ons through the years



Four Corporate Priorities

- **New products and technologies**
- **Strategic planning and business development**
- **Improving profitability and returns**
- **Financial stability**

These priorities were established in 2003 to drive both near-term and long-term shareholder value.

Progress - New Products & Technologies

- **Next-generation products (PTC, engine and HVAC systems)**
- **New products**

Short-term	Long-term
Exhaust gas recirculation coolers	Fuel cells
Idle-off truck cooling	CO_2 cooling
High heat-flux heat pipes	Liquid cooling for electronics

- **Government-funded R&D programs**
  - Fuel cells, CO_2
  - Retain intellectual property
- **State-of-the-art test facilities**

Strategic Planning & Business Development

- **Recurring planning cycle**
- **Goal setting**
- **Match strategies with opportunities, align organization**
- **Acquisition process/roles definition**
  - Asia Acquisition (creates major Asian platform, aligns with 5th largest auto company, HVAC focus, nearly $200M of annual sales, purchase price of $88M less than 4x EBITDA, immediately EPS accretive)
- **Rigorous portfolio evaluation**
  - Electronics Cooling (reduced to break-even)
  - Aftermarket

Four Corporate Priorities

- **New products and technologies**
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- **Improving profitability and returns**
- **Financial stability**

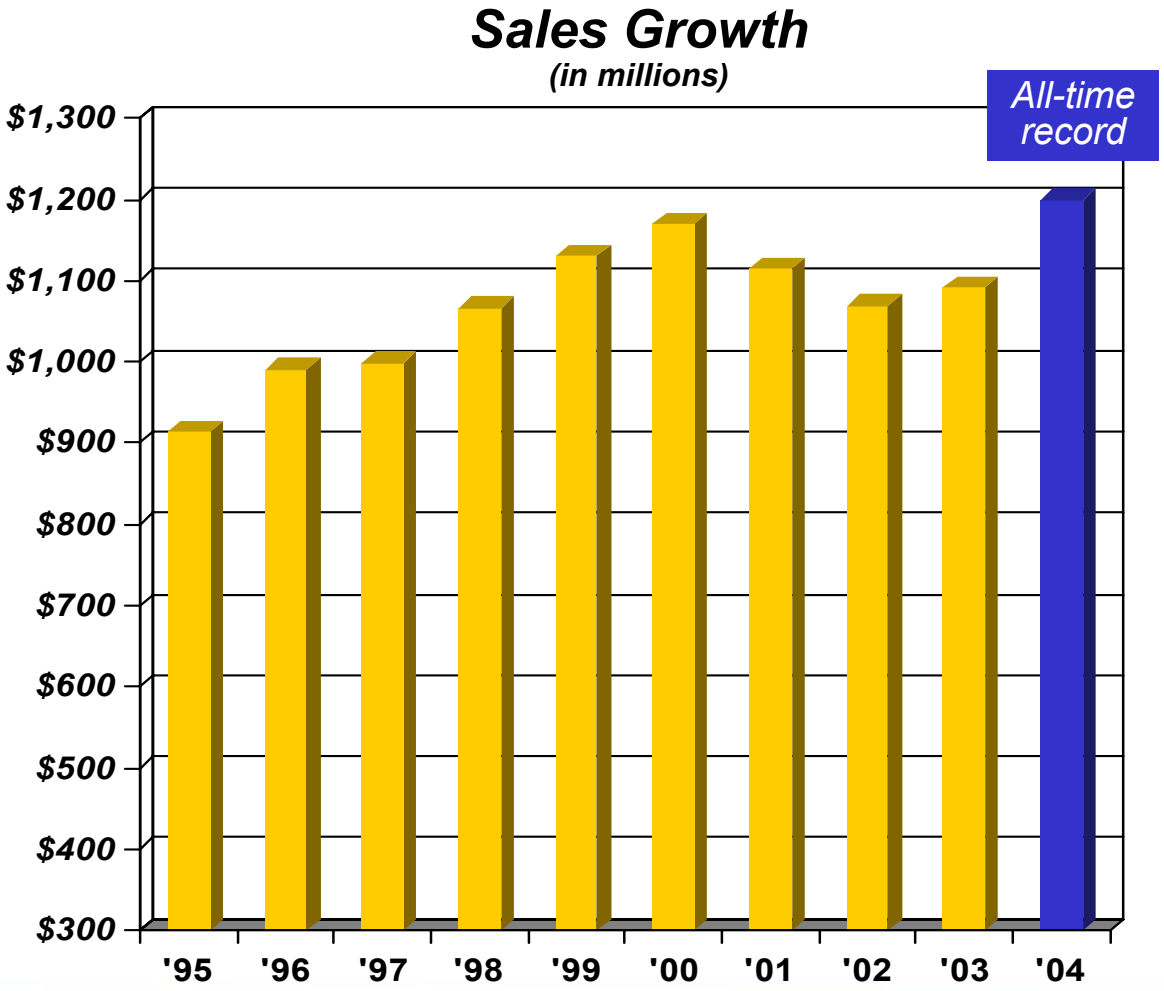
These priorities were established in 2003 to drive both near-term and long-term shareholder value.

Progress - Improving Profitability and Returns

Actions

- **Completed restructuring**
  - Closed 6 plants in 2001 for $12M in future savings
  - No new capacity necessary for net new business requirements
- **Rationalized facility and product lines**
  - Off-highway product/customer refocus
  - Electronics Cooling
- **Addressing underperforming businesses**
- **Managing supply base**
  - Global sourcing, partnership approach, global supplier management system
- **Pursuing new business**
  - Geographic, new products/platforms

