

LEADER IN THE EUROPEAN AUTOMOTIVE COMPONENTS MARKET



2012 INTERIM REPORT

Board of Directors

José Manuel Corrales	Class CB Director, Chairman
Raúl Serrano	Class CB Director
Oliver Schmeer	Independent Director
Witold Franczak	Independent Director
Rafał Lorek	Independent Director
Piotr Nadolski	Independent Director

Management Committee

José Manuel Corrales	Chief Executive Officer
Raúl Serrano	Senior Officer, Chief Financial Officer
Carlos Caba	Senior Officer, Business Development Manager

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GENERAL INFORMATION

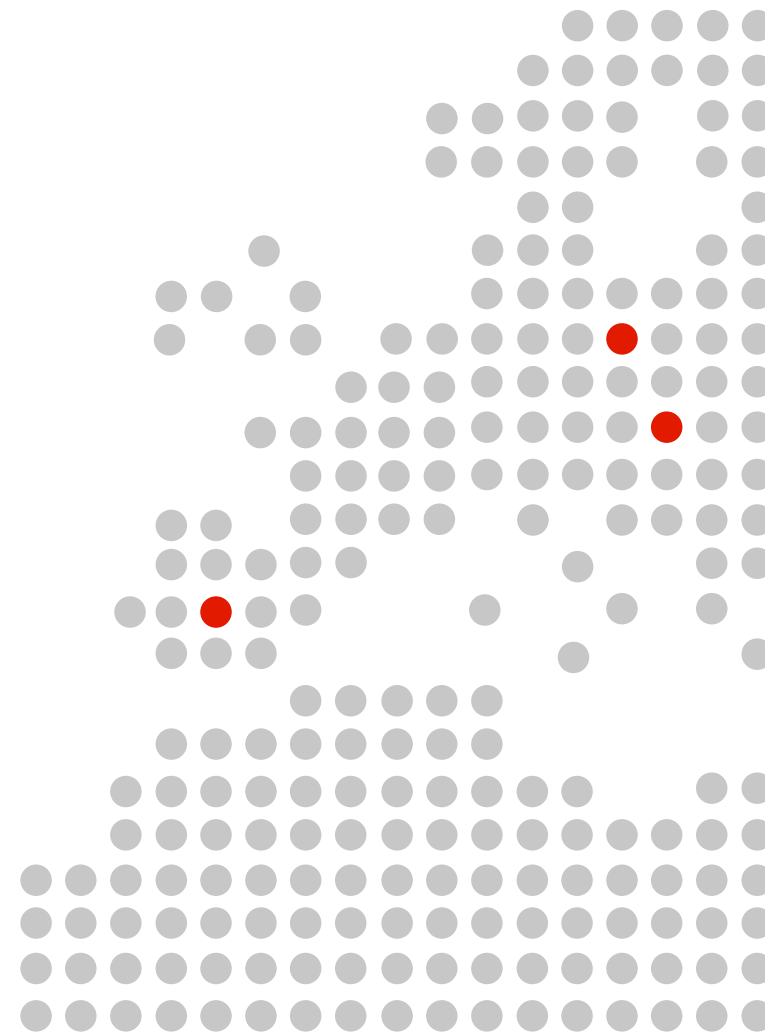
ACE (the "Company") is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg (full name Automotive Components Europe S.A., abbreviated form ACE S.A.) ACE is registered with the Luxembourg Registry of Commerce and Companies under number B 118130, and its registered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

ACE as a holding company has one holding company in Spain, ACE Boroa S.L.U., which holds three operating companies (the Group): the iron casting division of Fuchosa in Spain and Feramo in the Czech Republic, and the aluminium casting division of EBCC in Poland. ACE Boroa S.L.U. is also the main shareholder of ACE 4C A.I.E., the R&D company of the Group serving all the operating companies, with 96% of its shares (the remaining 4% are held by Fuchosa).

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. The first listing of ACE on Warsaw Stock Exchange took place on 1 June 2007.

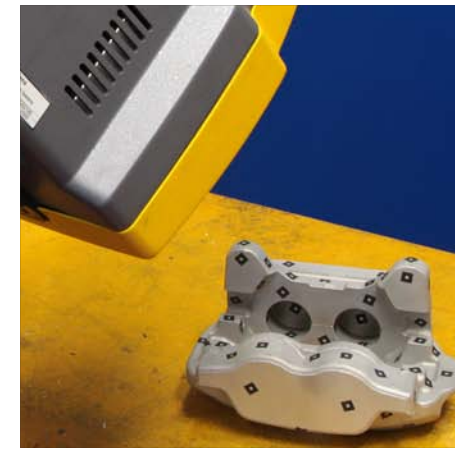
The Extraordinary General Meeting of Shareholders held on 17 June 2009 resolved to reduce the issued share capital of the Company by EUR 132,711.75 to bring it from EUR 3,317,289.00 to EUR 3,184,577.25 by cancellation of 884,745 shares at a par value of EUR 0.15 each, owned by the Company, following 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.



KEY FIGURES

IN EUR THOUSANDS
(EXCEPT PER-SHARE AND
EMPLOYMENT FIGURES)

	1H 2012	1H 2011	CHANGE (%)	FY 2011
Revenues from Sales	53,225	52,674	1.0%	100,689
Gross Profit	9,385	10,321	-9.1%	19,093
Operating Profit	2,094	2,750	-23.9%	4,898
Net Profit	1,130	1,752	-35.5%	2,088
Net Profit per share	EUR 0.05	EUR 0.08	-35.5%	EUR 0.10
Cash Flow from Operations	192	-1,293	-114.8%	8,711
Cash Flow from Investments	-3,313	- 677	389.7%	-2,816
Cash Flow from Financial Activities	-3,249	- 403	705.7%	-1,970
Net Cash Flow	-6,784	-2,513	170.0%	3,030
Current Assets	42,058	43,217	-2.7%	46,266
Fixed Assets	40,165	39,229	2.4%	38,581
Total Assets	82,223	82,447	-0.3%	84,847
Long-term Liabilities	19,087	21,035	-9.3%	20,501
Short-term Liabilities	24,128	22,136	9.0%	25,736
Liabilities	43,215	43,171	0.1%	46,237
Net Debt	4,084	5,397	-24.3%	712
Shareholders' Equity	39,008	39,277	-0.7%	38,609
Book Value per share	EUR 1.84	EUR 1.85	-0.7%	EUR 1.82
Employees	863	879	-5.8%	839



INTERIM MANAGEMENT REPORT

■ SOURCES OF SALES REVENUES

The main source of ACE Group's sales revenues is sales of nodular iron anchors as well as aluminium callipers and tandem master cylinders (TMC) 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.

IN EUR THOUSANDS	1H 2012	%	1H 2011	%
Sales of products	51,388	96.5%	50,980	96.8%
Sales of goods and materials	1,837	3.5%	1,694	3.2%
Total sales revenues	53,225	100%	52,674	100%

IN EUR THOUSANDS	1H 2012	%	1H 2011	%
Nodular iron products	27,556	53.6%	24,983	49.0%
Grey iron products	6,672	13.0%	7,814	15.3%
Aluminium products	12,500	24.3%	14,425	28.3%
New family products	4,659	9.1%	3,759	7.4%
Total sales of products	51,388	100%	50,980	100%

IN MILLION PIECES	1H 2012	1H 2011
Nodular iron products	12.8	12.1
Grey iron products	0.8	1.0
Aluminium products	2.8	2.9
New family products	1.2	0.9
Total pieces sold	17.6	16.9

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

	1H 2012	1H 2011
Czech Republic	23.7%	23.9%
Germany	20.7%	24.0%
France	14.2%	11.7%
Spain	8.9%	8.1%
Italy	3.6%	3.9%
Other	28.8%	28.3%
Total	100%	100%

The ACE Group supplies its products to the following Continental plants: Gifhorn and Rheinböllen (Germany), Palmela (Portugal), Ebbw Vale (Wales) and Zvolen (Slovakia). As far as TRW Automotive is concerned, ACE delivers its products to the plants in Jablonec (Czech Republic), Bouzonville (France), Koblenz (Germany), and Pontypool (Wales). Supplies to Bosch are made at its plants in Buelna (Spain), Bari (Italy), Angers (France) and Wrocław (Poland). Since 2011, the Group has also delivered parts to American and Chinese plants of some of its customers to make up for discontinuation of supplies driven by under-capacity in those regions as well as local suppliers' quality failures.

