Automotive Components Europe S.A.

Quarterly Consolidated Report

for the

Quarter ended September 30th , 2009

Table of contents

A. *Director's report*

1. Introduction

ACE (the 'Company') is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg (full name Automotive Components Europe S.A., abbreviated form ACE S.A.) ACE is registered with the Luxembourg Registry of Commerce and Companies under number B 118130, and its registered office is at 82, route d'Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg.

ACE, a holding company incorporated in Luxembourg, has three operating companies (the Group): the iron casting division of Fuchosa in Spain and Feramo (consisting of Feramo Metallum International and Feramo Trans) in the Czech Republic, and the aluminium casting division of EBCC in Poland.

ACE is a specialised supplier to the European automotive industry, with a leading position in brake system components, focusing on the manufacture of iron anchors (a safety component of disc brake systems, responsible for fixing the brake module to the chassis) and aluminium callipers (a component of the disc brake system that houses the brake pads and pistons; in the braking process it is responsible for supporting the hydraulic pressure).

During the IPO, which took place in May 2007, the Company increased its shareholding capital from 20 050 100 to 22 115 260 shares. Under the same prospectus three existing shareholders of ACE – Casting Brake, EB Holding and Halberg Holding– sold together 10 423 316 Company's shares (less the shares bought with the over-allotment option (319.389) meant 10.103.927 shares sold). The first listing of ACE on Warsaw Stock Exchange took place on June 1st, 2007.

The Extraordinary General Meeting of Shareholders held on 17 June 2009 resolved to reduce the issued share capital of the Company by EUR 132,711.75 to bring it from EUR 3,317,289.00 to EUR 3,184,577.25 by cancellation of 884,745 shares at a par value of EUR 0.15 each, owned by the Company, following the completion of the buy-back programme as approved at the annual shareholders meeting of the Company held on 17 June 2008. Pursuant to the resolution the total number of outstanding shares decreased to 21,230,515 shares.

ACE's business is managed by a Board of Directors and a Chief Executive Officer to whom the Board has delegated the day-to-day management of the Company other than in relation to certain matters specifically reserved to the competence of the Board. The Chief Executive Officer, in the performance of the day-to-day management of ACE is supported by a Management Committee constituted of senior officers of ACE, appointed by the Board.

Composition of the Management bodies of ACE as of September 30, 2009

Management Committee:

Jose Manuel Corrales	*Chief Executive Officer*
Raul Serrano	*Senior Officer, Chief Financial Officer*
Carlos Caba	*Senior Officer, Business Development Manager*

Board of Directors:

Arkadiusz Podziewski	*Class A Director*
Marek Adamiak	*Class A Director*
Laurence Vine-Chatterton	*Class A Director*
Jose Manuel Corrales	*Class B Director*
Raul Serrano	*Class B Director*
Jerzy Szymczak	*Independent Director*
Paweł Szymański	*Independent Director*

The condensed consolidated quarterly report for the third quarter of 2009 was prepared according to International Accounting Standards.

2. Financial Highlights

in '000 Euro

Selected consolidated financial items	*For the 3rd quarter of 2009 From Jul 1st to September 30th, 2009*	*From Jan 1st to Sept 30th , 2009 Cumulative*	*For the 3rd quarter of 2008 From July 1st to September 30th , 2008*	*From Jan 1st to Sept 30th , 2008 Cumulative*
Revenues from sales	19 955	56 235	25 332	75 852
Operating Profit	1 796	2 723	908	5 969
Profit before tax	2 296	24	76	7 729
Net profit	2 171	- 1	6	6 485
Net profit attributable to equity holders of the parent company	2 171	- 1	6	6 485
Cash flow from operating activities	4 200	6 478	1 822	7 521
Cash flow from investment activities	- 623	- 996	-2 749	-10 784
Cash flow from financial activities	-1 513	-6 126	-5 367	-1 849
Net cash flow	1 988	- 719	-6 605	-6 187
Current assets	32 985	32 985	36 866	36 866
Fixed assets	45 122	45 122	47 635	47 635
Total Assets	78 107	78 107	84 501	84 501
Liabilities	42 873	42 873	42 483	42 483
Long-term Liabilities	18 689	18 689	15 338	15 338
Short term Liabilities	24 184	24 184	27 145	27 145
Shareholders Equity	35 234	35 234	42 018	42 018
Shareholders equity attributable to shareholders of the parent company	35 234	35 234	42 018	42 018
Share capital	3 185	3 185	3 317	3 317
No of shares outstanding	21 230 515	21 230 515	22 115 260	22 115 260
Net profit (loss) per share	0.10	0.00	0.00	0.29
Book value per share	1.66	1.66	1.90	1.90