Progress - Improving Profitability and Returns



FY '05 first half sales up 25%

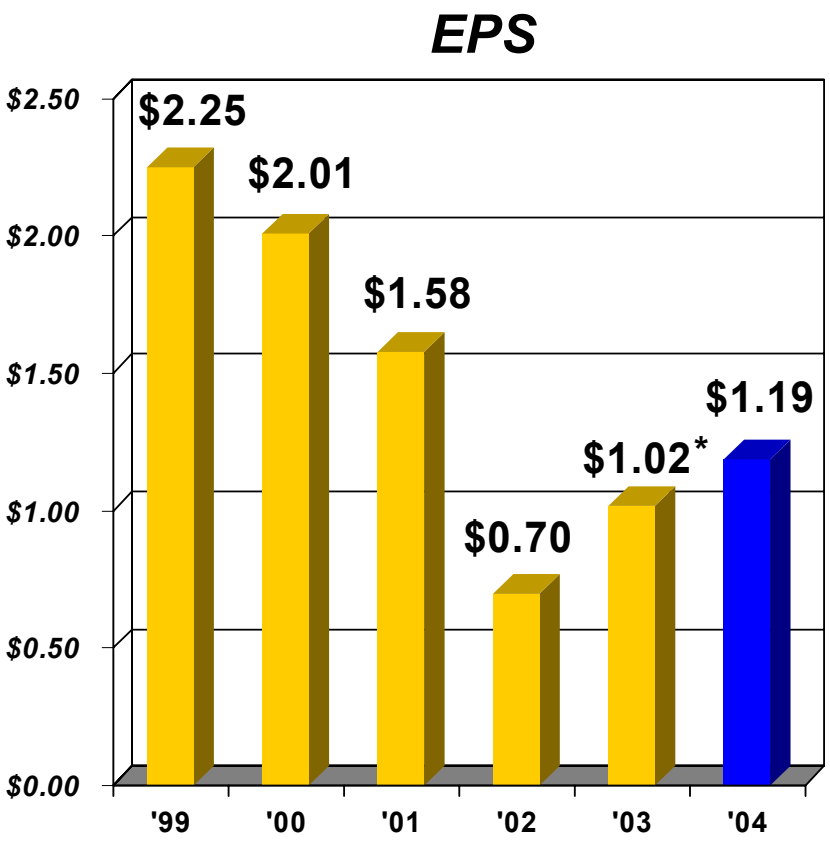
Progress - Improving Profitability and Returns

2004 Results

- EPS up 17% and sales increase 10%
  *before accounting change

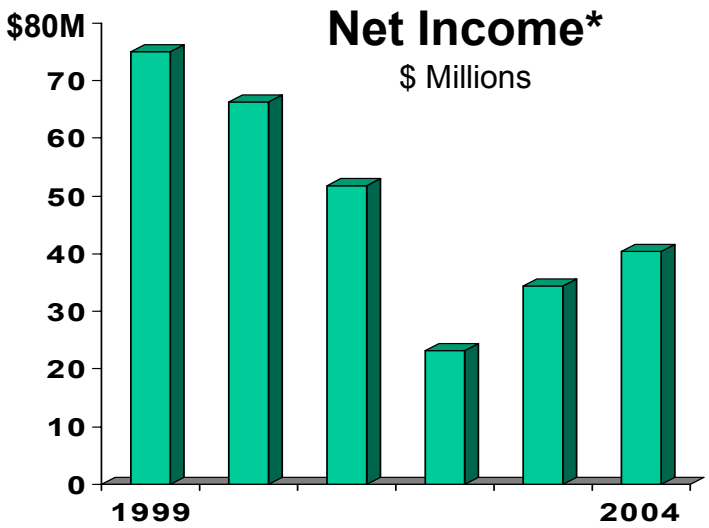
2005 1H Results

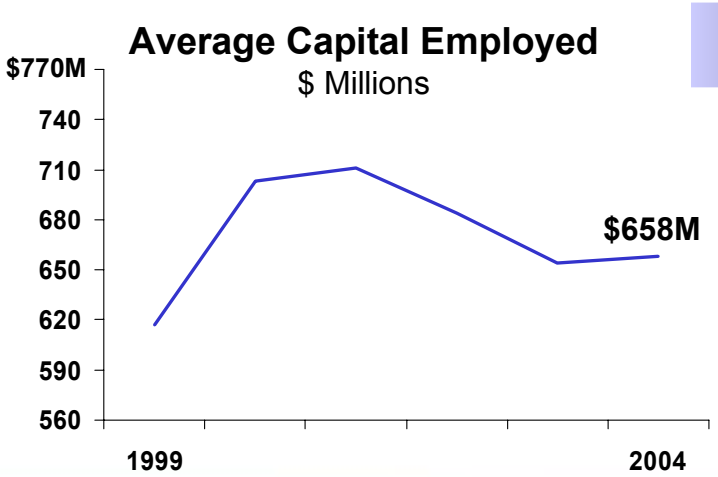
- EPS nearly doubles
- Sales grow 25%
- Income from operations more than doubles
- Strong Truck and Heavy-Duty results

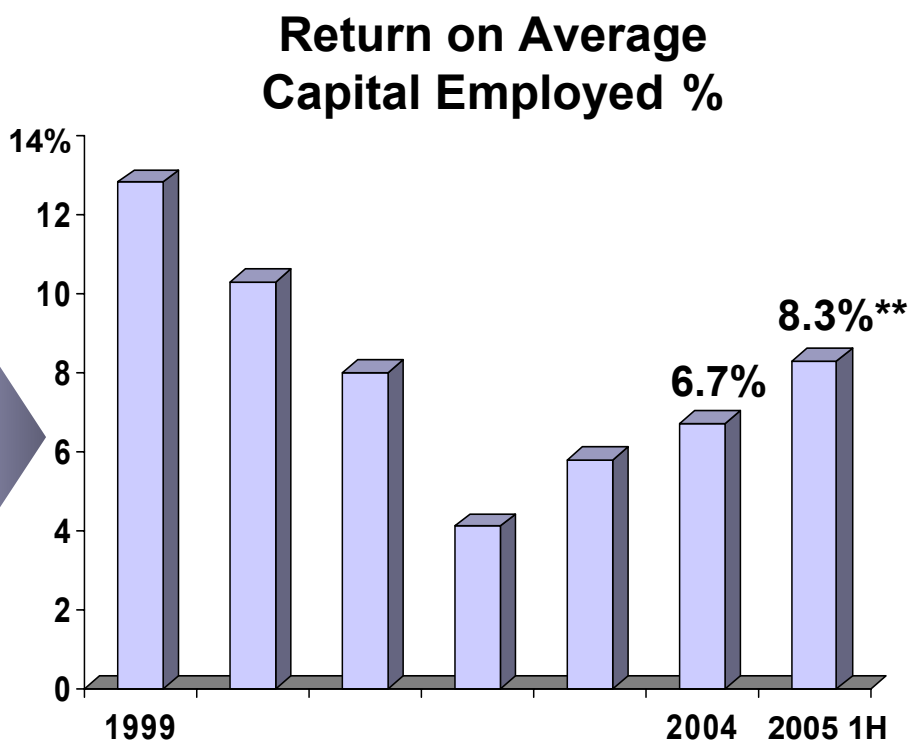


FY '05 first half EPS of $0.81 nearly doubles

Progress - Improving Profitability and Returns







* Before accounting change
** Annualized

Fiscal 2005 1st Half Performance

	1H FY '05	1H FY '04	Change
Sales	**$711.0M**	**$568.0M**	**+25.2%**
Earnings	**$27.9M***	**$15.6M**	**+78.7%**
EPS	**$0.81***	**$0.46**	**+76.1%**
Dividends**	**$0.315**	**$0.275**	**+14.5%**
Debt/Capital	**19.0%**	**16.0%**	**-3 pts.**
ROACE	**8.3%**	**5.4%**	**+2.9 pts.**

