

Third quarter of 2010

Performance Roadshow

Warsaw, November/December 2010

Automotive Market Performance (1)



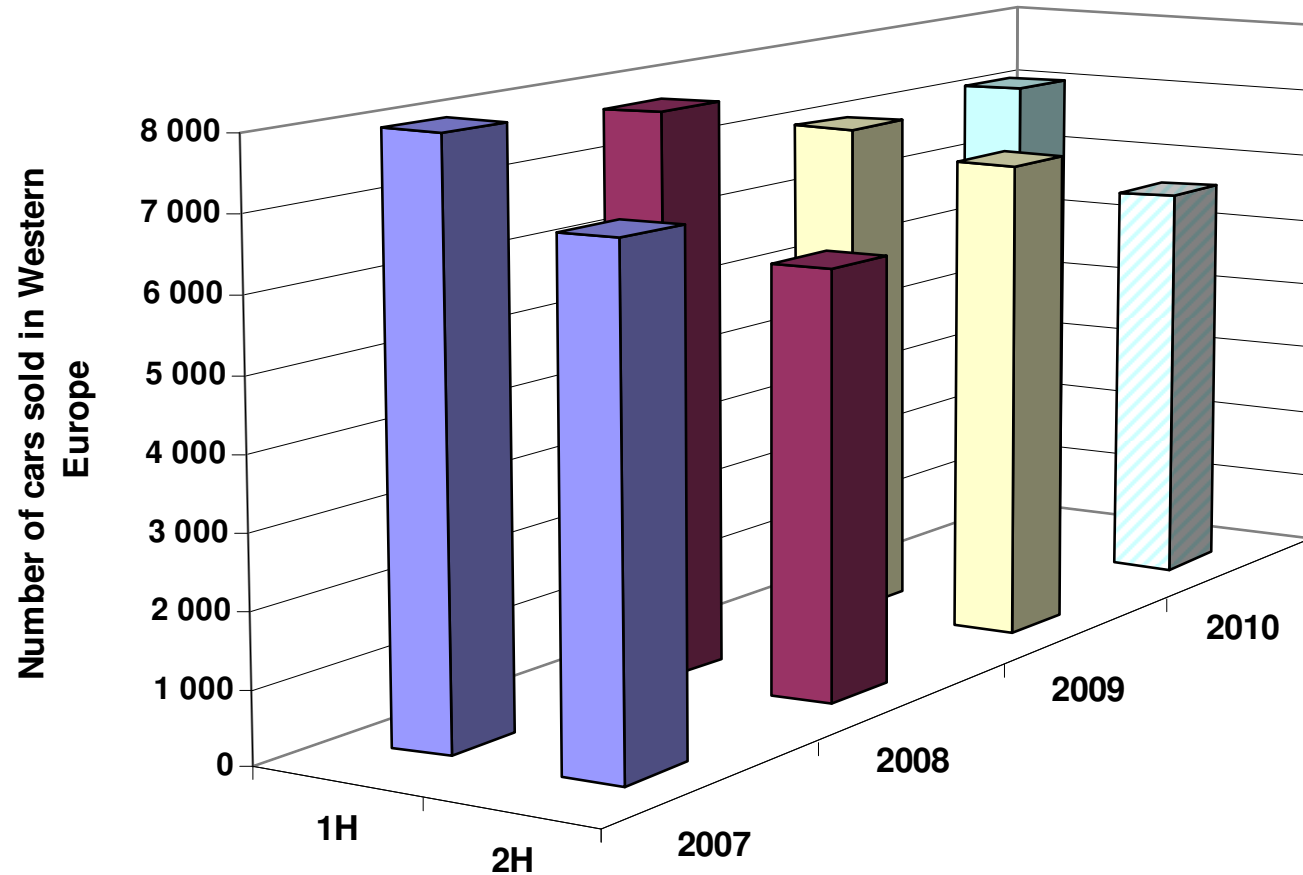
	Sales (units)						Selling rate (units/year)			
	Sep 2010	Sep 2009	Percent change	Year-to-date 2010	Year-to-date 2009	Percent change	Sep 2010	Year-to-date 2010	Year 2009	Percent change
WESTERN EUROPE	1,192,017	1,330,586	-10.4%	9,981,618	10,341,960	-3.5%	12,398,217	12,840,699	13,669,310	-6.7%
AUSTRIA	24,857	26,542	-6.3%	248,202	247,693	0.2%	292,692	316,570	319,421	-0.9%
BELGIUM	36,945	35,687	3.5%	433,989	374,883	15.8%	503,938	545,319	476,194	14.5%
DENMARK	12,195	9,770	24.8%	108,074	81,401	32.8%	144,156	144,912	112,297	29.0%
FINLAND	9,687	7,525	28.7%	88,012	72,491	21.4%	121,104	108,592	90,435	20.1%
FRANCE	170,025	185,011	-8.1%	1,655,177	1,642,233	0.8%	2,151,837	2,192,121	2,297,403	-4.6%
GERMANY	259,748	316,166	-17.8%	2,167,065	2,990,766	-27.5%	2,927,519	2,883,566	3,807,190	-24.3%
GREECE	5,994	11,952	-49.8%	122,432	180,717	-32.3%	87,731	150,081	220,074	-31.8%