3. Financial performance

Consolidated Profit & Loss Statement

in '000 Euro

	For the 3rd quarter of 2009 From Jul 1st to September 30th, 2009	*From Jan 1st to Sept 30th , 2009 Cumulative*	*For the 3rd quarter of 2008 From July 1st to September 30th , 2008*	*From Jan 1st to Sept 30th , 2008 Cumulative*
Revenues from sales	19 955	56 235	25 332	75 852
Cost of goods sold	-15 465	-45 087	-20 987	-59 242
Gross profit	4 489	11 148	4 345	16 610
GP margin	*22.5%*	*19.8%*	*17.2%*	*21.9%*
G&A expenses	-2 693	-8 425	-3 437	-10 641
Operating profit	1 796	2 723	908	5 969
OP margin	*9.0%*	*4.8%*	*3.6%*	*7.9%*
Depreciation & amortisation	-1 298	-4 198	-1 240	-3 625
EBITDA	3 094	6 921	2 148	9 594
EBITDA margin	*15.5%*	*12.3%*	*8.5%*	*12.6%*
Negative goodwill	0	0	0	1 506
Financial income	68	317	- 350	1 278
Financial costs	432	-3 015	- 482	-1 024
Profit before tax	2 296	24	76	7 729
Tax	- 125	- 25	- 70	-1 244
Net profit	2 171	- 1	6	6 485
NP margin	*10.9%*	*0.0%*	*0.0%*	*8.5%*

Sources of sales revenues

The main source of ACE Group's sales revenues is sales of nodular iron anchors and aluminium callipers for the automotive market, and grey iron parts for different purposes. The remaining, minority part of the Group's sales, comprises mostly revenues from post-production scrap and tooling.

Sales revenues in '000 Euro	*Three quarters of 2009 cumulative*	*%*	*Three quarters of 2008 cumulative*	*%*
Sales of products	54 232	96%	72 226	95%
Sales of goods and materials	2 003	4%	3 627	5%
Total sales revenue	**56 235**	**100%**	**75 852**	**100%**

Sales of products in '000 Euro	*Three quarters of 2009 cumulative*	*%*	*Three quarters of 2008 cumulative*	*%*
Sales of nodular iron castings	23 147	43%	36 339	50%
Sales of grey iron castings	8 412	16%	8 183	11%
Sales of aluminium castings	22 673	42%	27 704	38%
Total sales of products	**54 232**	**100%**	**72 226**	**100%**

Sales volumes in million pieces	*Three quarters of 2009 cumulative*	*Three quarters of 2008 cumulative*
Iron anchors	13.4	18.9
Grey iron castings	1.3	1.3
Aluminium callipers	4.4	4.8
Total products sold	**19.1**	**25.0**

The geographical profile of sales directly reflects the location of major customer' factories producing complete braking systems.

Revenues by country in Euro	*Three quarters of 2009 cumulative*	*Three quarters of 2008 cumulative*
Czech Republic	32.5%	27.5%
Germany	24.2%	25.0%
France	11.6%	11.7%
Spain	7.0%	8.7%
Italy	5.6%	4.4%
Slovakia	3.5%	1.8%
Other	15.6%	20.9%
Total	**100.0%**	**100.0%**

The global crisis affects particularly the automotive sector at European level. According to JD Power, car sales in Western Europe as of the end of third quarter of 2009 comparing with same period of 2008 fell down by 4.8% or around 524 thousand cars, though month by month it was progressively recovering its sharpest decline produced in the first two months of this year. However, production in the same region and in the same period is still much lower by 22% or around 2 314 thousand cars.

Only in this context we can understand the reduction of group year to date sales, a total of Euro 19 617 thousand, 26% lower than the same period of 2008. Also decrease of raw material and energy prices in 2009 had significant impact on revenues as they are passed through the customers as an adjustment of selling price.

This difference is even higher if we focus only in the automotive companies of the group (same consolidation scope as in 2008), where sales reduction represents around Euro 20 Million or 30%, closer to production decrease, even more considering that there should be still large inventories throughout all participants in the supply chain and that the profile of cars sold shifted temporarily from higher-end to lower-end models, a segment where many vehicles have rear drum brakes and thus do not use our components, which are made for disc brakes.

Direct production costs and gross profit

In this context of sales, the decline of activity is the main driver when comparing year-on-year results. There was lower turnover, but also a level of production below turnover in order to reduce inventories and improve working capital.

In addition, the higher contribution of the grey iron business as well as a lower percentage of machining reduced the profile of sales and thus the gross margin in the period, compared to 2008.

Otherwise, savings in headcount as well as in maintenance, as a result of the action plan implemented throughout all operating companies since the last quarter of the previous year, had a very positive effect on the gross profit margin.

Besides, lower volatility of energy and raw materials in 2009 also contributed to compensate negative effects of volumes and mix.

Year to date Gross margin was EUR 11.1 million, which is EUR 5.5 million less (-33%) compared with the same period of 2008.

General & administrative expenses

The reduction of sales and distribution expenses linked with the lower volume of sales together with the impact of the action plan on some G&A expenses (despite 4 more months of consolidation of the new acquisition), reduced these expenses in a very significant manner.

Including also the savings already reflected in gross profit, the savings derived from the action plan represents above EUR 4 million, compared with the same period of 2008. In addition, foreign exchange rates had a very positive impact on the Company's margins. The total impact of FX in EBITDA was around EUR 1.9 million.

EBITDA and operating profit

EBITDA was positive, at EUR 6.9 million, but down EUR 2.7 million compared with the same period of 2008 (-28%). Despite reduction of gross margin by EUR 5.5 million versus 2008, this lower difference in EBITDA is mostly the result of a cost reduction program for general and administration expenses.

Depreciation increased in the period by EUR 0.6 million due to longer consolidation of the Czech company and some increases of depreciation coming from new investments made in 2008.