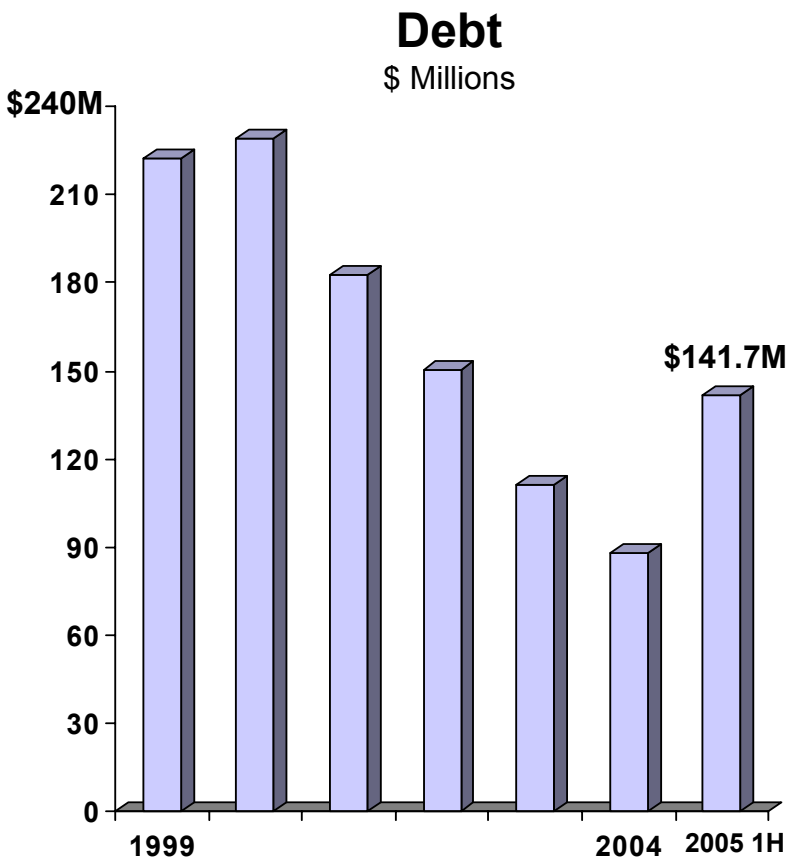
* Includes pre-tax restructuring charges of $1.5M and other closure costs

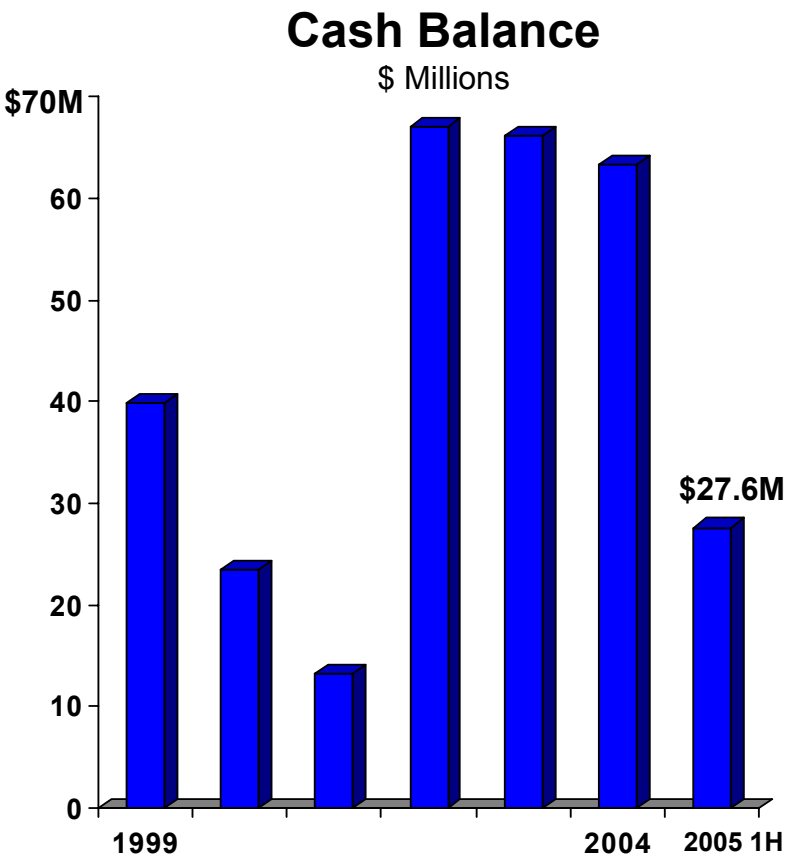
** Includes 10.9% increase in May 2004. Dividend rate increased 6.6% in October 2004.

- Q2 '05 sales are 4th straight quarter of record sales and 9th consecutive year-over-year improvement