Since the acquisition of Feramo, some other customers have joined the ACE portfolio. Now Feramo has approximately 75 customers from the Czech Republic and abroad. The 10 largest customers generate about 70% of total sales revenue, and the customer structure is relative stable on a year-to-year basis. The main sectors Feramo supplies are engine parts, construction, automotive and urban furniture. With the launch of the growth project at Feramo, several new customers have been actively approached, and the company has already reached commercial agreements with some of them to produce new parts from the beginning of 2013.

The Group does not usually experience any important fluctuation of sales linked with changes in seasonal demand. Nevertheless, during Easter, summer and Christmas periods the activity decreases due to holidays and maintenance shutdown of facilities.

BUSINESS REVIEW AND CONSOLIDATED RESULTS

IN EUR THOUSANDS	1H 2012	1H 2011
Revenues from sales	53,225	52,674
Cost of goods sold	-43,840	-42,353
Gross profit	9,385	10,321
GP margin	17.6%	19.6%
G&A expenses	-7,290	-7,570
Operating profit	2,094	2,750
OP margin	3.9%	5.2%
Depreciation & amortisation	-2,538	-2,948
EBITDA	4,633	5,699
EBITDA margin	8.7%	10.8%
Financial income	960	658
Financial costs	-1,602	-1,007
Profit before tax	1,452	2,401
Tax	-322	-648
Net profit	1,130	1,752
NP margin	2.1%	3.3%

COMPARISON OF 1H 2012 AND 1H 2011

Automotive Market Performance

THOUSAND UNITS	1H 2012	1H 2011	DIFFERENCE	%
Cars sold	6,474	6,975	-501	-7.2%
Cars manufactured	6,218	6,725	-507	-7.5%
Difference: sales – production	256	250	6	
ACE Automotive	16,754	15,850	904	5.7%

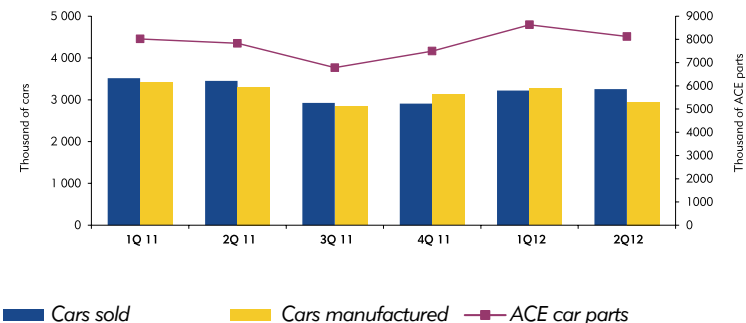
Source: Western Europe by LMC Automotive, formerly JD Power Forecasting and ACE

In 1H 2012 sales of cars in Western Europe fell by about 501,000 cars, or 7.2%, from 1H 2011, according to LMC Automotive (formerly JD Power Forecasting), with June being the 9th consecutive month of year-on-year declines, although it was best in the year to date. This negative trend is mainly located in France and Italy. However, in the case of France, sales have improved in recent months, compared to the previous year, mainly due to government scrappage incentives which were maintained in the 1st quarter of 2011, with no impact in the 2nd quarter. Meanwhile in Italy, economic problems are the main reason for a decrease of around 20% in sales, which looks to be the driver for future developments on the Italian car market.

By contrast, the German and UK markets are improving their performance, and sales are growing around 1% and 3%, respectively. Car sales in the Netherlands also exceeded sales from the previous year, driven by a change in auto emissions legislation, which already had an impact on June sales (probably adding about 300,000 units/year to the region's sales).

Finally, the difference in sales is softening in the Pan-European Region, where sales of cars year-on-year declined by 4.7%, or 467,000 cars.

Car production in Western Europe was down by 507,000 cars, or 7.5%, from the 1H 2011, and in Europe as a whole production was down by 523,000 cars, or 5.4%. After a turbulent period of negative and positive corrections of inventories produced by the global crisis, the gap between sales and production appears more stable, although the spread by quarter is uneven across the year, as shown below:



ACE Sales in the Market Context

In volume terms there was an increase in 4.3% in the number of units (5.7% for the automotive segment alone). This volume growth was well-balanced across different automotive business segments, with the nodular iron segment rising by 5.8% and aluminium by 5.6% (including the new family of products). However, in the non-automotive segment, grey iron fell by 17.0%, with a similar trend in terms of weight (-14.6%), which is a much more reliable indicator in this business.

Despite this negative trend in the grey iron business, Group turnover outperformed market sales once again, and was significantly above market production.

Despite the decrease in car production, which is the main driver of Group sales, the Group increased its turnover in 1H 2012 versus 1H 2011 by EUR 551,000, or 1%. Even more, focusing only on automotive companies, growth of turnover was 4.2%. On the other hand, sales of non-automotive companies, representing only 12.9% of Group sales, were down EUR 1.286m, or 15.8%, year-on-year, representing sound improvement above 14% quarter-on-quarter.

The gap between turnover and volume is mainly connected with the lower contribution in volume of machined parts with higher average selling prices, and lower prices of raw materials which are surcharged to customers.

Gross Profit

On top of the increase in volume, there were some other major effects counteracting the increase of operating leverage in gross profit, such as the decline in sales in the grey iron non-automotive business already described, restart of the third production line in the nodular iron business and reduction of machining demand in aluminium, both within the automotive business.

- Sales of grey iron were down from the previous year. However, the situation is improving so far this year, and in recent months

is even above break-even at the EBITDA level. Despite the low visibility for forecasting sales, it seems that sales level for the 2nd half will be in line with the last months of the 1st half.

- Restart of the third line in January 2012 in order to meet customer demand has brought some inefficiency, even above initial expectations, after a long period of shutdown caused by the market slowdown, and it was especially visible in this initial period of start-up. Three main lines affected by this lower efficiency in gross profit are salaries, energy, and maintenance expenses. However, although the productivity with three lines will be expectedly lower, step by step the productivity ratios are closer to former levels, as was visible in recent months, and this positive trend should be reinforced in the 2nd half.
- Finally, lower machining demand in the aluminium business, down 13.4% year-on-year, is driven by some temporary spare capacity of a customer, which it is using for one of our products, a topic currently under discussion at the commercial level.

The increase in some prices of other raw materials used during the production process reduced the positive impact of main raw material activity during the 1st half, especially in the nodular iron segment.

On top of the inefficiencies in energy expenses described above, the price of energy also rose during the period year-on-year. Nevertheless, it is notable that the Group reached new agreements with customers to surcharge some price increases not yet covered.

Finally, weaker Polish zloty and Czech koruna in the 1H 2012 caused a total positive difference of around EUR 0.5m in all operating margins compared with 1H 2011.

As a result, the 1H 2012 gross margin was EUR 9.385m (17.6% on sales), EUR 0.9m lower than in 1H 2011.

Other Operating Expenses and Resulting EBITDA

General and administrative expenses were down EUR 280,000,



or 3.7%, despite the increase in overheads by EUR 284,000 due to yearly salary increases, but also connected with the CEE investment project. The main driver for the improvement in G&A expenses is additional subsidies related to the R&D activities as part of the active involvement of the R&D unit created at the beginning of 2011. Total income related to subsidies was EUR 301,000, versus EUR 75,000 for 1H 2011. These subsidies are offsetting some additional expenses incurred during the year, some of them already discussed above.