Even though much lower than last year, year to date operating profit for the period is positive, at about EUR 2.7 million (lower by EUR 3.2 million compared with the same period of 2008, -54%) but shows a very positive trend compared with previous and more comparable quarters.

Financial items

Driven by the weakening Polish zloty during the period, valuation and cash losses of hedging instruments in our polish company produced a negative financial result of EUR 1.9 million, clearly affecting the financial year to date result of EUR -2.7 million. After this negative result and partial cancellation of currency exchange contracts, the fair value of these instruments in the balance sheet is EUR 1.7 million. However, strengthening of the Polish zloty in the second and third quarter produced a positive fair valuation of hedging contracts of around EUR 1.2 million.

The impact of this fair valuation was fully recorded in the first two months of the year, whereas after partial cancellation of hedging contracts and lower volatility of the Polish zloty, the Company did not experience any significant fluctuation in its results. In the following months and with the new scenario after this cancellation, we can expect a more hedged structure where financial losses would be recovered at the operating level.

Profit before tax and tax

The lower year to date profit before tax in 2009 versus 2008 is a reflection of the decline at the operating level as well as losses from the valuation of hedging instruments and negative goodwill existing in 2008 after acquisition of the Czech operating company. Total profit before tax on year to date decreased dramatically to EUR 24 thousand (lower by EUR 7.7 million compared with 2008) to reach breakeven point. As a consequence, taxes in 2009 are amounting only EUR 25 thousand.

Net profit

As a result of the above, the company was also breakeven at net profit level as first time in the year. Besides, last two quarters were very positive in terms of Net Profit thanks to improvement of operating profitability as well as not so negative influence of exchange rate fluctuation in our results.

Financial Position

Company action plan was also very active in working capital improvement, thanks to which cash from operating activities amounts to EUR 6.4 million which is only EUR 1 million below year 2008.

Otherwise, savings in taxes and reduction of capital expenditure contributed to improve the ordinary cash flow after investment activities, though the cancellation costs for the hedging contracts of EUR 3.2 million (reduced by EUR 2 million of a new loan granted by the bank) and the repayment of ordinary debt decreased the final cash in the year by EUR 719 thousand.

However, final cash position of the Company as of the end of September was EUR 9.4 million, representing an improvement of EUR 2.0 million compared with the end of the first half. Net debt at the same date was EUR 11.7 million and is generally reduced comparing with previous quarters.

4. Business overview

European Automotive Industry

The performance of ACE depends on trends in the automotive industry as well as the behaviour of major brake system producers. Due to the current market positions of both brake system production plants, ACE Group is limiting its operations to Europe, where it has a strong position and competitive advantage. However, the Company does not exclude expansion to new geographical markets should favourable acquisition opportunities arise. The conditions of the European automotive market are a major factor influencing performance of the Company's shares because of close-knit relationships in the supply chain structure.

In terms of year 2009 expectations, in December 2008 JD Power predicted a decline of 16.5% in sales of cars in Western Europe for 2009, compared to 2008, but this forecast did not reflect final support for the sector initially launched by the governments of Germany and France. Since then the real performance of the market and its forecasts are systematically less pessimistic as the government premiums for scraped cars are becoming effective in stimulation of new car sales not only in Germany and France but also in other European countries. As of the end of September 2009, year to date sales in "old" EU countries were 4.8% below the same period of 2008 and JD Power's forecast assumed general decline of new car sales at a level of -2.7% in 2009.

However, within Europe the producers are shifting their production world wide facilities to the CEE region. Central and Eastern Europe has become a new hub for manufacturing motor vehicles, especially passenger cars, and is sometimes called "East Detroit". This production zone spreads over southern Poland, north-eastern Czech Republic and Slovakia down to the northern part of Hungary, where a network of manufacturing facilities with significant capacity has recently been set up with more facilities under construction.

European Brake Industry Structure

With respect to brake components such as anchors and callipers, most of the business is outsourced from Tier 1 brake system assemblers to Tier 2 suppliers specialised in foundry parts and castings. ACE is an integrated Tier 2 supplier of front- and rear-axle iron anchors and aluminium callipers for passenger car brake systems.

Tier 2 suppliers deliver their products to Tier 1 producers, which in turn are responsible for assembling brake systems and delivering them to car manufacturers (original equipment manufacturers or OEMs). Production of Tier 1 and Tier 2 manufacturers is highly dependent on the performance of OEMs, particularly in the passenger car segment. Relations are structured through open contracts covering capacity, price and product range. Contracts are normally signed or agreed on a long-term basis, but key terms such as capacity and price are negotiated every year. The product optimisation and development processes cause a significant customer lock-in effect. Suppliers are usually locked into production during the entire production life of a given car platform. Tier 1 brake component manufacturers require that Tier 2 casting suppliers have capabilities for cooperating in product development of casting items (design, materials, etc), a certified, reliable manufacturing process, a high level of quality, and competitive price. Machining of aluminium brake components, such as callipers, is mostly outsourced to CEE suppliers, such as ACE's plant in Poland.