IRELAND	4,330	2,252	92.3%	83,658	55,108	51.8%	109,324	92,183	57,456	60.4%
ITALY	154,429	191,366	-19.3%	1,544,888	1,620,430	-4.7%	1,878,125	1,954,222	2,170,917	-10.0%
LUXEMBOURG	3,622	3,494	3.7%	40,271	36,907	9.1%	51,310	50,745	47,310	7.3%
NETHERLANDS	45,773	33,508	36.6%	391,672	314,986	24.3%	503,910	480,195	385,769	24.5%
NORWAY	11,137	9,530	16.9%	95,027	68,638	38.4%	133,896	129,807	98,675	31.6%
PORTUGAL	13,915	12,092	15.1%	161,403	112,849	43.0%	197,612	207,394	159,466	30.1%
SPAIN	56,280	77,374	-27.3%	767,185	677,183	16.2%	822,376	1,029,880	952,779	8.1%
SWEDEN	25,912	19,244	34.6%	206,742	152,131	35.9%	285,712	280,803	213,380	31.6%
SWITZERLAND	21,921	21,144	3.7%	212,161	196,505	8.0%	275,914	279,595	265,545	5.3%
UK	335,246	367,929	-8.9%	1,635,659	1,517,039	7.8%	1,911,058	1,994,713	1,994,999	0.0%
Notes:	Austria, Denmark, Luxembourg and Switzerland: estimates for latest month The percent change in the final column compares the average selling rate in the year-to-date with the last full year.									