On top of the above, recording of some provisions during last year and better performance in selling and distribution expenses contributed positively to the results in 1H 2012.

EBITDA in 1H 2012 was EUR 4.633m (8.7% on sales), down EUR 1.066m (18.7%) from 1H 2011, for the reasons already mentioned.

Depreciation and Operating Profit

Depreciation was down EUR 410,000 year-on-year, connected with reaching the end of the expected useful life of many Group assets, mainly machining assets, as investment in this business was reduced due to lack of demand from customers, resulting in an operating profit of EUR 2.094m (down EUR 656,000 year-on-year).

Financial Items

The financial result for 1H 2012 was negative EUR 642,000, down EUR 292,000 from 1H 2011. The main reason was currency exchange differences, down EUR 160,000, mainly related to changes in the outstanding balances at the end of the half due to weakening of PLN and CZK since the end of 2011. Despite this, most of these losses are not realised and are only of an accounting nature, which can fluctuate within the year.

At the end of the period, the fair value of hedging instruments and the interest rate swap in the balance sheet was negative

EUR 423,000, but remained stable compared to the end of the previous quarter. According to accounting standards, changes in valuation of current hedging instruments have no impact on the P&L account and are fully cleared through the equity in the balance sheet.

Pre-tax Profit, Taxes and Net Profit

Profit before income tax was positive EUR 1.452m, down EUR 949,000 year-on-year. This deterioration was directly connected with the reduction in the operating margin and the negative evolution of the financial results.

Tax was EUR 322,000, down EUR 326,000, connected with the lower profit before income tax, already mentioned, and some additional deductions due to R&D activities.

Reflecting all the above, the Group was also positive at the net profit level, at EUR 1.1m, down EUR 0.6m from 1H 2011.

Financial Structure

The operating generation of cash from January through June 2012 was positive EUR 192,000, mostly as a result of a working capital increase driven by an increase in sales, also considering the seasonality to recover the very low activity during the Christmas shutdown.

Otherwise, investment activities were EUR 3.3m in the period, mainly affected by the CEE project capital expenditure, which will be visible during all of 2012. The financing activity is driven by the repayment of Group loans, showing total payments of EUR 3.2m.

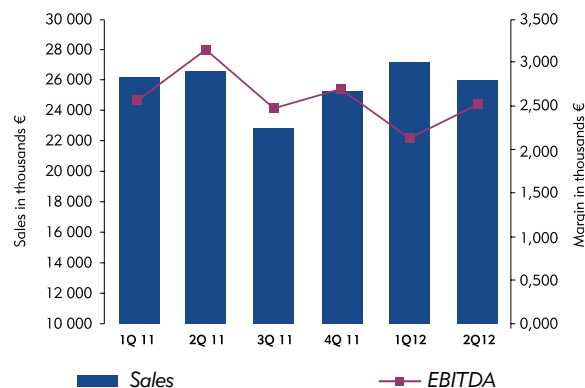
Despite all the above, the final cash position of the Group as of the end of June 2012 was strongly positive, at EUR 14.167m, whereas Net Debt as of same date was only EUR 4.084m.



■ COMPARISON OF 2Q 2012 AND 1Q 2012

IN EUR THOUSANDS	2Q 2012	1Q 2012
Sales	26,023	27,202
Gross profit	5,104	4,281
Operating profit	1,304	790
Net profit for the period	345	785
Depreciation	-1,214	-1,325
EBITDA	2,518	2,115

Despite declining sales in turnover, the Group improved its performance in comparison with the previous quarter.



While car sales in the automotive market increased by 1.5% during 2Q 2012, car production in Western Europe fell by 8.1%, which had an impact on Group sales, as car production is the main driver of the Group's sales. Thus, Group sales by units were down 5.4% quarter-on-quarter (-5.9% when comparing automotive companies).

The improvement in results despite the decline in sales is mainly focused on two issues: On the one hand, the increase in sales in the non-automotive business, driven by a favourable trend of raw materials activity during the 2nd quarter, and on the other hand, after the restart of the third production line in nodular iron and

quite negative efficiency during the 1st quarter, improving and approaching the levels prior to the restart of the third line.

However, there are also two main issues which partially offset the positive impact of the issues mentioned above. Sales of machined parts continue to decline, and were down 12% from the 1st quarter, although it is expected that volume will improve for the following months. Finally, during the 2nd quarter the Group did not receive as many grants as in the 1st quarter.

Once more, mainly affected by the evolution of CZK and PLN versus EUR, the weakening of those two currencies contributed to a lower net profit in the 2nd quarter. But as already discussed above, these profits or losses are not realised and are only of an accounting nature, which can fluctuate within the year.

■ SIGNIFICANT COMMERCIAL EVENTS

In 1H 2012 the Group signed a letter of intent for supply of iron callipers and iron anchors to Mobis, one of the leading Korean Tier 1 suppliers for automotive systems. Anchors will be delivered from Fuchosa (Spain) and callipers from Feramo (Czech Republic) to a new Mobis plant in Slovakia. This project plays an important role in diversification of the Company's automotive customer base and will bring additional production volumes to Fuchosa as well as to a new production line at Feramo, starting from 2013.

In addition, under current market conditions the Group expects the following projects to stimulate sales in 2012 and following years:

- Aluminium and Iron segments: The automotive market in Europe is under pressure in 2012, but its recovery in terms of production should start in 2013. We expect additional volumes boosting sales in all our plants.
- Aluminium: Some selected new projects in callipers and the trend observed by the Group with the new products launched in 2008/09 should assure organic growth in this segment.
- After efficiency improvements at Fuchosa scheduled for summer

2012, the plant will become even more competitive for current and new customers. We expect to fulfil its upgraded capacity within a short time.

■ RESEARCH AND DEVELOPMENT

The Group 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 development of specific products (mainly anchors and callipers). The product development capabilities and philosophy are focused on close cooperation with customers. This allows ACE to be a customer- and product-oriented company providing its customers with customised engineering. This advantageous position definitely generates benefits for introduction of new products, which is especially beneficial for the CEE investment project in terms of knowledge transfer and development.

As a result of this vocation to move forward in R&D capabilities and expansion within the Group, in December 2010 some R&D resources of the operating companies were moved to a new company, ACE 4C A.I.E., which will be the new hub for development of the Group's research capabilities and a technological platform for growth. There are three main areas where ACE 4C will be focused:

- Product development for current and potential new products
- Process improvement, including active research on other interesting processes and technologies
- Creation of an important technological network.

ACE 4C is involved in some important and innovative projects focused on improvements in process, design and products. Some of these 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 for the present and future of the Group.

IN EUR THOUSANDS	1H 2012	1H 2011	FY 2011
Investments in R&D	544	243	899
Costs regarding R&D	780	812	1,097
Total R&D expenses	1,325	1,055	1,996

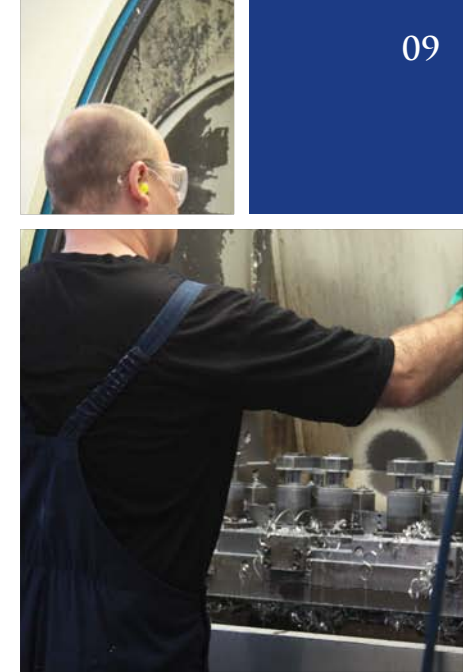
■ STRATEGY

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. In the upcoming 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. 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 were several new capacity projects in the pipeline launched in 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. In other directions, implementation of nodular iron technology, promoted by the Group to manufacture new parts for the automotive segment, is also on-going, and after implementation of the CEE investment project, which is expected to launch in January 2013, ACE will also change its profile in the nodular iron segment (location, products and customers, among other aspects).