All new cars produced in Europe are equipped with disc brakes, as far as the front axle is concerned. Up to year 2007 main assumptions in terms of using of disc brakes in cars were: as for rear axle, disc brakes are applied in around 72% of newly produced cars and the remaining 28% of cars still use drum brakes in rear axle. Due to lower profile of cars sold in year 2008 and 2009 it is very probable that the a.m. percentage of estimated disc brake per car have decreased in favor of drum brakes.

In all disc brake systems the anchors are made of nodular iron castings. Currently, nodular iron is by far the best material for anchors. As far as callipers are concerned, these parts are usually made of nodular iron in front axles. However, since the late nineties aluminium castings are becoming increasingly popular, especially in rear disc brakes. Automakers are using more aluminium to improve fuel economy, reduce emissions and enhance performance, as aluminium helps to reduce the weight of the vehicle. Due to the fact that aluminium callipers are less durable than those made of nodular iron they are applied in rear axle disc brakes, as these brakes contribute to 20–30% of braking power. In front disc brake systems aluminium callipers are extremely exceptional, as they need to be significantly bigger than nodular iron callipers, and are currently used only in high-end cars. However, this segment represents high growth potential.

Main Products

The core business of the ACE Group is production of high-quality brake components for disc brake system (Tier 1) manufacturers. The aluminium casting division adds aluminium gravity casting and machining to the ACE Group's product range.

Anchors are safety components expected to meet high technological requirements, including very high standards for strength resistance, elongation, machining, torsion, resilience, thermal stability and vibration reduction. Anchors are responsible for fixing the brake module to the chassis. ACE's anchors are made of nodular iron. Iron anchors are currently applied in most newly produced cars.

Callipers are also essential components of disc brake systems, housing the brake pads and pistons. In the braking process, they are responsible for supporting the hydraulic pressure in the brake moment. Aluminium callipers currently produced by ACE are applied in rear brakes. ACE's focus on rear callipers is in line with current technological trends, according to which the predominant application of aluminium callipers is the rear-axle brake.

ACE continuously cooperates with its customers on redesign and development of anchors and callipers used in new car models introduced onto the market. There are currently several projects in which both divisions are involved, focused on refurbishment and improvement of the braking system components produced. This is the key to our future business development, since ACE cooperates with its customers for a period of one to three years before start of production (SOP).

Feramo, the company acquired in 2008 in the Czech Republic offers a wide range of grey iron castings for the engineering, hydraulic, electrical and automotive sectors, as well as for small urban architecture projects. Sales to the automotive sector constitute around 10% of Feramo's sales.

Future development strategy of the Company includes development and introduction a number of new products to diversify sales revenues. At the moment one of the most important projects of this type is introduction of a master cylinder (TMC) production by our Polish plant.

ACE has been nominated by two customers as their supplier for the TMC product. The series production has already started in 2008, and though the expected volume for the year will not represent a significant amount, the Company is already prepared to undertake the production of new references of this product.

The second project covered by the same division is development of aluminium front calipers which are implemented in high-end cars. The subsidiary was nominated by two of its customers as a future supplier of front calipers. The project is in the validation stage. The first production output is expected in late 2009.

ACE has been also nominated by one of the current customers to supply the machining of iron casting parts which already started on production in the current year. This is the first project in iron machining and represents, given the important presence of ACE in iron casting a very interesting opportunity for growing this business.

Main customers

ACE Group supplies its products to Continental plants in Gifhorn and Rheinböllen (Germany), Palmela (Portugal), Ebbw Vale (Wales) and Zvolen (Slovakia), TRW Automotive plants in Jablonec (Czech Republic), Bouzonville (France), Koblenz (Germany) and Pontypool (Wales), and Bosch plants in Buelna (Spain), Bari (Italy), Angers (France) and Wrocław (Poland).

Since the acquisition of Feramo in May 2008, some other customers have joined the ACE portfolio. Currently this company has approximately 100 customers from the Czech Republic and abroad. The 10 largest customers generate about 70% of total sales revenue, and the customer profile is relative stable year-on-year. The main sectors Feramo supplies are engine parts, construction, automotive, and urban furniture.

The Company did not usually experience any important fluctuation of sales linked with changes in seasonal demand. In the reporting period, however, sales were affected by sharp decrease of sales of new cars in West European countries.

Nevertheless, during Easter, summer and Christmas periods the activity decreases due to holidays and maintenance stop of facilities.

Suppliers

Due to the fact that ACE's production plants use different production materials and technologies, they are responsible for their own supplies.

In general, the contracts executed by Spanish plant have a one month duration period and mainly concern the purchase and supply of Scrap. As a general rule, upon expiration, the terms of such raw material contracts are re-negotiated and adapted to market prices. Sand supply contracts have a longer duration, normally of one year whereas electricity is supplied on daily basis at spot price.

Aluminium casting division does not execute long-term written agreements with its major production material suppliers. Purchases of materials are made on an order-by-order basis on the terms and conditions (including prices) agreed therein.

Research & Development

The Group has prioritized research and development activities across its businesses

The iron casting division has a well-executed and highly organised product development system, fully suited to the requirements of its customers in the automotive industry. Compared to other brake casting manufacturers, ACE has leading-edge capabilities in product development. Human resources and equipment are designed to maintain the lead in anchor development. Product development capabilities are focused on just one product family (anchors) and cooperation with the principal players in the disc brakes industry. This allows it to be a customer- and product-oriented company providing its customers with customised engineering. This advantageous position will definitively bring future benefits for Feramo in terms of knowledge transfer and development of new products.