Source: JD Power

In September year-to-date sales were 3.5% below 2009 level. However, production which is driver of company sales, grew by 12% in the same period.

But sales of cars in Q3 2010 were 14% lower than in Q3 2009, and production was 7% lower in the same period.

Automotive Market Performance (2)



2010 is gathering usual seasonality of the automotive market lowering sales in the 2nd half and also showing lack of government subsidies.

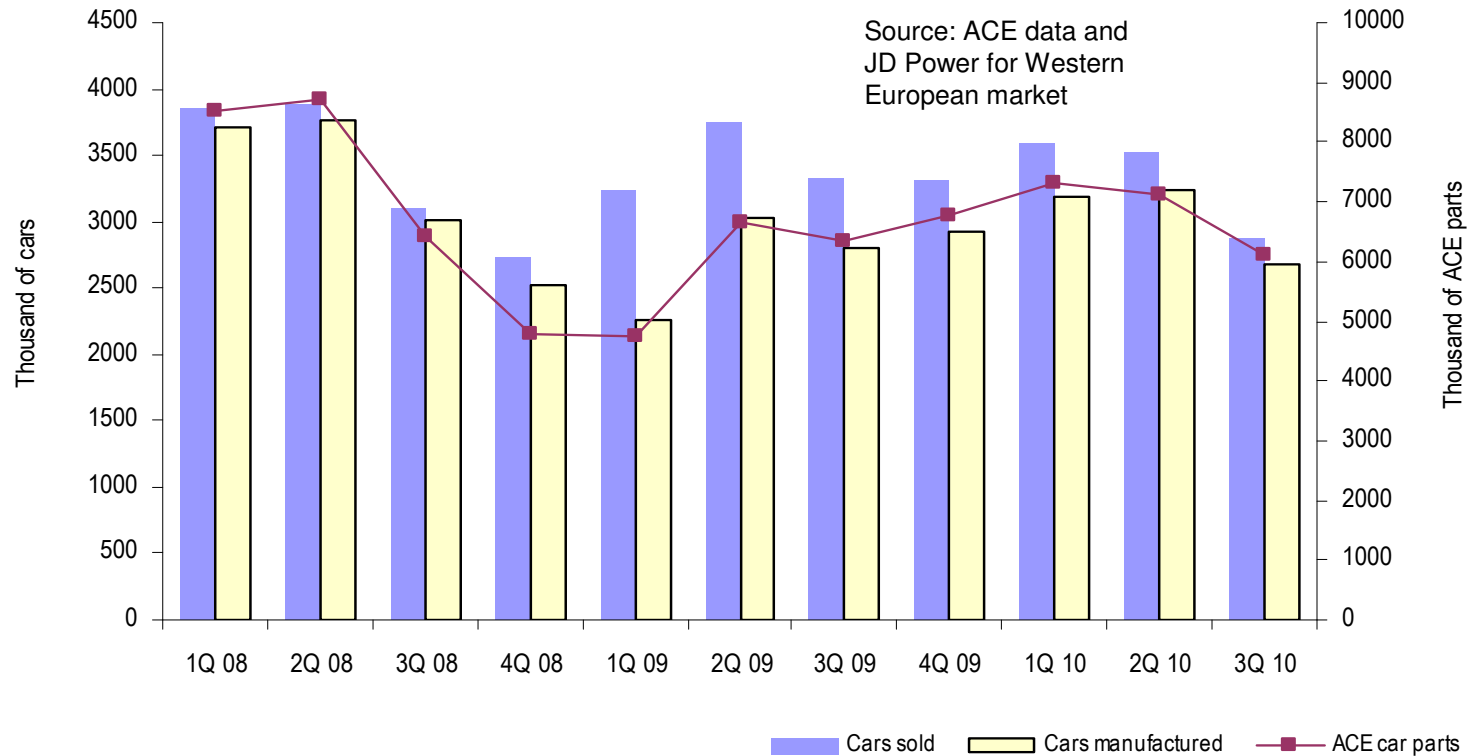
Company Sales Volume (1)



<i>Sales volumes in million pieces</i>	<i>Three quarters of 2010</i>	<i>Three quarters of 2009</i>
<i>Nodular iron castings</i>	15.5	13.4
<i>Grey iron castings</i>	1.5	1.3
<i>Aluminium castings</i>	4.2	4.2
<i>New family products</i>	0.8	0.2
<i>Total products sold</i>	22.0	19.1

- Increase of over 15% in number of units produced by the Group automotive companies improving 12% growth of new cars production in Europe.
- Over 15% **volume increase** allocated in nodular iron (Spain) mainly due to a „low base” effect in 2009, and over 13% volume **growth** in aluminium (Poland). But new projects (TMC, front caliper and iron machining) grew 4 times and their share in total volume sales is increasing. Also higher contribution of the machining business, despite some worse mix.
- Grey iron non automotive business does also shows over 10% improvement in volume sales.

Company Sales Volume (2)



Year-to-date production is still lower than sales by around 900 thousand cars.

Our company sales, driven by higher production of cars, new projects and rapid growth in nodular iron, are still growing above the market.

Company Sales Value (1)



	<i>Three quarters of 2010</i>	<i>%</i>	<i>Three quarters of 2009</i>	<i>%</i>
<i>Sales of products</i>	61 334	96%	54 232	96%
<i>Sales of goods and materials</i>	2 700	4%	2 003	4%
<i>Total sales revenues</i>	64 034	100%	56 235	100%

13% increase of turnover for the corresponding periods. The difference between value and volume is driven by some lower selling price mix as well as temporary gap and lower aluminium prices.

Company Sales Value (2)



	<i>Three quarters of 2010</i>		<i>Three quarters of 2009</i>	
		<i>%</i>		<i>%</i>
<i>Sales of nodular iron castings</i>	28 518	46%	23 147	43%
<i>Sales of grey iron castings</i>	9 083	15%	8 412	17%
<i>Sales of aluminium castings</i>	20 217	33%	22 148	39%
<i>New family products</i>	3 516	6%	525	1%
<i>Total sales of products</i>	61 334	100%	54 232	100%

Breakdown by segments: year-on-year basis cumulative sales increased significantly in two automotive plants (14%).

Higher growth of 23.2% was recorded in the nodular iron segment while in aluminium the growth was below 5%. But in nodular iron segment revenues growth was higher than in volume terms due to increase of raw material prices and energy surcharged to the customers. In the aluminium segment there was an opposite effect due to decrease of the basic raw material prices.

