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Universal Power Group Expands Into Latin America

CARROLLTON, Texas, Oct. 6, 2010 — Universal Power Group, Inc. (NYSE Amex: UPG), a Texas-based distributor and supplier of batteries and related power accessories and a third-party logistics provider, today announced the launch of its new Latin America Group in collaboration with Castelmec S.A., a wholly-owned subsidiary of Castelmec Holdings, LLC.

Under the terms of the UPG's agreement with Castelmec, Castelmec will provide UPG with sales offices and back office functionality to support the sale of UPG's batteries and related power accessories across all of South America, including Argentina, Colombia, Uruguay, Chile, Brazil and Peru. UPG launched its Latin America Internet site, www.upglag.com, on Oct. 5 and has commenced operations in its three initial markets – Argentina, Uruguay, and Chile. This initial rollout will be followed by eventual expansion into the additional markets across South America.

“Our new agreement with Castelmec marks an important step forward in the development of UPG's global business, as we seek to meet the demands of consumers in emerging markets for our core line of batteries and related power accessories,” stated UPG's President and Chief Executive Officer, Ian Edmonds. “As we deliver on our commitments to expand UPG's core business into new geographic markets, it is important to underscore the strategic significance of our choice to work with Castelmec, a longstanding leader in direct sales throughout South America. Given their extensive experience, we are convinced that Castelmec is the right partner to provide UPG with the local business and logistics expertise and cultural insight necessary to successfully expand our business into this key regional market.”

Castelmec S.A. has been operating in South American markets since forming its exclusive partnership with a major global consumer electronics company in 2005. Castelmec's platform, known as Export Direct Management (EDM), bypasses traditional indirect export channels and is well-suited for realizing the entire market potential for UPG's products. EDM has been thoroughly developed and tested, proving to be an efficient and reliable way to address the full life cycle of sales, imports, logistics, collections and warranty support. Castelmec's EDM platform offers UPG the ability to create transparency, safeguard brand integrity and minimize manufacturer risk, which is ideal for navigating the challenges of doing business in South America. As UPG works with Castelmec to launch the EDM platform into additional key emerging markets, UPG expects to drive further growth while controlling the risk and uncertainty often associated with entry into these markets.

“We are excited to be part of the UPG team and help facilitate their expansion into South America”, said Castelmec's President and CEO, Brian Tedesco. “We view our collaboration with UPG as a validation of our EDM model and a solid opportunity to support UPG's growth in South America.”

About Universal Power Group, Inc.

Universal Power Group, Inc. (NYSE Amex: UPG) is a leading supplier and distributor of batteries and power accessories, and a provider of supply chain and other value-added services. UPG's product offerings include proprietary brands of industrial and consumer batteries of all chemistries, chargers, jump-starters, 12-volt accessories, and solar and security products. UPG's supply chain services include procurement, warehousing, inventory management, distribution, fulfillment and value-added services such as sourcing, battery pack assembly and coordinating battery recycling efforts, as well as product development. For more information, please visit the UPG website at www.upgi.com.

About Castelmec Holdings

Castelmec is the turnkey Export Direct Management (EDM) company focused on the Latin American market. Castelmec manages the entire sales cycle from initial market intelligence gathering, prospecting and new customer registration to direct sales, contact center, BPO services, customs/logistics management, post-sales customer relationship management, up-selling, transaction processing, credit management and warranty claim support. Castelmec even manages all Latin American events from trade shows to customer product conferences. Castelmec reaches all major Latin American markets bringing product directly from the factory to the customer in the fastest, most cost-effective manner in the industry. For further information, visit the Castelmec website at www.castelmec.com or contact Brian Tedesco at 201-251-0262.

Forward Looking Statements

Statements in this press release that are not statements of historical or current fact constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other unknown factors that could cause the Company's actual operating results to be materially different from any historical results or from any future results expressed or implied by such forward-looking statements. In addition to statements that explicitly describe these risks and uncertainties, readers are urged to consider statements that contain terms such as "believes," "belief," "expects," "expect," "intends," "intend," "anticipate," "anticipates," "plans," "plan," to be uncertain and forward-looking. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's filings with Securities and Exchange Commission. Historical financial results are not necessarily indicative of future performance.

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