A few years ago the aluminium casting division started to invest in its own R&D capacity. Now, through application of specialised simulation and CAD software, the R&D department is capable of designing and developing new products and technology processes. This capacity has been proved in recent projects development.

ACE is involved in a few important and innovative projects focused on improvements in process, design and products. Some on those projects are developed in collaboration with customers, technical universities and technological centres.

Despite the economic crisis ACE is continuing to devote significant resources to R & D activities because of their importance to the future of the Group.

The R&D expenditures in the third quarter of 2009 are as follows:

In ‘000 Euro

	Three quarters of 2009 cumulative	*Three quarters of 2008 cumulative*
Investments in R&D	529	786
Costs regarding R&D	1 328	1 734
Total R&D expenses	**1 857**	**2 520**

Strategy

Strengthening the leading position on the European brake supply market
Since specialising in the casting of brake components, the operating plants have been constantly focused on increasing their respective market shares, maintaining the high quality of components manufactured, and providing reliable logistics and service for customers. Over the next three to five years, the Spanish plant will focus on maintaining its strong market position in iron castings, while the plant in Poland, currently the number two aluminium calliper provider, will strive to gain additional market share in the aluminium castings market by capturing additional volumes for production of callipers, due to its high degree of innovation and competitiveness. Planned development of new capacities at Feramo will position the Czech plant among important suppliers of automotive castings in future.

Broadening the technological and product range
The Group has already expanded the current product portfolio, especially through introduction of new aluminium products in Poland and the acquisition of Feramo. In 2008 ACE successfully started production of TMC, which should generate a considerable portion of revenues in future. There are several new capacity projects in the pipeline scheduled for 2009, including aluminium front calliper and iron machining. Thanks to the Czech plant, ACE has also broadened its product portfolio of iron castings for other industries, including electro-mechanical, construction and industrial equipment.

Increasing presence in Europe
The location of the Polish plant is very favourable because of the lower labour costs and the proximity to customers based in Central & Eastern Europe. Feramo is also located in the heart of the automotive industry, a very short distance from current customers and potential new customers. This advantage will be utilised in future after expansion of Feramo’s production capacity.
The increased CEE exposure enables optimisation of the ACE Group’s cost position and further business growth through expansion of the current offer and meeting customers’ expectations for more flexible deliveries. With hi-tech know-how and experience in deliveries to the automotive industry, top product quality and customer service are guaranteed.

Combined engineering and other synergies
Integration of automotive plants as well as the newly acquired Feramo within the ACE Group will result in synergies in the very near future. Combined engineering will be of particular importance in the development of new products in both iron and aluminium. The Polish and Czech plants benefit from the experience of the plant in Spain and are further developing their general management systems.

5. Outlook for the following months of 2009

In terms of 2009 projections, in December 2008 JD Power predicted a decline of 16.5% in sales of cars in Western Europe for 2009 compared to 2008, but this forecast did not reflect support programs for the sector announced by a number of European governments. Since then their forecasts have become steadily less pessimistic, as government premiums for scrapped cars are becoming effective in stimulation of new car sales in Germany, France and other European countries. In September JD Power's forecast called for a general decline of new car sales at a level of only 2.7% for 2009 as a whole.

On the other hand, PriceWaterhouseCoopers Autofacts production expectations for full year 2009 point out to a decline around 16% comparing 2008.

At the time of preparation of this report, the vision for the next quarter shows a general maintenance of volumes at the same level as in the third quarter of 2009, but depending on inventory management of our direct and indirect customers it is likely that expected sales for year end could fluctuate.

As far as 2010 is concerned, available forecasts shows some stability and even slightly growth for next year. Thus, JD Power issued in September first forecast for 2010 estimating a decline of sales by 9.3% comparing with 2009 in Western Europe. However, in terms of production most updated forecast by PriceWaterhouseCoopers Autofacts are increasing production estimates by 1.5% in the same region or 3% for full European Union and East Europe. Some other production forecasts like CSM or Deustche Bank show a slightly more negative performance by -1% to -2% respectively.

Given the fact that European production of cars (and not sales) was during 2009 the driver of ACE sales we can expect more stability for 2010 based on these production estimates.

However, in the current environment it is very difficult to rely on market forecasts, and our work now is focused on maintaining and improving the successful implementation of actions to significantly reduce costs and adjust as much as possible to reduced volume levels.

The main outcome and extent of this action plan are discussed in connection with the financial results above, but in the following months some of these actions could be eliminated, thus reducing the impact of the plan, as an increasing volume of orders from customers is confirmed. In 2010 it may be also necessary to anticipate some future investments in order to meet demand, especially in the aluminium business.

On the other hand, although ACE is focusing its efforts at the moment on possibilities of using free capacity for other projects, the medium and long-term strategy calls for introduction of new products and customers (organically and through acquisitions) to grow the business even when the automotive sector is not performing as it did in previous years. It is clear to ACE that the current financial structure allows the Group to face this situation in better standing, and that companies which manage to deal better with the new environment will be stronger after the slowdown.