In Feramo the impact of volume growth is less visible at a value level due to some more volatility of material prices used for production.

ACE Consolidated Performance (1)



	<i>Three quarters of 2010</i>	<i>Three quarters of 2009</i>	<i>Change in %</i>
<i>Revenues from Sales</i>	64 034	56 235	13.9%
Gross Profit	12 926	11 148	16.0%
Operating Profit	3 083	2 723	13.2%
EBITDA	7 443	6 921	7.5%
Net Profit	2 236	-1	~%

Comparison of consolidated Q1-Q3 performance on y-to-y basis shows improvement at all levels. Especially the impact of the financial items in 2010 was minimized by partial cancellation of hedging contracts in 2009, more stability of PLN and maturity of contracts since then.

ACE Consolidated Performance (2)



	Q3 of 2010	Q2 of 2010	Change in % Q3 '10/Q2 '10
Revenues from Sales	20 110	21 800	-7.8%
Gross Profit	3 808 18.9%	4 158 19.1%	-8.4%
Operating Profit	768 3.8%	604 2.8%	27.2%
EBITDA	2 083 10.4%	2 053 9.4%	1.5%
Net Profit	848 4.2%	-277 -1.3%	~%

Comparing previous quarter, there was a general reduction of sales and production as well as a lower percentage of machining in the third quarter.

Volumes in Q3 2010 were lower due to typical summer seasonality and lack of supporting programs.

The temporary gap in surcharge of growth of iron prices which was impacting negatively Q2 was not visible in Q3 due to stabilisation of raw material prices.

Stabilisation of Polish zloty had a positive impact on financial costs and was not deteriorating profits from operational activities.

ACE Consolidated Performance (3)



	Q3 of 2010	Q3 of 2009	Change in % Q3 '10/Q3 '09
Revenues from Sales	20 110	19 955	0.8%
Gross Profit	3 808 18.9%	4 489 19.1%	-15.2%
Operating Profit	768 3.8%	1 796 2.8%	-57.2%
EBITDA	2 083 10.4%	3 094 9.4%	-32.7%
Net Profit	848 4.2%	2 171 -1.3%	-60.9%

Year-on-year comparison of quarters shows stability in sales but only in value terms. Also some lower production than sales in nodular iron segment decreased comparative activity.

Much higher energy prices and strengthening of PLN had a negative impact of -0.5 Mio in the period.

ACE Consolidated Performance (4) Profit Drivers for automotive companies



- **Higher Volumes** comparing with three quarters of 2009. The growth is somehow natural due to launch of scrapping incentive programs only in March 2009. Growth of margins could be even better but sharp increase of iron scrap prices in Q2 2010 had a very negative effect on margins. But this is recoverable in future as far as trend of raw material prices is reversed.
- **Sales mix in aluminium, slightly declined** from around 47% of machined parts in Q1-Q3 2009 to 45% in Q1-Q3 2010, but with higher volume. But it is still far below 2007 – 2008 performance of 70-80% machining ratio.
- Adversely, strengthening of **Polish zloty** in the three quarters caused a negative operating result of EUR 0.8 million comparing with same period of 2009.
- On top of this, PLN did also appreciated since Dec 31, 2009 by around 3% affecting positively valuation of outstanding hedging contracts. Negative value of all hedging contracts in the Balance Sheet as of the end of September was less than 0.7m Euro.

ACE Consolidated Performance (5) Impact of non automotive company (Feramo)