Increasing presence in Europe and exploring new opportunities overseas

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 and potential new customers. This advantage will be exploited 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 product line 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. Although the Group is focused on expansion in Europe, ACE is actively exploring opportunities in other important automotive areas for fast development, such as Asia and America.

Combined engineering and other synergies

Integration of the automotive plants as well as the non-automotive 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.

■ OUTLOOK

Automotive Market: 2H 2012 versus 2H 2011

The most recent LMC Automotive sales forecast for FY 2012, issued in July 2012, remains the same as in May 2012, showing a decline by 6.2% year-on-year. Therefore, considering the current scenario of a decline in sales by 7.2% in Western Europe, we could expect a relatively smaller year-on-year sales decline in 2H 2012, in order to achieve a decrease of full-year sales in the range of 6% to 7%, connected with the ending of some government scrap-purchase incentives affecting only the 1st quarter of 2011, changes in auto emissions legislation in the Netherlands that will improve sales in 2012, and better performance than expected in the German and UK markets.

In production, PwC Autofacts envisions few prospects for growth in 2012. The current demand baseline projects a 7% market decline in the EU and EFTA, recently downgraded from -4% in March 2012. The production forecast decrease for LCVs from the same source is somewhat lower, at -5.3% for the EU (downgraded from -2% in March 2012) and -3.3% in the EU and Eastern Europe (downgraded from -0.8% in March 2012). With a current level of production at around -7.5%, this will mean that production in 2H 2012 will be stable or even slightly better than 2H 2011.

Automotive Market: 2H 2012 versus 1H 2012

In this context, there is always some component of seasonality in the uneven yearly volume breakdown, which according to the forecast above would represent a decrease from 1H 2012 to 2H 2012 of around 14% in sales and 10% in production for Western Europe. In any event, this seasonality of sales is in line with or slightly better than previous years.



Group Sales

As far as 2012 is concerned, in the current environment it is very difficult to rely on market forecasts, but at the time of preparation of this report, and based on our customers' demand and expectations, we can anticipate some market outperformance once again.

The semi-annual sales of the non-automotive business is performing somewhat worse than the automotive segment, but due to its generalised scope it is less predictable and the order book has lower visibility. Nevertheless, we can anticipate that in the near future sales will remain in line with recent months in this generalist business.

Meanwhile, one of the main tasks today is actively pushing on the pipeline of new products and projects to fulfil as much as possible the spare capacity created in the Group as a consequence of the slowdown, which applies especially to machining activity and grey iron castings. On the other hand, 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. The Group is well-prepared in terms of assets and technologies to benefit from its future organic growth in both casting businesses – iron and aluminium.

Automotive market economy drivers

Productivity ratios in the nodular iron business are returning to better previous levels. Consequently, we can anticipate stability of efficiency or even improving performance in the nodular iron business compared to the 2nd quarter. In addition, these productivity ratios will improve with the implementation of a new production line expected for August 2012, which will bring much higher efficiency in the production process.

Machining for 2H 2012 is also expected to improve further, despite the poor outcome in 1H 2012. New volume has been agreed with customers, affecting the 2nd half.

As regards raw material activity, the Group expects stability com-

pared to the previous year. Energy prices are another subject that in the trend of permanent growth has been successfully re-opened in negotiations with customers to overcome the previous only partial recovery of price increases.

In this 2012 scenario of slow recovery and underused capacity, there is still an important competition factor which customers are taking advantage of to push down selling prices. The Group's important competitive advantage, mostly provided by the high degree of specialisation and thorough knowledge of the product, should help the Group to a significant extent to face this situation in better standing, but the Group is aware that it is operating in a still unstable market, and only companies that manage to deal better with the new environment will be stronger after the slowdown.

Investment activity – CEE investment programme

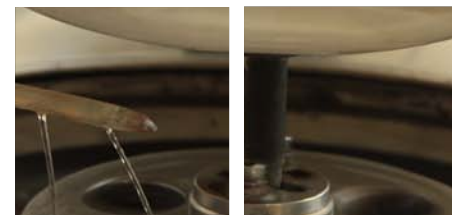
In the context of expected constant growth in the automotive market for the following years, CEE expansion as the Group's platform to grow in the nodular iron segment for the automotive market is also an important asset for the Group which will bring additional value in the near future, jointly with an investment project to boost the efficiency in the nodular iron business in Spain, which will also mean some additional and higher amounts of capex especially in 2012.

We expect 2012 to be a transition year as we digest an ambitious capex program of around EUR 12m, which will not be fully visible in the financial results until 2013.

This capex programme is currently under implementation, and it will mostly be invested in the Czech plant (CEE Investment Project).

Concerning the CEE Investment Project, the estimated deadline for the main milestones are the following:

- April 2012: start-up of building expansion and civil work
- October 2012: launch of new equipment tests on site



- January 2013: homologation plan for nodular iron production
- 1Q 2013: serial production with the new equipment
- May 2013: new VVN electrical connection to feed both grey and nodular mass production
- September 2013: decommissioning of cupola furnaces

At the date of the preparation of this report there was some delay of around 4 weeks in the first milestone, and there could be other comparable potential delays in some of the remaining milestones which otherwise should not have any impact on the final implementation. It is also the view of our external industrial auditors, who periodically review the progress of the project, that the final deadlines are still valid.

The last step calls for the replacement of current furnaces by electrical furnaces, thus eliminating or reducing to a minimum the consumption of two of the most volatile and expensive raw materials and bringing additional and important savings, also for grey iron activity, not contemplated in the initial stage of the project. It will also achieve a more environment-friendly relationship with our surroundings. However, it could also result in anticipation of some amount of capex in 2012, the global amount of which is unlikely to change total capex.

In the commercial pipeline, our R&D department is currently developing projects for a certain small number of mass production projects, feeding only in 2015 the expected volume for the full new capacity installed in the plant, with enormous market potential to develop further Group growth.

Definition of the training process, as an important tool to transfer the knowledge of nodular iron technology from Spain to the Czech Republic, has already been completed. As the starting point for this plan, a contingent of Czech human resources have already moved to Spain.

An additional purpose of the programme is to expand the portfolio of manufactured products and further diversify future revenues. According to the preliminary schedule, the first parts will be produ-

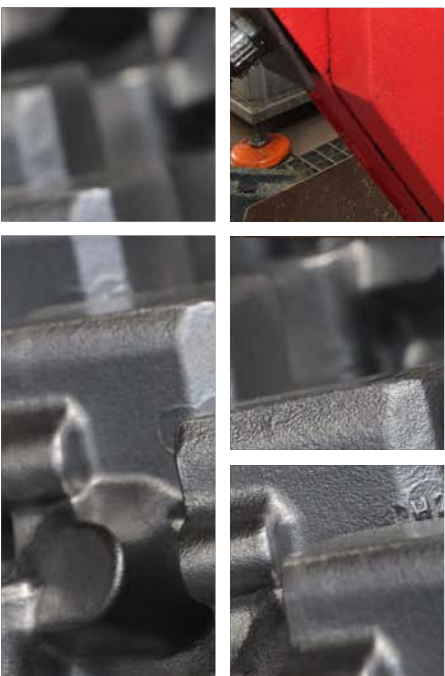
ced from January 2013. This programme will be entirely financed from internal resources. The management of the Group is currently involved in development of the growth project, and expects to increase current Group sales by up to 20% within the next 4 years. At the end of the period ACE Group will have three equally important production plants contributing comparable sales and operational profits.

Another important investment activity in 2012 will take place at our Spanish plant, and consists of the replacement of one of the current moulding lines, in order to increase the plant's productivity and competitiveness. This investment will be made during the August shutdown, and serial production of the new equipment will be visible during 4Q 2012.