- Q2 '05 inventory turns improved by 1.1 times year-over-year

Progress - Financial Stability





New Long-Term Financial Metrics

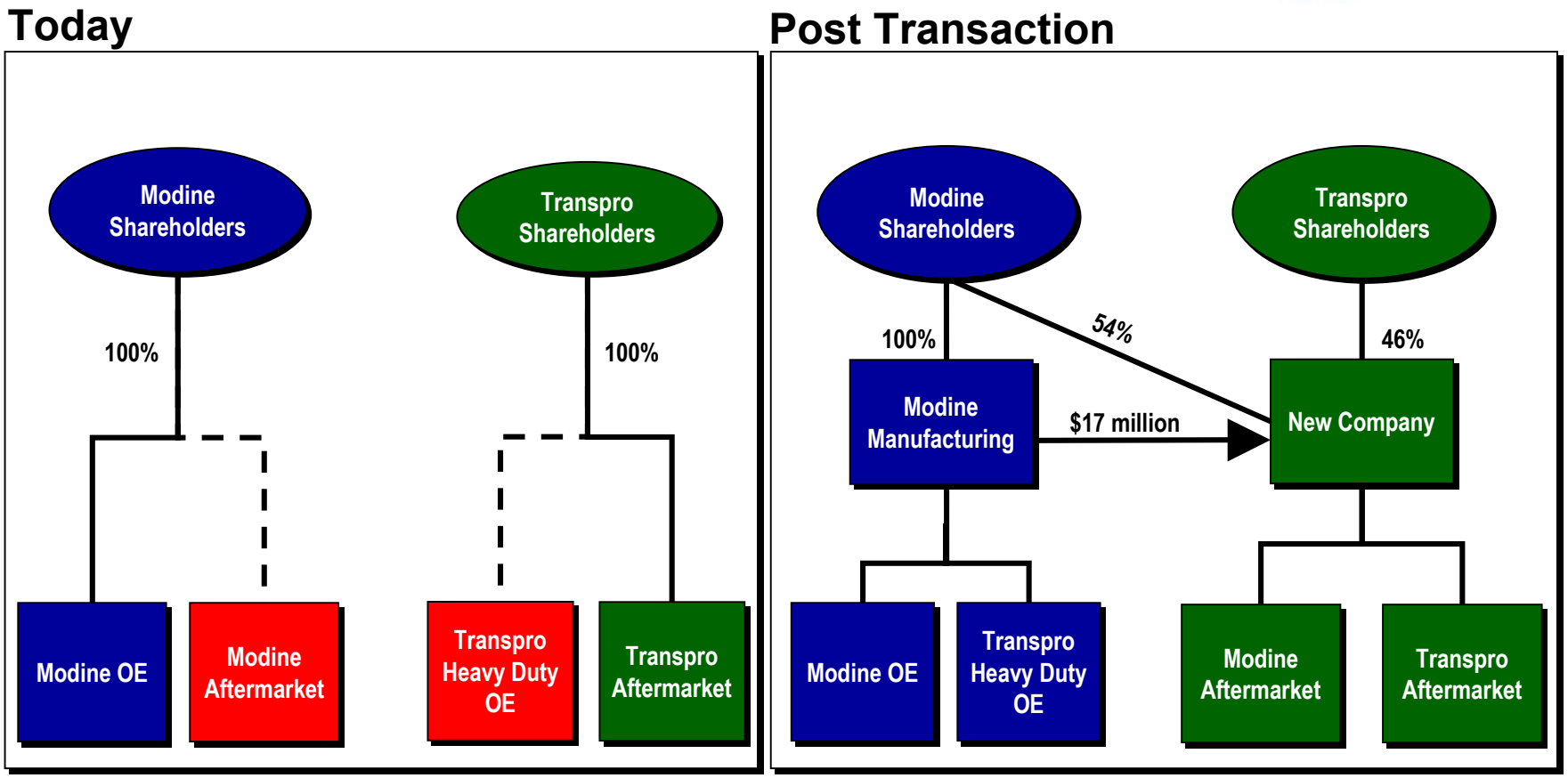
Targets established to make Modine a leading diversified manufacturing company

- **Return on average capital employed (ROACE) target of 11-12% through a cycle**
  - Current annualized ROACE is 8.3% (1½ -2 percentage pts. higher following Aftermarket transaction)
  - Cost of capital is 10.5%
  - Management incentive compensation based on ROACE – shareholder aligned
- **Total debt to invested capital at <40%**
  - Current debt to capital of 19%
  - Searching for accretive acquisitions by geography or product with quick paybacks
- **Dividend payout ratio of 35-45%**
  - May 2004 and Oct. 2004 increases of 11% and 6.6% (LTM ratio of 38%)
  - Dividends remain key component of total return

Aftermarket Transaction Overview

- **Modine and Transpro have signed a letter of intent regarding a proposed merger between Modine's Aftermarket business & Transpro**
- **Concurrent Modine purchase of Transpro's heavy duty OE business**
- **Gives Modine shareholders opportunity to realize value of two pure-play companies**
  - Modine focused on OE market (annualized sales of about $1.4 billion)
  - Strongly positioned and well-capitalized combined company focused on the aftermarket
- **The merged company is expected to provide significant benefits**
  - Expanded operations and capabilities
  - Cost savings opportunities (about $20 million)
- **Improves Modine's financial performance and consistent with Modine's strategy and focus on shareholder value**
  - ROACE increases 1.5-2.0 percentage points
  - Pre-tax earnings margin increases 1.0-1.5 percentage points

Contemplated Transaction Summary



Fiscal 2005 Outlook

New product launches

- BMW – 1 Series
- Various engine programs
- Blue Diamond Truck

Market recovery

- Truck
- Construction
- General

Asia integration

Performance improvement (returns, working capital)

Financial projection

- On track to exceed the FY'05 guidance in our FY'04 year-end earnings release
- 2H '05 results stronger than 1H '05
- Cap-X should approximate D&A level - $70M

Summary – Shareholder Value Proposition

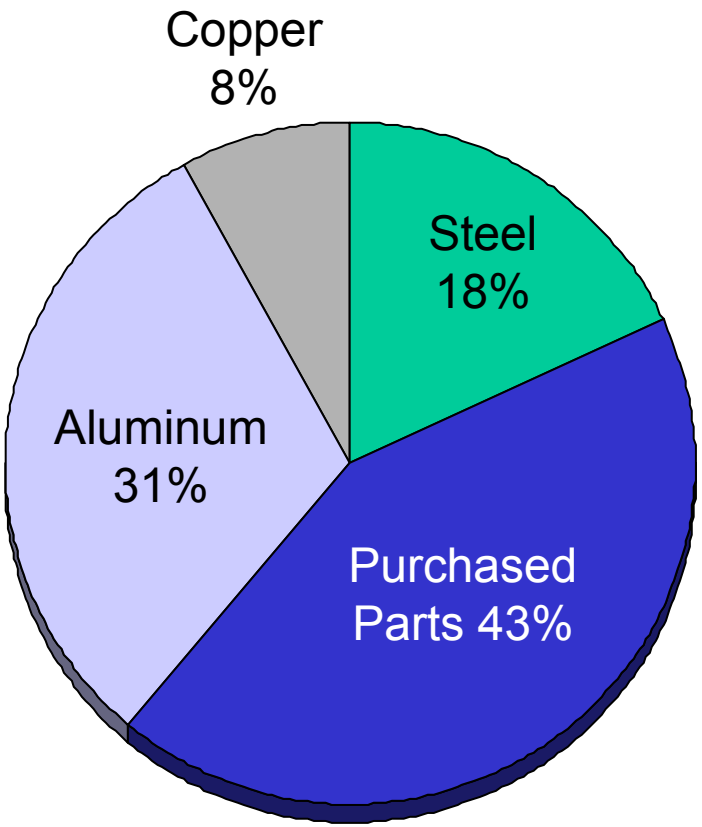
- Singular focus on thermal management
- Diversified markets, select customer base & broad product breadth
- New business, regulatory and environmental conditions, and key market recoveries will yield revenue, earnings and margin growth
- Leverage rationalized manufacturing capacity
- Leverage balance sheet for acquisitions, partnerships, joint ventures
- New financial metrics drive goal to be leading, diversified manufacturer
- Long-term focus on applying technology to new markets with significant growth and return potential