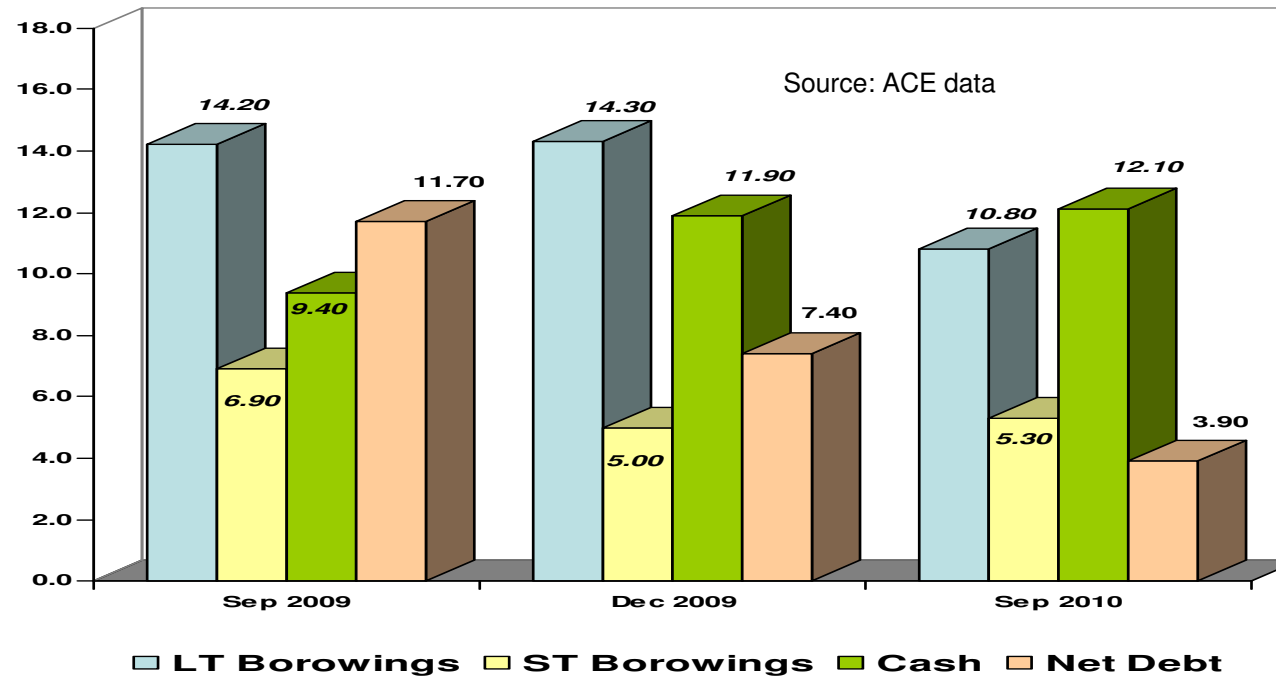


- Over two years of performance within the ACE Group since acquisition
- Operating result: with above 9m Euro of sales becomes a significant revenues generator in the Group during the crisis. Slight recovery of volumes from their historical lowest levels shows that Feramo is entering the growth path.
- Still low but improving y-to-date volumes in Q3 which should be even more improved in future but orders have less visibility and multi-market is less predictable.
- Feramo is in a great deal protected against increases of raw material and looking for agreements in energy prices and has a CAEF index based surcharge agreements in place. Rapid changes of prices in Q2 2010 had also negative impact on profitability of the company. But in Q3 prices were more stable and Feramo could recover some previous losses.

ACE Consolidated Performance (6)



in € mln

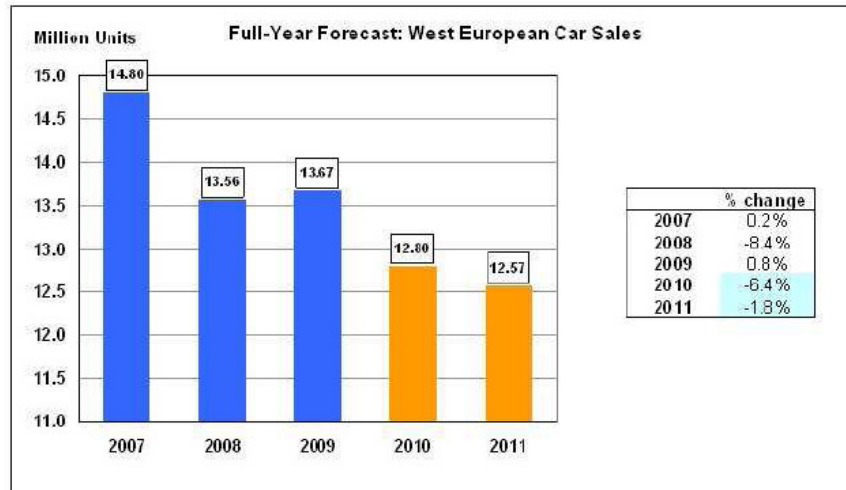


The operating generation of cash during the first three quarters was very positive and around EUR 6.6 million due to higher operational activity in the period.

The cash position at the end of the period was very positive, and debt structure very safe. In the end of Q3 2010 cash position reached 12.1m Euro. Net debt at the end of the period was 3.9m Euro.