M&A

Additional growth of production and sales should come from M&A activities. The management of ACE carefully review any acquisition targets that appear, to assess their potential impact not only on the Group's sales but also on the financial position of the future entity. For a transaction to be approved, it should generate added value for the Group and the shareholders and should not worsen the financial situation of the existing plants in any way. Currently, the Group is considering some new targets and believes that there is a chance for completion in 2012.

As regards the Group strategy stated in our ESPI report published in December 2011, the goals stated therein remain unchanged. It will be our main framework to develop our activities within the near future.



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

% CHANGE AS OF THE END OF 1H 2012	FROM THE END OF 2011	FROM THE END OF 1H 2011
ACE S.A.	+27.4%	-34.1%
WIG Index	+8.6%	-15.7%
SWIG80 Index	+12.4%	-21.2%

STOCK MARKET DATA

	1H 2012	1H 2011	FY 2011
Market Capitalisation as of the end of the period	PLN 120.4m EUR 28.2m	PLN 182.6m EUR 45.8m	PLN 94.5m EUR 21.4m
Share Price (PLN)			
Highest	PLN 7.60	PLN 11.40	PLN 6.11
Lowest	4.50	7.01	4.00
Average	6.10	9.14	5.00
At the end of the period	5.67	8.60	4.45
Shareholders' Equity per share (EUR)	EUR 1.84	EUR 1.85	EUR 1.82

PER-SHARE DATA

	1H 2012	1H 2011	FY 2011
Earnings per share (EUR)	EUR 0.05	EUR 0.08	EUR 0.10
Cash Flow per share (EUR)	- EUR 0.32	-EUR 0.12	EUR 0.14
Dividend per share (EUR)	EUR 0.05*	-	EUR 0.07

*Dividend for 2011 approved in the first half of 2012, to be paid in September 2012

OWNERSHIP STRUCTURE

As of 30 June 2012 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 first half of 2012, the following shareholders were entitled to exercise over 5% of votes at the General Meeting of Shareholders:

	AS OF 30 JUNE 2012	AS OF 31 DECEMBER 2011
Casting Brake (Spain)	2,430,607 (11.45%)	2,430,607 (11.45%)
PZU Złota Jesień OFE	4,214,174 (19.85%)	4,214,174 (19.85%)
ING Nationale Nederlanden Polska OFE	3,690,563 (17.38%)	3,690,563 (17.38%)
Aviva Investors Poland	1,098,605 (5.17%)	1,098,605 (5.17%)
Aviva OFE	1,080,905 (5.09%)	Below 5%
Noble Funds TFI	1,076,463 (5.07%)	Below 5%
Pioneer Pekao Investments	1,061,525 (5.00%)	1,061,525 (5.00%)



Investor Relations Contact Person:

Piotr K. Fugiel

Investor Relations Officer

e-mail: investor.relations@acegroup.lu

ADDITIONAL INFORMATION

■ CHANGES IN SHAREHOLDERS' EQUITY

There were no changes in shareholders' equity during the first half of 2012.

■ DIVIDEND DISTRIBUTION

The General Meeting of Shareholders held on 19 June 2012 approved the distribution of a dividend in the total amount of EUR 1,061,525.75, amounting to EUR 0.05 per share, to be paid from the "Other reserves".

On 23 July 2012, the Board of Directors of the Company adopted a resolution setting forth details of the dividend payment. The dividend will be payable on 17 September 2012 to shareholders holding shares of the Company on 1 September 2012 (the record date). The dividend will be payable in euro and distributed through the National Depository for Securities, in accordance with regulations applicable to dividend payments by companies listed on the Warsaw Stock Exchange.

The Company will apply tax withholding rates applicable under Luxembourg law or other international laws, if applicable.

■ CHANGES OF THE COMPANY'S MANAGING OR SUPERVISORY PERSONS IN THE FIRST HALF OF 2012

There were no changes in the Company's managing or supervisory persons in the first half of 2012.

■ AMENDMENTS TO THE ARTICLES OF ASSOCIATION

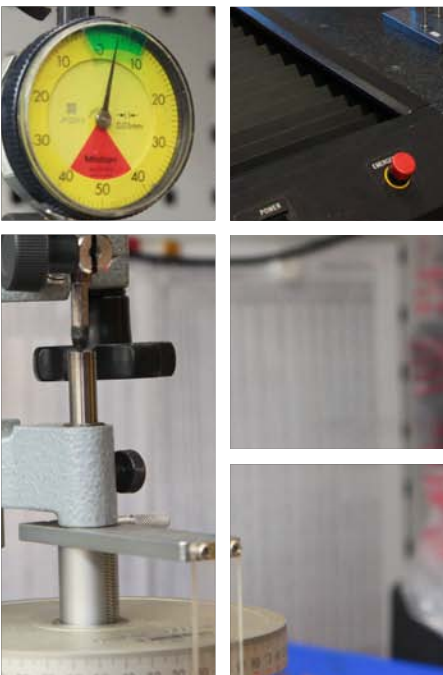
The Extraordinary Meeting of Shareholders held on 19 June 2012 approved amendments to the following articles of the Articles of Association: Definitions, Art. 6.6 and Art. 18. The consolidated text of the Articles of Association is available for download from the corporate website www.acegroup.lu.

■ OWN SHARES

As of 30 June 2012, Board of Directors and Management Committee members did not directly hold any shares of ACE or its subsidiaries or any rights to them, although some of them held stakes in the Company indirectly.

■ SIGNIFICANT EVENTS AFTER 1H 2012

There were no significant events after the end of the first half of 2012.



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 JUNE 2012

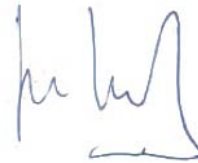
DIRECTORS' STATEMENT

To the best of the Management's knowledge the condensed interim consolidated financial statements and the comparable information have been prepared in compliance with IFRS adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer or the undertakings included in the consolidation as a whole and the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year. The directors' report on the operations of the Group truly reflects the development, achievements and situation of the Company, including a description of the key risk factors and threats.

The half-yearly financial report has not been audited or reviewed by auditors.

Luxembourg, 31 August 2012

José Manuel Corrales



Raúl Serrano



EXCHANGE RATES APPLIED

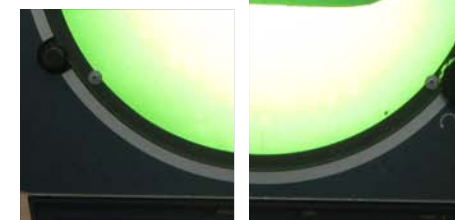
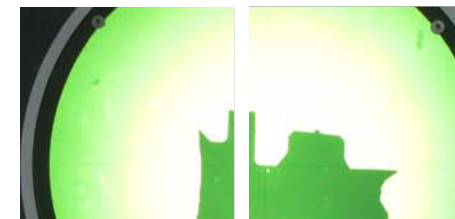
As ACE is incorporated in Luxembourg, its statutory reporting currency is euro. However, the Polish plant uses zloty and Feramo uses Czech koruna for both statutory and internal reporting. For the consolidation within ACE, the monthly financial statements of these divisions were converted into euro as ACE's 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 EUR	AVERAGE	HIGH	LOW	PERIOD END
1H 2011	3.9537	4.0800	3.8403	3.9866
1H 2012	4.2449	4.5135	4.1062	4.2613

The following table shows certain information regarding the exchange rate between koruna 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 EUR	AVERAGE	HIGH	LOW	PERIOD END
1H 2011	24.3475	25.0850	24.0100	24.3450
1H 2012	25.1702	25.9600	24.4650	25.6400



Automotive Components Europe S.A.

and subsidiary companies

82 Route d'Arlon

L-1150 LUXEMBOURG

RCB number: B 118130

Condensed Interim Consolidated Financial Statements

for the six months ended 30 June 2012

AUTOMOTIVE COMPONENTS EUROPE S.A. AND SUBSIDIARY COMPANIES

Notes to the condensed interim consolidated financial statements
for the period ended 30 June 2012