MODINE

APPLIED THERMAL INNOVATION™

Appendix

Impact of Raw Materials*



Represents approximately 60% of cost of goods sold

- **60-70% of base material increases subject to pass-through with OE customers on a lag basis**
- **Estimated impact for fiscal 2005 is about 1% at the gross margin line**

* Excludes impact of Modine Korea

Progress - Financial Stability

Leverage VBM
(Value Based Management)

- Focus on working capital
  - Inventory
  - Receivables
- Prioritized capital
- Disposals

Global cash management

Debt reduction

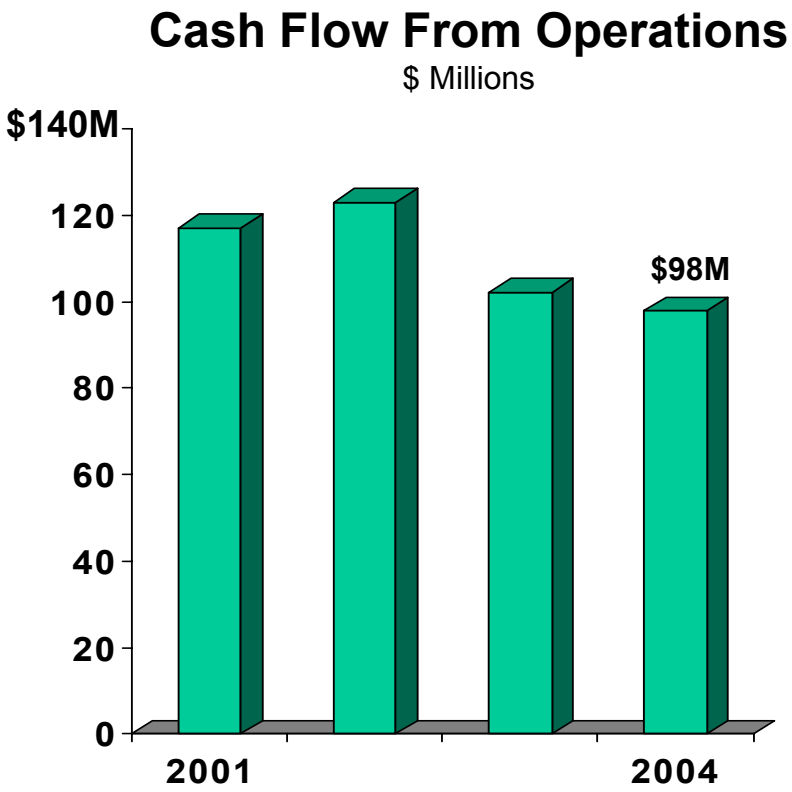
Sufficient credit access (new, 5-year $200M facility with $75M accordion)

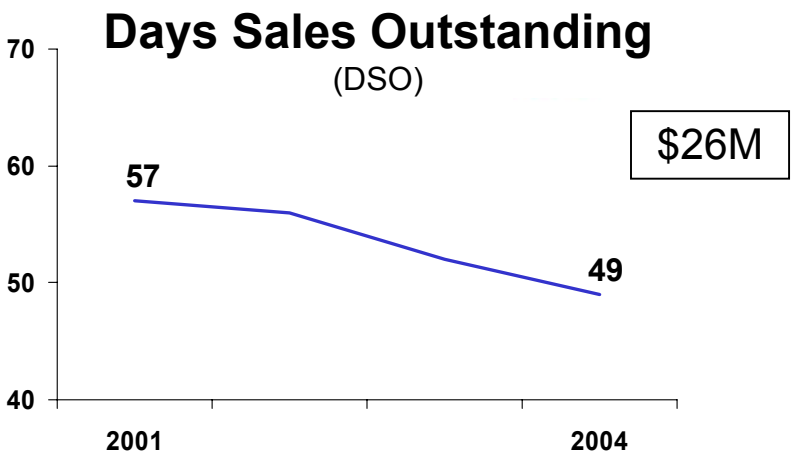
Yields · *Flexibility*

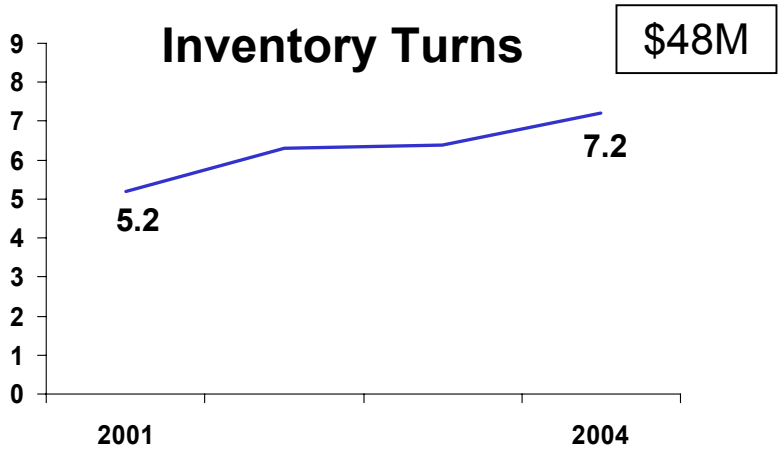
- Market dynamics
- Acquisitions
- Investments
- Dividends
- R & D
- Share purchase

Progress - Financial Stability

Cash Flows







Strategic Initiatives

Asian Acquisition
– WiniaMando's Automotive Climate Control Division (ACC)