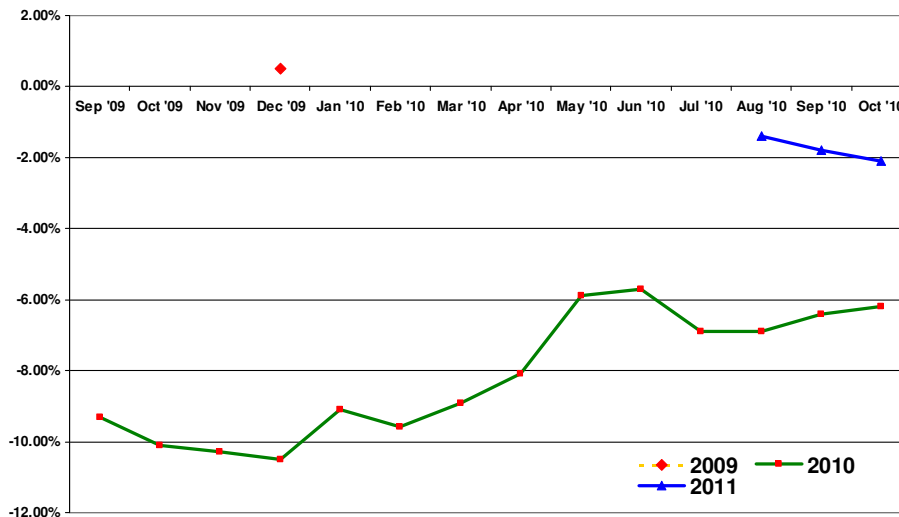
In November ACE signed a new long-term financing agreement to restructure its debt structure, decrease costs and improve cash management within the group.

Outlook 2010 (1)



In September the **sales** market forecast slightly improved in comparison with previous months. In October 2010 forecast stabilised showing 6.4% decline of car sales for the full year versus 2009.

In the left chart below we can see the trend of this forecast month by month



Source: JD Power

The latest forecasts for 2010 **production** of new cars shows 7% (12% including CEE) growth in comparison with the previous year. But due to significant anticipation of the full year growth in previous quarters in the following months we can expect some decline of sales to reach expectations for the full year.

Outlook 2010 (2)



The main driver of the current year results will be volume, highly depending on European automotive market performance:

- **SALES:** Due to a recovery of the automotive market our prospects show at least stable volume of customer's orders in 2010 with some potential impact on ACE's operations:
 - Higher volumes in exchange for lower margins (-)
 - Weaker market performance in the second half of 2010 (-)
 - Stable or slightly declining volume in machining with a profitable machining margin (-)
 - Search for new projects to fulfill current capacity in iron (+)
 - Potential for volume and market share growth in future (+)
 - Decrease of inventory levels in the supply chain in 2009 will positively impact sales in 2010 (+)
 - Higher capacity of the alu casting division since the end of Q3 2010 (front caliper) (+)

Expectations for 2010 ACE Group sales volume coming from customer's orders show some 5 - 10% growth potential in compare with 2009.

- **COSTS:** After sharp increase of raw material prices in Q2 2010 which brought some negative temporary gap in the iron segment, for the following quarters we expect some more stability. The Action Plan focused on company specific costs is still present, but as far as higher volumes are confirmed, deriving in higher margins, the action plan would be less visible.
- **FINANCIAL ITEMS** Hedging contracts and their impact is now under control and should not have a significant negative influence in future.
- **CASH POSITION** One of the main goals is to preserve cash and save it for financing operations and future growth of the Company. Higher sales should result in further cash generation.

Near Future Plans



- **FERAMO GROWTH:** 2-3 years Investment programme to be adjusted to current market conditions. Revised capex of around 6-7 Mio€ allowing to increase volume from 15k to 35k tones and triple revenues from sales in 3-4 years will be launched soon. First preliminary investments will be done in the beginning of 2011.
- **Iron:** To utilise free capacity there are several new automotive projects under negotiations. For some of them, their SOP might be even expected in 2010.
- **Aluminium GROWTH:** Front calipers and iron machining already started in 2009 and jointly with TMC are gaining important share in alu segment.
- **New iron products** – to utilise a new capacity at Feramo a number of new iron projects is currently under negotiations with customers. Fuchosa transfers nodular iron technology to Feramo and will support the company at R&D level
- **Group reorganization** – Final debt restructuring was completed. With a new long-term financing agreement, signed in November 2010, the Group will visibly improve its cash management and reduce costs of the debt.