6. Additional information

Major shareholders (over 5% of shareholder's equity) as of September 30th, 2009

As of the end of December 2008 the Company's share capital comprised 22,115,260 shares and the same number of corresponding votes. On 17 June 2009 the Extraordinary Shareholders Meeting approved cancellation of 884,745 buy-back shares. As of September 30, 2009 the Company's share capital comprised 21,230,515 shares. The corresponding number of voting rights was 21,230,515.

To the best of the Company's knowledge as of the end of the third quarter of 2009, the following shareholders are entitled to exercise over 5% of voting rights at the General Meeting of Shareholders in the Company:

	As of September 30, 2009 (% of share capital)	*As of December 31, 2008 (% of share capital)**
EB Holding (Luxemburg)	6 535 593 (30.78%)	6 535 593 (29.55%)
Casting Brake (Spain)	2 980 607 (14.04%)	2 980 607 (13.48%)
PZU „Zlota Jesien" OFE	2 221 971 (10.47%)	Below 5%
ING Nationale Nederlanden Polska OFE	1 150 000 (5.42%)	1 169 602 (5.29%)

(*) – stakes calculated for the number of shares before cancellation (22 115 260 shares)

Changes in ownership of shares and rights to shares by Board of Directors' members

Board of Directors and Management Committee members do not have directly any shares of ACE or its subsidiaries or any rights to them, although indirectly some of them hold a stake in the Company.

Information on any one or more transactions concluded by the issuer or its subsidiary with related parties

The Company did not conclude any transactions with its subsidiaries or related parties in the third quarter of 2009.

Information on paid or planned dividend

Though the dividend policy of ACE remains unchanged as regards the policy stated in the Prospectus, in the near future we do not envisage company outflows due to this item for the sake of preserving current resources for business needs and market opportunities.

Changes of the Company's managing or supervisory persons in the third quarter of 2009

There has been no changes of the Company's managing or supervisory persons in the third quarter of 2009.

Information on the supervision of employee stock option plans

There is no a general stock option plan for all employees within the ACE Group. Only certain managers of ACE's production plant in Poland (EBCC Sp. z o.o.) will benefit from the plan. An employee share option plan was approved by the Board at their meeting on 22 February 2007. The plan gives specified persons the opportunity to acquire a stake in the capital of the Company. The extraordinary General Meeting on 14 March 2007 approved the introduction of authorised share capital for purposes of the plan, among other purposes. The options granted shall vest pro-rata on a quarterly basis over four years from the Allotment Date (described in the Prospectus), and shall be exercisable on an annual basis from the second anniversary of the completion of the IPO. Options that have not yet vested upon voluntary resignation or dismissal for cause of the beneficiary will automatically lapse upon termination of the relationship between the beneficiary and the ACE Group. Where the relationship ends in voluntary resignation or dismissal for gross negligence, fraud or wilful misconduct, all rights to shares vested over the last 12-month period are cancelled.

Investor Relations Contact Person:

Piotr K. Fugiel
Investor Relations Officer
e-mail: investor.relations@acegroup.lu

Information on the revenues and net results of individual business segments and geographical segments

Geographical segments in '000 Euro

	Three quarters of 2009 cumulative	*Three quarters of 2008 cumulative*
Western Europe	33 093	46 050
Eastern Europe	22 961	29 790
Other	181	12
Total	**56 235**	**75 852**

Business segments in '000 Euro

	Iron castings	*Aluminium castings*	*Other*	*Consolidated*
Total revenues	31 559	22 673	2 003	56 235
Net Profit for the segment	**514**	**- 286**	**- 229**	**- 1**

7. Stock Market Information

Basic Information

Fiscal Year:	1 January through 31 December
ISIN Code:	LU0299378421
Par Value:	EUR 0.15 per share
Market of Quotations:	Warsaw Stock Exchange

Share Price Evolution

% of change as of the end of September 2009

	Compared to the end of 2008	*Compared to the end of Q3 2008*
ACE S.A.	241.5%	-3.1%
WIG Index	38.0%	0.6%
SWIG80 Index	64.9%	19.4%

Stock Market Data

	Third quarter of 2009	*Third quarter of 2008*	*2008*
Market capitalisation as of the end of the period (in millions of PLN and €)	PLN 127.6 m € 30.2 m	PLN 137.1 mln € 40.2 mln	PLN 38.9m € 9.3m
Share price **(in PLN)**			
- Highest	7.00	7.22	12.23
- Lowest	3.30	5.97	1.66
- Average	5.53	6.57	7.51
- At the end of the period	6.01	6.20	1.76
Shareholders equity per share **(in EUR)**	1.66	1.90	1.57

Per Share Data

	Third quarter of 2009	*Third quarter of 2008*	*2008*
Earnings per share (in EUR)	0.1	0	0.01
Cash Flow per share (in EUR)	0.09	-0.3	- 0.01
Dividend per share (in EUR)	-	-	-

B. Condensed Consolidated Financial Statements for the quarter ended September 30th, 2009

The condensed consolidated quarterly report for the third quarter of 2009 was prepared according to International Accounting Standards.

Applied Exchange rates

As ACE is incorporated in Luxembourg, its statutory reporting currency is euro. However, Polish plant uses *zloty* and Feramo uses Czech korona for both statutory and internal reporting. For the consolidation within ACE, the financial monthly statements of polish plant are converted into euro by being its functional currency.
The following table shows certain information regarding the exchange rate between *zloty* and euro for the respective periods of analysis. This information is based on the official exchange rates quoted by the National Bank of Poland on its website www.nbp.gov.pl.
Investors should also note that the average rates are simple arithmetic averages for each given period.