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Automotive Components Europe S.A. and subsidiary companies

Consolidated Interim Balance Sheet
for the six months period ended 30 June 2012
(expressed in thousand of Euros)

<u>Assets</u>	<u>Notes</u>	<u>June 2012</u>	<u>December 2011</u>	<u>June 2011</u>	<u>Equity and Liabilities</u>	<u>Notes</u>	<u>June 2012</u>	<u>December 2011</u>	<u>June 2011</u>
Non-current assets					Capital and reserves				
Intangible assets		219	213	173	Share capital		3,185	3,185	3,185
Property, plant and equipment		38,734	37,460	38,228	Share premium		5,444	5,444	5,445
Derivative financial instruments	4.i	29	6	2	Retained earnings		29,599	28,573	28,576
Deferred tax assets		1,183	902	826	Cash flow hedges		(314)	(594)	82
					Exchange differences		(36)	(87)	236
					Net profit for the year		1,130	2,088	1,752
Total non-current assets		40,165	38,581	39,229	Total equity	4.f	39,008	38,609	39,276
Current assets					Non-current liabilities				
Inventories		8,839	8,707	9,325	Borrowings	4.h	15,353	16,806	17,717
Trade and other receivables		18,910	17,046	18,918	Deferred income		421	253	154
Derivative financial instruments	4.i	67	10	110	Deferred tax liabilities		2,874	2,976	3,030
Current income assets		75	2	-	Derivative financial instruments	4.i	348	382	40
Other current assets		-	35	-	Provisions for other liabilities and charges		90	85	94
Cash and cash equivalents	4.e	14,167	20,466	14,864	Total non-current liabilities		19,086	20,502	21,035
Total current assets		42,058	46,266	43,217	Current liabilities				
					Trade and other payables		18,123	19,523	16,471
					Borrowings	4.h	2,898	4,373	2,545
					Derivative financial instruments	4.i	170	382	43
					Current income tax liabilities		1,393	977	1,139
					Other current liabilities		1,105	45	1,543
					Provisions for other liabilities and charge		440	436	395
					Total current liabilities		24,129	25,736	22,136
Total assets		82,223	84,847	82,447	Total equity and liabilities		82,223	84,847	82,447

The accompanying selected explanatory notes are an integral part of the condensed interim consolidated financial statements of Automotive Components Europe S.A. for the period ended 30 June 2012, in conjunction with which they should be read.

Automotive Components Europe S.A. and subsidiary companies

Consolidated Interim Income Statements
for the six months period ended 30 June 2012
(expressed in thousand of Euros)

	Notes	First-half 2012	First-half 2011	Full-year 2011
Revenues	4.a	53,225	52,674	100,689
Cost of sales		<u>(43,840)</u>	<u>(42,353)</u>	<u>(81,596)</u>
Gross profit		9,385	10,321	19,093
Selling and distribution costs	4.b	(1,151)	(1,297)	(2,386)
General and administrative expenses	4.c	(6,577)	(6,462)	(12,243)
Other operating income		496	226	588
Other operating expenses		<u>(58)</u>	<u>(37)</u>	<u>(154)</u>
Operating profit		2,095	2,750	4,898
Financial income		960	658	1,777
Financial expenses		<u>(1,602)</u>	<u>(1,007)</u>	<u>(3,360)</u>
Financial result	4.d	(642)	(350)	(1,583)
Profit before income tax		1,453	2,401	3,315
Income tax (expense) / income		<u>(323)</u>	<u>(648)</u>	<u>(1,227)</u>
Net profit for the period		<u>1,130</u>	<u>1,752</u>	<u>2,088</u>
Attributable to:				
Equity holders of the company		<u>1,130</u>	<u>1,752</u>	<u>2,088</u>

The accompanying selected explanatory notes are an integral part of the condensed interim consolidated financial statements of Automotive Components Europe S.A. for the period ended 30 June 2012, in conjunction with which they should be read.

Automotive Components Europe S.A. and subsidiary companies

Consolidated Interim Comprehensive Income Statements
for the six months period ended 30 June 2012
(expressed in thousand of Euros)

	First-half 2012	First-half 2011	Full-year 2011
Consolidated profit per consolidated interim income statement (I)	1,130	1,752	2,088
Income and expense recognised directly in equity:			
- Arising from cash flow hedges (net of tax effect)	280	10	(666)
- Exchange differences	51	201	(122)
Total income and expense recognised directly in consolidated equity (II)	331	211	(788)
Total consolidated recognised income and expense (I+II)	1,461	1,963	1,300
Attributable to the Parent	1,461	1,963	1,300

The accompanying selected explanatory notes are an integral part of the condensed interim consolidated financial statements of Automotive Components Europe S.A. for the period ended 30 June 2012, in conjunction with which they should be read.

Automotive Components Europe S.A. and subsidiary companies

Consolidated Interim Statement of Changes in Stockholder's Equity
for the six months period ended 30 June 2012
(expressed in thousand of Euros)

Notes	Attributable to equity holders of the company							
	Share Capital	Share premium	Legal reserve	Retained earnings	Cash Flow hedges	Exchange differences	Profit for the period	Net Equity
Balance at 1 January 2011	3,185	6,931	307	25,721	72	35	2,548	38,799
Allocation of previous year profit	-	-	-	2,548	-	-	(2,548)	-
Total consolidated recognised income and expense	-	-	-	-	10	201	1,752	1,963
Dividend relating to previous period	-	(1,487)	-	-	-	-	-	(1,487)
Balance at 30 June 2011	3,185	5,444	307	28,269	82	236	1,752	39,275
Balance at 1 July 2011	3,185	5,444	307	28,269	82	236	1,752	39,275
Allocation of previous year profit	-	-	13	(13)	-	-	-	-
Total consolidated recognised income and expense	-	-	-	-	(676)	(323)	336	(663)
Other	-	-	-	(3)	-	-	-	(3)
Balance at 31 December 2011	3,185	5,444	320	28,253	(594)	(87)	2,088	38,609
Balance at 1 January 2012	3,185	5,444	320	28,253	(594)	(87)	2,088	38,609
Allocation of previous year profit	-	-	137	1,951	-	-	(2,088)	-
Total consolidated recognised income and expense	-	-	-	-	280	51	1,130	1,461
Dividend relating to previous period	-	-	-	(1,062)	-	-	-	(1,062)
Balance at 30 June 2012	3,185	5,444	457	29,142	(314)	(36)	1,130	39,008

The accompanying selected explanatory notes are an integral part of the condensed interim consolidated financial statements of Automotive Components Europe S.A. for the period ended 30 June 2012, in conjunction with which they should be read.

Automotive Components Europe S.A. and subsidiary companies

Consolidated Cash Flow Statement
for the six months period ended 30 June 2012
(expressed in thousand of Euros)

	Notes	June 2012	June 2011	December 2011
Cash flows from ordinary activities				
Profit before tax		1,453	2,401	3,315
Adjusted for:				
Amortisation and depreciation		2,538	2,948	5,972
Net Financial result		503	558	1,788
(Profit)/loss on sale of property, plant and equipment		(40)	-	6
Gains and losses on changes in fair values of derivative financial instruments		(1)	(326)	(323)
Others		(16)	(19)	(45)
Operating profit before changes in working capital		4,437	5,562	10,713
(Increase)/decrease in receivables and other current assets		(1,685)	(4,915)	(3,109)
(Increase)/decrease in inventories		(119)	(1,508)	(1,022)
Increase/(decrease) in trade and other payables		(2,441)	(432)	2,129
Cash from operating activities		192	(1,293)	8,711
Income taxes paid		(414)	(140)	(895)
Net cash from ordinary activities		(222)	(1,433)	7,816
Cash flows from investing activities				
Acquisition of property, plant and equipment		(3,327)	(675)	(2,773)
Proceeds from sale of non current assets		46	3	27
Acquisition of other intangible assets		(32)	(5)	(70)
Net cash from investing activities		(3,313)	(677)	(2,816)
Cash flows from financing activities				
Repayments of borrowings	4.h	(2,938)	(1,198)	(2,006)
Proceeds from borrowings	4.h	-	1,232	2,927
Dividends paid to Company's shareholders		-	-	(1,487)
Net of financial result paid and received		(311)	(437)	(1,405)
Net cash from financing activities		(3,249)	(403)	(1,971)
Net increase/(decrease) in cash and cash equivalents		(6,784)	(2,513)	3,029
Cash and cash equivalents at beginning of the period		20,466	17,433	17,433
Effects of exchange rate changes on the balance sheet		485	(56)	4
Cash and cash equivalents at the end of the period	4.e	14,167	14,864	20,466

The accompanying selected explanatory notes are an integral part of the condensed interim consolidated financial statements of Automotive Components Europe S.A. for the period ended 30 June 2012, in conjunction with which they should be read.