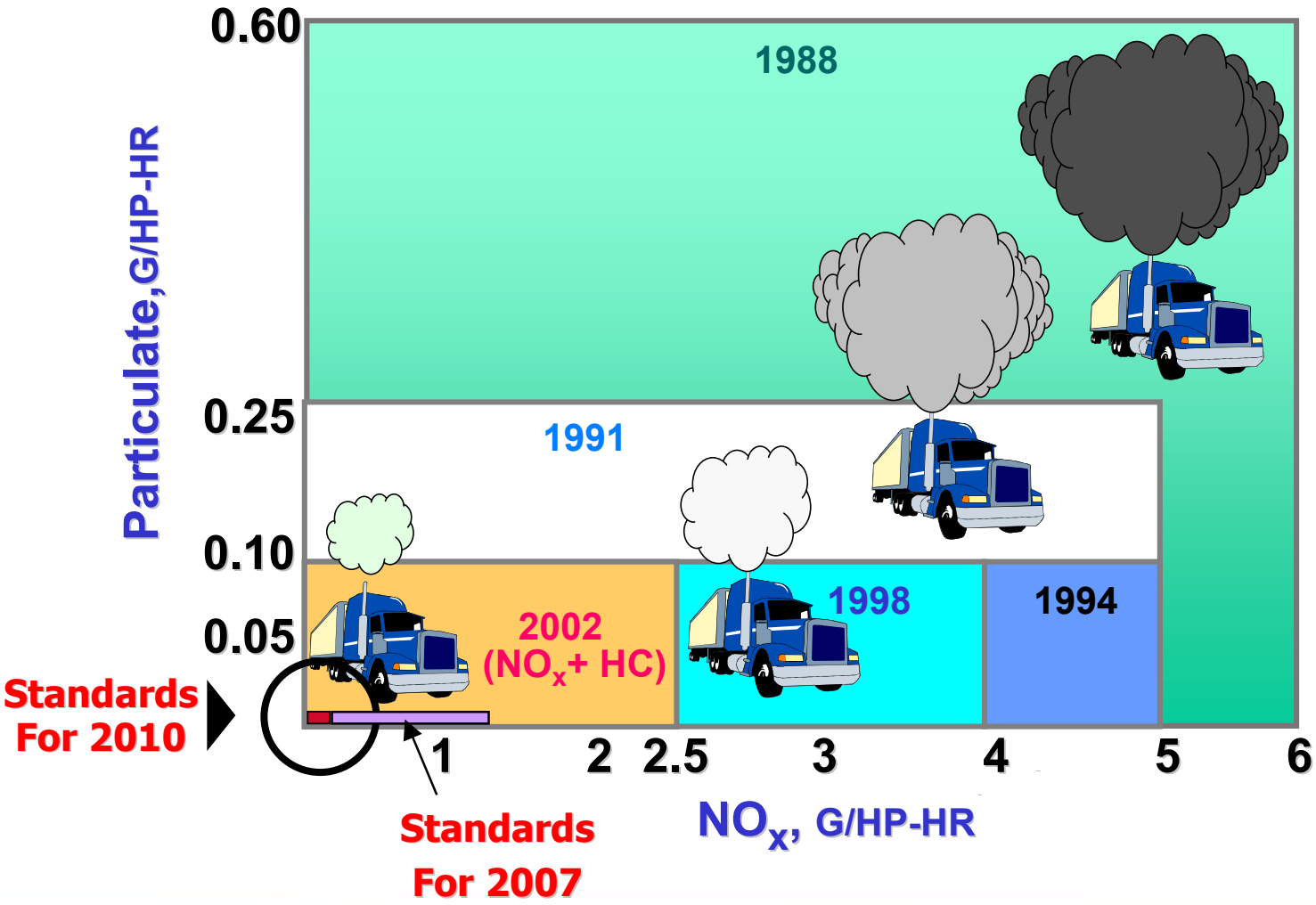
Rationale

- Creates Major Platform For Modine Asia
- Aligns With 5th Largest Auto Company
- Advance R & D Capabilities
- Establish HVAC System Credibility
- Engine & PTC Growth Opportunity
- Synergies/expansion opportunities

Highlights

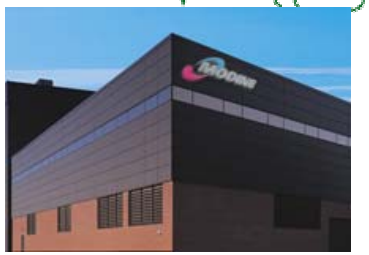
- '03 Sales $188 Mil + 15%
- Earnings - Pre-Tax - 7%
- 74% HVAC
- Manufacturing - Korea & China
- Purchase Price - $88 Mil (roughly 50-50 cash/debt and less than 4x EBITDA)
- Immediately Accretive In 2004 Before Synergies (7-11¢ to EPS)
- Recently Closed