PLN per 1 Euro	*Average*	*High*	*Low*	*Period end*
Jul 1 – Sep 30 2008	3.3072	3.4677	3.2026	3.4083
Jan 1 – Sep 30 2008	3.4294	3.6577	3.2026	3.4083
Jul 1 – Sep 30 2009	4.2006	4.4241	4.0854	4.2226
Jan 1 – Sep 30, 2009	4.3797	4.8999	3.9170	4.2226

The following table shows certain information regarding the exchange rate between *korona* and euro for the respective periods of analysis. This information is based on the official exchange rates quoted by the Czech National Bank on its website www.cnb.cz.
Investors should also note that the average rates are simple arithmetic averages for each given period.

CZK per 1 Euro	*Average*	*High*	*Low*	*Period end*
Jul 1 – Sep 30 2008	24.0924	24.9400	22.9700	24.6650
Jan 1 – Sep 30 2008	24.8154	26.3600	22.9700	24.6650
Jul 1 – Sep 30 2009	25.5979	26.0450	25.0850	25.5979
Jan 1 – Sep 30, 2009	26.6190	29.4700	25.0850	25.1650

Consolidated Balance Sheet as of September 30th , 2009 in thousands of Euros

Assets	*As of Sep 30, 2009*	*As of Dec 31, 2008*	*As of Sep 30, 2008*
Non current assets			
Intangible assets	147	278	205
Property, plant and equipment	43 922	46 248	47 234
Investments in associates	21	20	21
Derivative financial instruments	0	0	175
Deferred tax assets	1 031	1 261	0
Trade and other receivables	1	1	0
Total non-current assets	**45 122**	**47 808**	**47 635**
Current assets			
Inventories	7 223	10 799	12 216
Trade and receivables	16 388	13 075	19 668
Derivative financial instruments	0	0	567
Deferred income tax assets	0	0	280
Cash and cash equivalents	9 374	10 276	4 135
Total current assets	**32 985**	**34 150**	**36 866**
Total assets	**78 107**	**81 958**	**84 501**

Equity and Liabilities	*As of Sep 30, 2009*	*As of Dec 31, 2008*	*As of Sep 30, 2008*
Capital and reserves			
Share capital	3 185	3 317	3 317
Share premium	6 931	6 931	6 828
Retained earnings	25 108	24 646	25 194
Exchange differences	9	- 451	194
Net profit for the period	- 1	330	6 485
Total equity	**35 232**	**34 773**	**42 018**
Non current liabilities			
Non current borrowings	14 179	12 952	13 525
Deferred income	224	376	356
Deferred tax liabilities	3 413	3 389	1 002
Derivative financial instruments (NCL)	777	2 266	0
Provisions for other liabilities and charges (NCL)	96	101	455
Total non current liabilities	**18 689**	**19 084**	**15 338**
Current liabilities			
Trade and other payables	14 629	15 651	17 094
Current borrowings	6 871	9 128	3 037
Derivative financial instruments (CL)	1 070	2 032	0
Current Deferred income tax liabilities	0	0	3 280
Other current liabilities	533	407	2 326
Provisions for other liabilities and charges (CL)	1 082	884	1 408
Total current liabilities	**24 186**	**28 101**	**27 145**
Total equity and liabilities	**78 107**	**81 958**	**84 501**

Consolidated Income Statement for the period from January 1st to September 30th , 2009
in thousands of Euros

	For the 3rd quarter of 2009 From Jul 1st to September 30th, 2009	*From Jan 1st to Sept 30th , 2009 Cumulative*	*For the 3rd quarter of 2008 From July 1st to September 30th , 2008*	*From Jan 1st to Sept 30th , 2008 Cumulative*
Revenues	19 955	56 235	25 332	75 852
Costs of sales	-15 465	-45 087	-20 987	-59 242
Gross profit	4 489	11 148	4 345	16 610
Other operating income	152	662	185	596
Distribution costs	- 493	-1 354	- 909	-2 435
Administrative expenses	-2 195	-7 381	-2 580	-8 191
Other operating expenses	- 158	- 352	- 132	- 610
Operating profit	1 796	2 723	908	5 969
Negative goodwill	0	0	0	1 506
Financial income	68	317	(*) - 350	1 278
Financial expenses	(*) 432	-3 015	- 482	-1 024
Financial result	500	-2 699	- 832	254
Profit before tax	**2 296**	**24**	**76**	**7 729**
Income tax expense	- 125	- 25	- 70	-1 244
Net profit for the period	**2 171**	**- 1**	**6**	**6 485**

(*) Hedging financial result each quarter is income or expense depending on year to date result.