AUTOMOTIVE COMPONENTS EUROPE S.A. AND SUBSIDIARY COMPANIES

Notes to the condensed interim consolidated financial statements
for the period ended 30 June 2012

The condensed interim consolidated financial statements of the ACE S.A. for the six months ended 30 June 2012 include the accounts of ACE and its subsidiaries.

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

ACE is a limited liability company, incorporated under the law of the Grand Duchy of Luxembourg on 21 July 2006, listed on the Warsaw Stock Exchange, whose head office is located at 82, route d' Arlon L-1150, Luxembourg City (Luxembourg).

ACE's condensed interim consolidated financial statements were authorized for issue by the Directors' Statements on 31 August 2012.

(1) Summary of significant accounting policies

The condensed interim consolidated financial statements of ACE Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, including International Accounting Standards (IASs) and related Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

In particular, the condensed interim consolidated financial statements for the six months ended 30 June 2012 have been prepared in accordance with IAS 34 related to interim financial reporting. As permitted by IAS 34, this condensed set of financial statements includes only selected explanatory notes. The Group has selected those explanatory notes which are considered significant, in relation to the whole condensed interim consolidated financial statements. These notes may be read in conjunction with the consolidated financial statements for the year ended 31 December 2011. The accounting principles used to prepare the condensed interim consolidated financial statements for the six months ended 30 June 2012 are identical to those used to prepare the 2011 consolidated financial statements, except for the application of the new mandatory standards, amendments and interpretation. However, none of the new standards, amendments and interpretations, whose application is mandatory as of 1 January 2012, had any material impact on the condensed interim consolidated financial statements for the six months ended 30 June 2012.

The preparation of the financial statements requires ACE to make estimates and assumptions which could have an impact on the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions were made on the basis of past experience and other factors considered being reasonable in the circumstances.

Accordingly, they serve as the basis for the judgments made in determining the carrying amounts of assets and liabilities which could not be determined directly from other sources. The definitive amounts that will be stated in ACE's future financial statements may be different from the amounts currently estimated. These estimates and assumptions are reviewed on a continuous basis.

The information relating to the first half of 2011 contained in these notes to the condensed interim consolidated financial statements is presented only for comparison purposes, and it does not constitute the ACE Group's consolidated financial statements for the period ended 30 June 2012.

(2) Changes in scope of consolidation

On 15 October 2010, in the context of the group's restructuring process following mainly the requirements set by the lender of the new financing obtained in 2010, ACE Boroa S.L. has been created and incorporated as a sole proprietor company with limited liability under Spanish law.

On 12 November 2010 ACE Group signed a long-term syndicated financing agreement with a pool of Spanish banks. The refinancing loan was used by the Group for partial refinancing and repayment of the loan facilities used directly by the three production plants. The aim is to substantially improve group cash management, decrease costs of global debt financing and allow additional free cash-flow within ACE group. To rationalize this financing process and provide the local guarantees required by the syndicated pool of Spanish banks, ACE transferred at the same time, through a contribution in-kind, all shares of the three production plants (Fuchosa S.L., EBCC sp. z o.o. and Feramo s.r.o.) to the new Spanish company ACE Boroa S.L., the borrower, being a 100% subsidiary of ACE S.A. This entity as well as all remaining ACE Group members are the debt guarantors.

On 12 November 2010 ACE4C, A.I.E. was created and incorporated as an economic interest group ("Agrupación de interés económico") under Spanish law, controlled in a 96% by ACE Boroa, S.L. and 4% by Fuchosa S.L.

No transactions with a material impact on the scope of consolidation were carried out in first-half 2012.

(3) Seasonal fluctuation in business levels

ACE Group does not usually experience any important fluctuation linked with changes in seasonal demand.

Nevertheless, in Easter, Summer and Christmas the activity decreases due to holiday period and maintenance stop of facilities.

(4) Notes to the condensed interim consolidated income statements and balance sheet

(a) Revenues

The distribution of consolidated net revenues for six months ended 30 June 2012 by business segments is as follows:

	Thousand of Euros	Thousand of Euros	Thousand of Euros
	From 1 January to June 2012	From 1 January to June 2011	From 1 January to December 2011
	(6 months)	(6 months)	(12 months)
Nodular iron products	27,556	24,983	49,160
Grey iron products	6,672	7,814	14,176
Aluminium products	12,500	14,425	26,278
Other family products	4,659	3,758	7,547
Others	1,838	1,694	3,528
	<u>53,225</u>	<u>52,674</u>	<u>100,689</u>

(b) Selling and distribution costs

Details of distribution costs are as follows:

	Thousand of Euros	Thousand of Euros	Thousand of Euros
	From 1 January to June 2012	From 1 January to June 2011	From 1 January to December 2011
	(6 months)	(6 months)	(12 months)
Transportation costs	627	719	1,264
Packaging expenses	223	226	433
Salaries and wages	265	292	590
Other distribution costs	36	59	99
	<u>1,151</u>	<u>1,297</u>	<u>2,386</u>

(c) General and administrative expenses

Details of administrative expenses are as follows:

	Thousand of Euros	Thousand of Euros	Thousand of Euros
	From 1 January to June 2012	From 1 January to June 2011	From 1 January to December 2011
	(6 months)	(6 months)	(12 months)
Wages and salaries	3,922	3,611	6,878
External services	1,472	1,521	3,096
Travel Expenses	287	211	418
Depreciation and amortisation of non operating fixed assets	248	248	476
Renting	218	225	446
Other administrative expenses	430	646	929
	<u>6,577</u>	<u>6,462</u>	<u>12,243</u>

The Group headcount at 30 June 2012 is as follows:

	Headcounts	Headcounts	Headcounts
	As of 30 June 2012	As of 30 June 2011	As of 31 December 2011
Managers	30	32	31
Administrative employees	138	122	135
Workers	695	725	673
	<u>863</u>	<u>879</u>	<u>839</u>

The increase in number of employees comparing December 2011, is mainly related to the production increase in nodular iron segment.

(d) Net financial result

Details are as follows:

	Thousand of Euros	Thousand of Euros	Thousand of Euros
	From 1 January to June 2012	From 1 January to June 2011	From 1 January to December 2011
	(6 months)	(6 months)	(12 months)
Interest income:			
- Interest on deposits	85	88	275
	85	88	275
Interest expense from third parties:			
- Bank borrowings	(387)	(430)	(844)
- Other interest expenses and charges	(263)	(86)	(171)
	(650)	(516)	(1,015)
Net foreign exchange transaction gains/(losses):	(77)	78	(843)
	(77)	78	(843)
	(642)	(350)	(1,583)

Group applied hedge accounting only for the new derivative financial agreement contracted since 2010 for which the cash flow hedging can be applicable according to IAS 39 and its amendments and interpretations. Thus, its variations in valuations are registered directly in Equity.

The amount included in Net foreign exchange transaction gains / (losses) corresponds to gains or losses in exchange rates transactions versus Czech koruna and Polish zloty.