NA Diesel Fuel Emission Changes



Modine . . . A worldwide presence

We're exactly where our customers need us

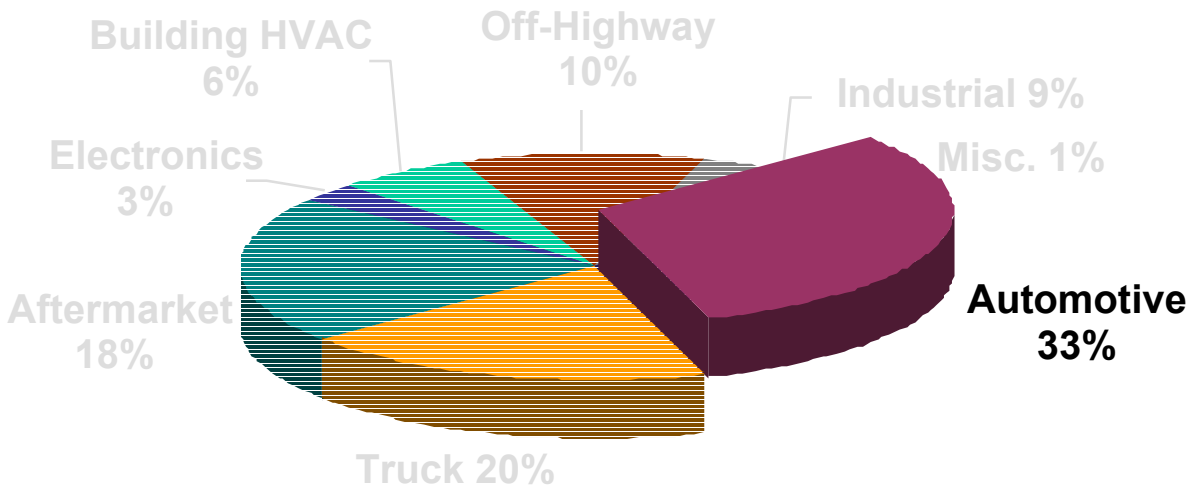


North American Tech Center, Racine, WI

European Tech Center, Bonlanden, Germany

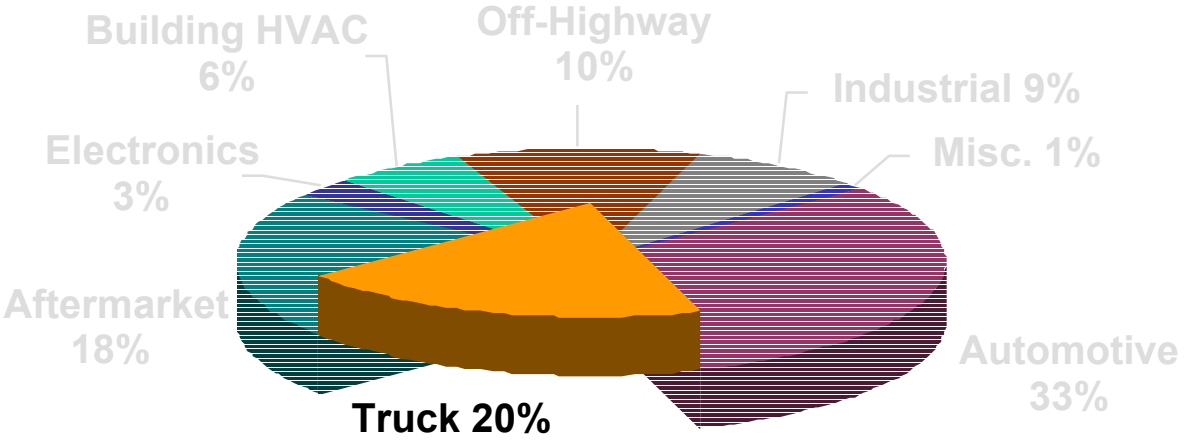
Asian Tech Center, Asan City, Korea

Diversified Markets & Customer Base



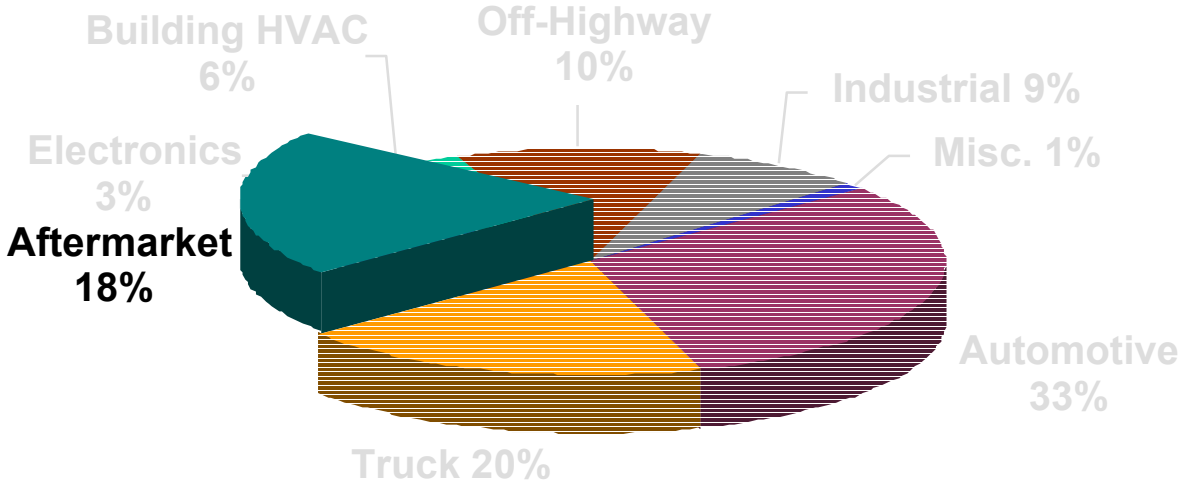
- ***Market dynamics: past successes, future growth in NA, Europe and Asia driven by shift from components to modules and engine related content increase***
- ***Strategies: continuous reengineering to counter pricing pressure, selective platforms, leverage technology for new engine programs, world class facilities - Wackersdorf, Toledo***
- ***Top customers: BMW, DaimlerChrysler, Volkswagen***

Diversified Markets & Customer Base



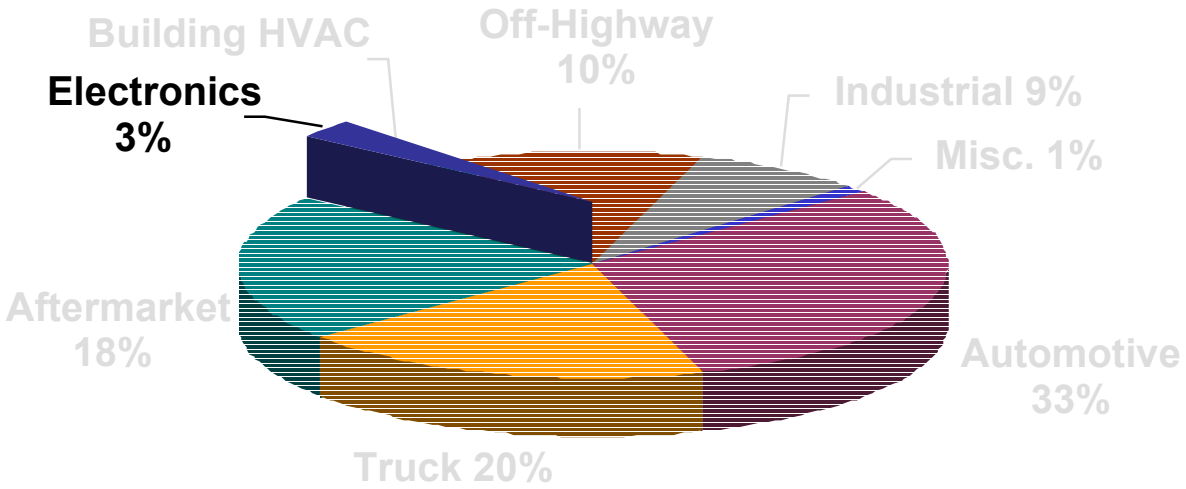
- *Market dynamics: cyclical market - expecting FY 2005 to be stronger, new emission standards driving content - EGR and other engine components*
- *Strategies: leveraging NA strength in Europe, applying technology to address environmental regulations, penetration in PTC (powertrain cooling) & HVAC business*
- *Top customers: Navistar/International, PACCAR, Man Truck*