Consolidated Statement of changes in Shareholders' Equity for the period from January 1st to September 30th , 2009
in thousands of Euros

Attributable to equity holders of the Parent

	Share capital	*Share premium*	*Legal Reserve*	*Treasury shares*	*Retained earnings*	*Exchange differences*	*Profit for the period*	*Net Equity*
Balance as of Jan 1, 2009	**3 317**	**6 931**	**0**	**-549**	**25 195**	**-451**	**330**	**34 773**
Allocation of 2008 profit			307		23		-330	**0**
Profit / Loss for the period							-1	**-1**
Total recognised income and expenses for the period							**-1**	**-1**
Exchange differences						460		**460**
Reduction of share capital by cancellation of treasury shares	-132			549	-417			**0**
Balance as of Sep 30, 2009	**3 185**	**6 931**	**307**	**0**	**24 801**	**9**	**-1**	**35 232**

Consolidated Cash Flow Statement for the period from January 1st to September 30th 2009
in thousands of Euros

	From Jan 1st to Sep 30th , 2009	*From Jan 1st to Sep 30th, 2008*
Cash flow from ordinary activities		
Profit before tax	24	7 729
Adjusted for:		
Amortisation and depreciation	4 198	3 625
Net financial result	5 141	-1 370
Losses on sale of property, plant and equipment	- 68	0
Gains and losses on changes in fair values of derivative financial instruments	-2 451	- 117
Others	- 122	- 33
Operating cash before changes in working capital	**6 722**	**9 834**
Increase/decrease in receivables and other current assets	-3 209	- 924
Increase/decrease in inventories	3 597	-2 703
Increase/decrease in trade and other payables	- 632	1 314
Cash from operating activities	**6 478**	**7 521**
Income tax paid	- 75	-1 075
Net cash from ordinary activities	**6 403**	**6 446**
Acquisition of property, plant and equipment	-1 119	-4 417
Proceeds from sale of non current assets	123	0
Acquisition of subsidiary, net of cash acquired	0	-6 367
Net cash from investing activities	**- 996**	**-10 784**
Repayments of borrowings	-4 599	-4 754
Proceeds from borrowings	3 695	5 827
Partial reimbursement of share premium	0	-2 433
Net of financial result paid and received	-5 222	- 489
Net cash from financing activities	**-6 126**	**-1 849**
Net increase/(decrease) in cash and cash equivalents	- 719	-6 187
Cash and cash equivalents at the beginning of the period	10 098	10 434
Effects of exchange rate changes on the balance of cash held, in foreign currencies	- 5	- 112
Cash and cash equivalents	**9 374**	**4 135**

Notes to condensed financial statements

Accounting polices

The accounting principles and measurement basis of these Condensed Consolidated Financial Statements are consistent with those applied in the prospectus and have remained unchanged. In the preparation of these financial statements, the Company has followed the IAS interim condensed financial reporting standards.

Consolidated entities

Company name	*Status*	*Ownership*	*Consolidation method*
ACE S.A.	Holding Company	-	Full
Fuchosa S.L.	Operating	100%	Full
EBCC Sp. z o.o.	Operating	100%	Full
Feramo S.r.o.	Operating	100%	Full

Share capital changes

During IPO which took place in May 2007 the Company issued 2 065 160 new shares, which were offered to new investors of ACE as well as 10 103 927 existing shares which were sold by old shareholders. Changes in the share capital are illustrated in the following table.

	Before IPO		*After IPO*		*Current*	
	No of shares	*%*	*No of shares*	*%*	*No of shares*	*%*
Existing shares	20 050 100	100%	20 050 100	90.66%	21 230 515	100%
New shares	-	-	2 065 160	9.34%	-	-
Total	**20 050 100**	**100%**	**22 115 260**	**100%**	**21 230 515**	**100%**

The Extraordinary General Meeting of Shareholders held on 17 June 2009 resolved to reduce the issued share capital of the Company by EUR 132,711.75, from EUR 3,317,289.00 to EUR 3,184,577.25, by cancellation of 884,745 shares at a par value of EUR 0.15 each, owned by the Company, following the completion of the buy-back programme as approved at the annual shareholders meeting of the Company held on 17 June 2008. Pursuant to the resolution, the total number of outstanding shares decreased to 21,230,515.

The Extraordinary General Meeting of Shareholders resolved to amend of Article 5 of the Articles of Association of the Company as follows:

"The subscribed capital of the Company is set at EUR 3,184,577.25 (three million one hundred eighty-four thousand five hundred seventy-seven Euro and twenty-five cents) represented by 21,230,515 (twenty-one million two hundred thirty thousand five hundred fifteen) shares having a par value of EUR 0.15 (Euro fifteen cents) each."

All the above changes were published in the Registre de Commerce et des Sociétés in Luxembourg in July 2009.

Non-recurring items affecting assets, liabilities, equity, net income or cash flows for the third quarter

There has not been any non-recurring effect on consolidated financial statements of the company in the third quarter of 2009.

The nature and amount of changes in estimates of amounts reported in previous financial reports having material effect in the current financial report.

There has been no change in estimates of amounts since publication of the Prospectus. All valuation methods applied in this report are consistent with those used for financial statements presented in the Prospectus.

Dividends Paid in the period of the third quarter of 2009

There was no dividend paid in the third quarter of 2009.

Issuances, repurchases and repayments of debt and equity securities

The company repaid EURO 2.4 million of debt in the third quarter of 2009.

Material events after the end of the third quarter of 2009 that have not been reflected in the financial statements

No material events after the end of the period.

Changes in the composition of the Company during third quarter of 2009

There has not been any change in composition of the ACE group within the period.