(e) Cash and cash equivalents

	Thousand of Euros	Thousand of Euros	Thousand of Euros
	June 2012	December 2011	June 2011
Cash at bank and in hand	10,407	10,347	5,141
Short-term bank deposits	3,760	10,119	9,723
Cash and cash equivalents	14,167	20,466	14,864

(f) EquityApproval of the distribution of dividends against share premium

General Shareholders Meeting held on 19 June 2012 approved the repayment in the global amount of EUR 1,061,525.75 amounting to EUR 0.05 per share to be paid from “Other Reserves”.

(g) Earnings per share

Basic profits per share are calculated by dividing profit for the period attributable to the shareholders of the Company by the weighted average number of ordinary shares in circulation throughout that period.

Diluted profits per share are calculated by dividing profits attributable to shareholders of the Company by the weighted average number of ordinary shares in circulation considering the diluting effects of potential ordinary shares.

At 2011 June there was a dilution effect as a result of the ESOP scheme and the introduction of an authorised share capital of 1,002,505 shares, which concluded in March 2011.

Details of the calculation of basic and diluted profits per share are as follows

	<u>June 2012</u>	<u>December 2011</u>	<u>June 2011</u>
Number of shares outstanding at the period end	21,230,515	21,230,515	21,230,515
Weighted average number of ordinary shares in circulation at the end of the period	<u>21,230,515</u>	<u>21,230,515</u>	<u>21,230,515</u>
Shares deemed to be issued for no consideration in respect of employee options	-	250,626	501,253
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	<u>21,230,515</u>	<u>21,481,141</u>	<u>21,731,768</u>
Net profit for the period (thousands of Euros)	1,130	2,088	1,752
Basic earnings per share (Euros)	0.05	0.10	0.08
Diluted earnings per share (Euros)	<u>0.05</u>	<u>0.10</u>	<u>0.08</u>

(h) Borrowings

Details are as follows:

	Thousand of Euros June 2012	Thousand of Euros December 2011	Thousand of Euros June 2011
Non-current			
Bank borrowings	13,553	14,652	15,480
Debentures and other loans	<u>1,800</u>	<u>2,154</u>	<u>2,237</u>
	<u>15,353</u>	<u>16,806</u>	<u>17,717</u>
Current			
Bank borrowings	2,731	4,206	2,378
Debentures and other loans	<u>167</u>	<u>167</u>	<u>167</u>
	<u>2,898</u>	<u>4,373</u>	<u>2,545</u>
Total borrowings	<u><u>18,251</u></u>	<u><u>21,179</u></u>	<u><u>20,262</u></u>

In “Debentures and other loans” the Group includes non-bearing interest loans connected to the R&D expenses.

(i) Derivative financial instruments

Details are as follows:

	Thousand of Euros June 2012	Thousand of Euros December 2011	Thousand of Euros June 2011
<i>Non - Current financial assets</i>			
Currency option	29	6	2
	<u>29</u>	<u>6</u>	<u>2</u>
<i>Current financial assets</i>			
Currency option	67	10	110
	<u>67</u>	<u>10</u>	<u>110</u>
<i>Non - Current financial liabilities</i>			
Interest rate swap	324	243	40
Currency option	24	139	-
	<u>348</u>	<u>382</u>	<u>40</u>
<i>Current financial liabilities</i>			
Currency option	170	382	43
	<u>170</u>	<u>382</u>	<u>43</u>

The Group uses interest rate swaps to minimize its exposure to interest rates fluctuations on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. In the context of the syndicated loan, the Group entered into derivative financial contracts to fix the interest payments of a nominal amount of Euro 9 million at an average rate of 2.43 per cent for periods up until 2016. The remaining outstanding nominal amount covered by these contracts as of June 30, 2012 is Euro 8 million (Euro 8.4 million as of December 31, 2011).

The Group also uses currency financial instruments in order to minimize its exposure to the exchange rate risk between the Polish Zloty and the Euro due to PLN denominated expenses whereas most of sales are denominated in Euro. The Group has entered in 2012 into additional derivative contracts to those signed during 2011, to sell Euro and buy PLN to secure EBCC's payments denominated in foreign currency (PLN), mainly salary and wages, moulds regeneration and supply and electricity costs. The amount hedged as of June 30, 2012 amounts 31.5 million PLN, approximately (33 million PLN as of December 31, 2011).

(j) Information by business segment

(i) First-half 2012

	Iron casting	Aluminium casting	Others/Unallocated	Consolidated
	June 2012	June 2012	June 2012	June 2012
Revenues from third parties	34,228	17,160	1,837	53,225
Total revenues	34,228	17,160	1,837	53,225
Profit for the segment	2,079	1,676	-	3,755
Other unallocated (expense) income	-	-	(1,661)	(1,661)
Operating profit	2,079	1,676	(1,661)	2,094
Net financing cost	(178)	(46)	(418)	(642)
Income tax	(164)	(183)	25	(322)
Profit for the period	1,737	1,447	(2,054)	1,130
Segment assets	52,602	26,229	-	78,831
Unallocated assets	-	-	3,392	3,392
Total assets	52,602	26,229	3,392	82,223
Segment liabilities	20,277	4,149	-	24,426
Unallocated liabilities	-	-	18,789	18,789
Total liabilities	20,277	4,149	18,789	43,215
Other information:				
Amortisation and depreciation	1,457	1,070	11	2,538
Interest revenue	57	7	21	85
Interest expense	(202)	(32)	(415)	(649)
Additions for the period of property, plant & equipment & intangible assets	3,162	188	9	3,359

(ii) First-half 2011

	Iron casting June 2011	Aluminium casting June 2011	Others/Unallocated June 2011	Consolidated June 2011
Revenues from third parties	32,797	18,183	1,694	52,674
Total revenues	32,797	18,183	1,694	52,674
Profit for the segment	2,802	1,258	-	4,060
Other unallocated (expense) income	-	-	(1,310)	(1,310)
Operating profit	2,802	1,258	(1,310)	2,750
Net financing cost	47	(63)	(334)	(350)
Income tax	(508)	(138)	(2)	(648)
Profit for the period	2,341	1,057	(1,646)	1,752
Segment assets	45,878	28,976	-	74,854
Unallocated assets	-	-	7,593	7,593
Total assets	45,878	28,976	7,593	82,447
Segment liabilities	18,346	5,674	-	24,020
Unallocated liabilities	-	-	19,151	19,151
Total liabilities	18,346	5,674	19,151	43,171
Other information:				
Amortisation and depreciation	1,372	1,576	-	2,948
Interest revenue	19	9	59	87
Interest expense	(70)	(26)	(420)	(516)
Additions for the period of property, plant & equipment & intangible assets	380	295	5	680

(iii) Full year 2011

	Iron casting December 2011	Aluminium casting December 2011	Others/Unallocated December 2011	Consolidated December 2011
Revenues from third parties	63,336	33,825	3,528	100,689
Total revenues	63,336	33,825	3,528	100,689
Profit for the segment	5,603	1,944	-	7,547
Other unallocated (expense) income	-	-	(2,649)	(2,649)
Operating profit	5,603	1,944	(2,649)	4,898
Net financing cost	(271)	(668)	(643)	(1,583)
Income tax	(946)	(304)	23	(1,227)
Profit for the year	4,386	972	(3,269)	2,088
Segment assets	49,822	2,884	-	78,662
Unallocated assets	-	-	6,185	6,185
Total assets	49,822	2,884	6,185	84,847
Segment liabilities	20,351	7,508	-	27,859
Unallocated liabilities			18,378	18,378
Total liabilities	20,351	7,508	18,378	46,237
Other information:				
Amortisation and depreciation	(2,599)	(3,364)	(9)	(5,972)
Additions for the year of property, plant & equipment & intangible assets	2,921	1,060	135	4,120

(k) Events after the balance sheet date

No significant post-balance sheet events have occurred since 30 June 2012.