Diversified Markets & Customer Base



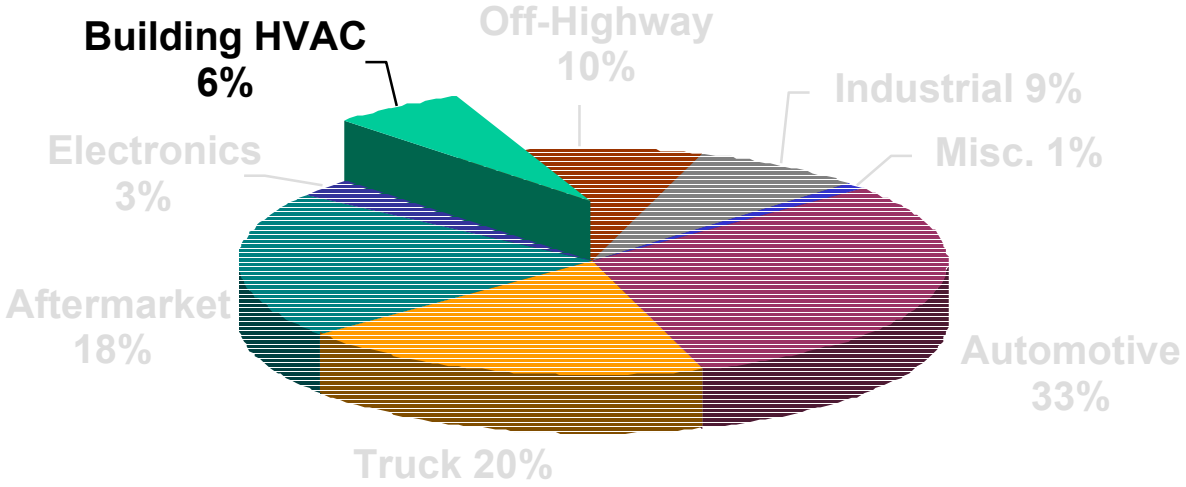
- ***Market dynamics: shrinking and less profitable, new and low-cost competitors, changes in distribution channels, longer product life, availability highly valued***
- ***Strategies: increasing manufacturing and distribution efficiency, reducing cost and improving profitability, in-sourcing & out-sourcing where appropriate***
- ***Top customers: NAPA, SWD (specialized warehouse distributors), radiator and repair shops***
- ***Strategic alternative announced***

Diversified Markets & Customer Base



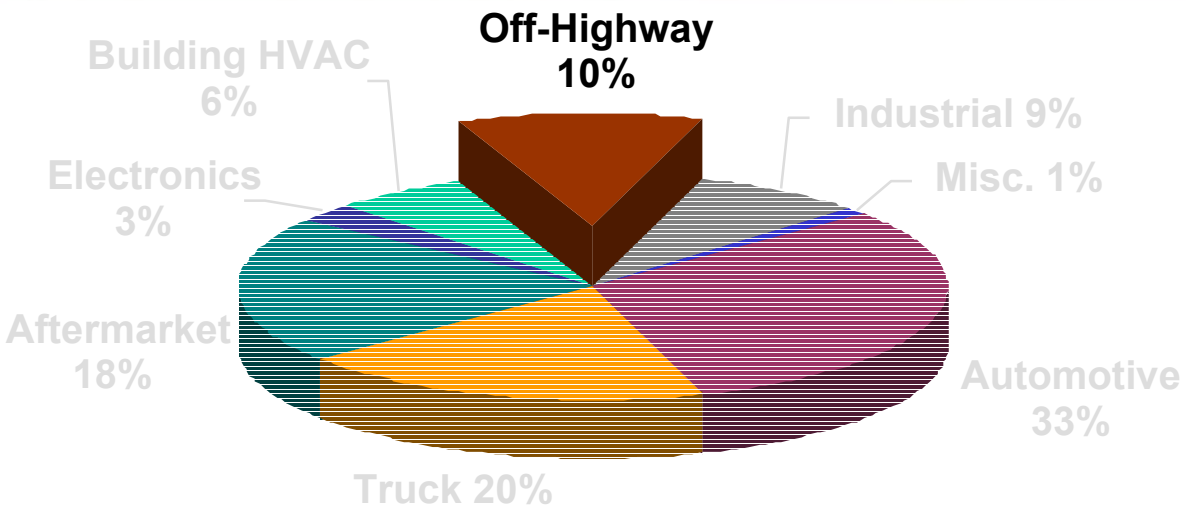
- ***Market dynamics: severe industry downturn, delay in recovery, increasing needs for thermal technology and solutions creating opportunities***
- ***Strategies: long-term growth focused on leveraging our technology, reducing breakeven point without hindering the business, consumer programs***
- ***Top customers: Apple, Dell, Ericsson, HP, Lucent, Sun Microsystems***

Diversified Markets & Customer Base

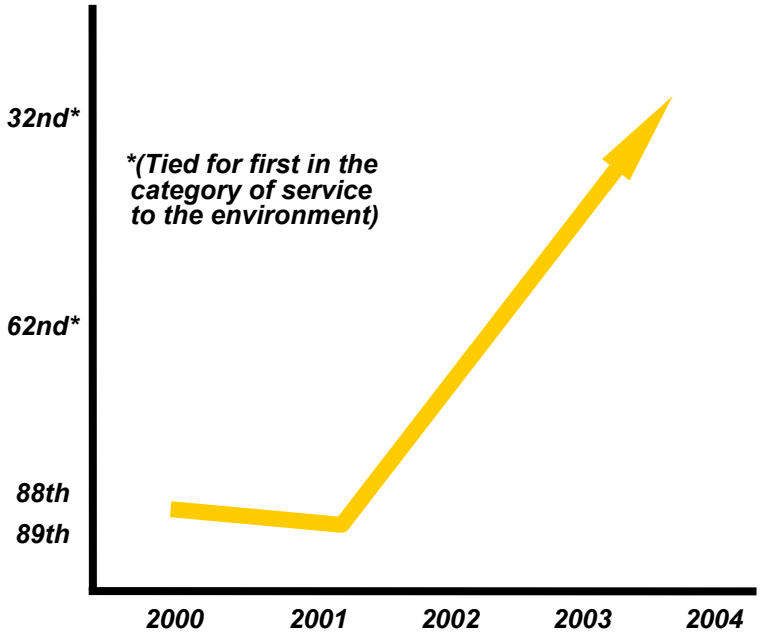


- ***Market dynamics: new environmental regulations, correlates with general economic conditions, deintegration of a/c manufacturers - coils***
- ***Strategies: rationalization and restructuring complete, introducing new products and gaining new customers***
- ***Top customers: Carrier, Rheem, Trane, multiple distribution channels***

Diversified Markets & Customer Base



- ***Market dynamics: soft market conditions, rebound in construction expected this year, moving to modules***
- ***Strategies: customer and product rationalization, restructured and reduced cost, strengthening product offerings, pursuing growth in EGR & PTC (powertrain cooling) systems***
- ***Top customers: Caterpillar, Claas, CNH Global, John Deere***

Awards and Achievements

Fifth consecutive year in top 100