

First Half of 2009

Performance Roadshow

Warsaw, September 2009

Automotive Market Performance

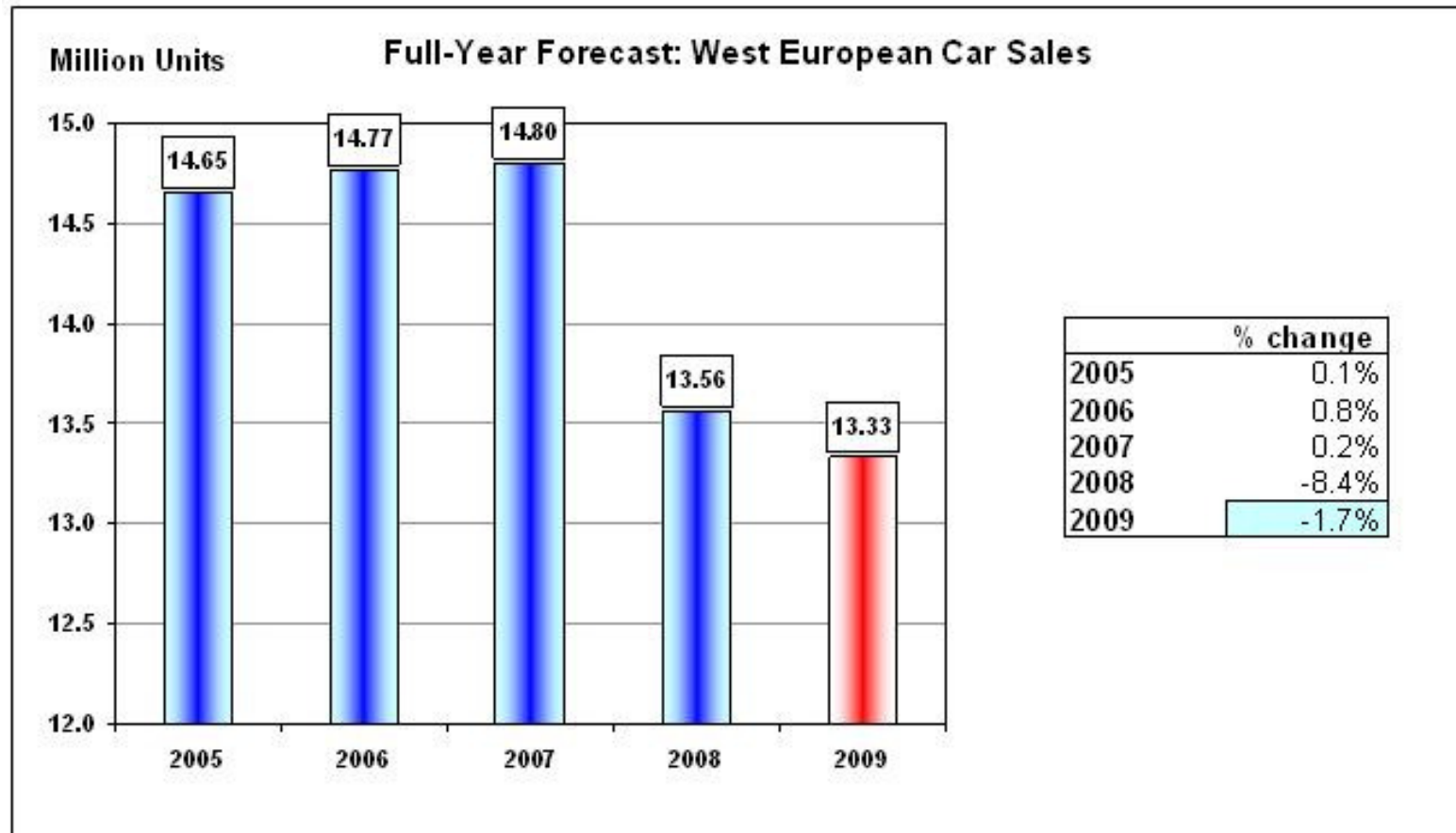


	Sales (units)						Selling rate (units/year)			
	Jun	Jun	Percent	Year-to-date	Year-to-date	Percent	Jun	Year-to-date	Year	Percent
	2009	2008	change	2009	2008	change	2009	2009	2008	change
WESTERN EUROPE	1,372,954	1,319,269	4.7%	6,972,466	7,733,051	-9.8%	13,896,430	13,191,183	13,561,527	-2.7%
AUSTRIA	26,080	34,713	-24.9%	156,024	168,668	-7.5%	261,426	289,432	293,697	-1.5%
BELGIUM	43,736	50,689	-13.7%	273,205	330,697	-17.4%	462,101	462,636	535,947	-13.7%
DENMARK	9,503	15,386	-38.2%	52,370	85,469	-38.7%	96,306	105,977	150,186	-29.4%
FINLAND	7,905	12,144	-34.9%	52,003	88,026	-40.9%	84,378	92,100	139,647	-34.0%
FRANCE	235,407	219,753	7.1%	1,132,046	1,128,896	0.3%	2,214,920	2,144,422	2,050,283	4.6%
GERMANY	427,111	304,036	40.5%	2,059,405	1,633,169	26.1%	4,370,457	4,058,791	3,090,040	31.4%
GREECE	23,219	26,499	-12.4%	112,804	158,317	-28.7%	228,215	205,068	266,830	-23.1%
IRELAND	4,813	7,907	-39.1%	47,072	124,220	-62.1%	57,686	57,960	151,928	-61.9%
ITALY	209,315	187,220	11.8%	1,130,357	1,269,336	-10.9%	2,216,634	2,026,497	2,174,272	-6.8%
LUXEMBOURG	3,901	4,904	-20.4%	26,390	29,900	-11.7%	45,613	45,453	52,145	-12.8%
NETHERLANDS	35,862	48,387	-25.9%	223,375	300,029	-25.5%	364,102	394,788	499,980	-21.0%
NORWAY	7,581	9,670	-21.6%	41,747	61,565	-32.2%	89,687	87,151	110,617	-21.2%
PORTUGAL	16,045	20,979	-23.5%	73,133	114,393	-36.1%	147,422	137,070	213,348	-35.8%
SPAIN	96,706	114,974	-15.9%	433,077	702,457	-38.3%	900,037	843,525	1,161,176	-27.4%
SWEDEN	22,393	23,959	-6.5%	102,794	139,511	-26.3%	241,915	205,578	253,982	-19.1%
SWITZERLAND	27,114	28,861	-6.1%	131,709	150,913	-12.7%	266,483	256,665	285,654	-10.1%
UK	176,264	209,188	-15.7%	924,955	1,247,485	-25.9%	1,849,048	1,778,069	2,131,795	-16.6%
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

However 1H production in the same region was reduced by 30% due to still high stock level. In August year-to-date sales improved to -6.7% from -9.8% recorded in June.

Automotive Market Performance - Forecast -



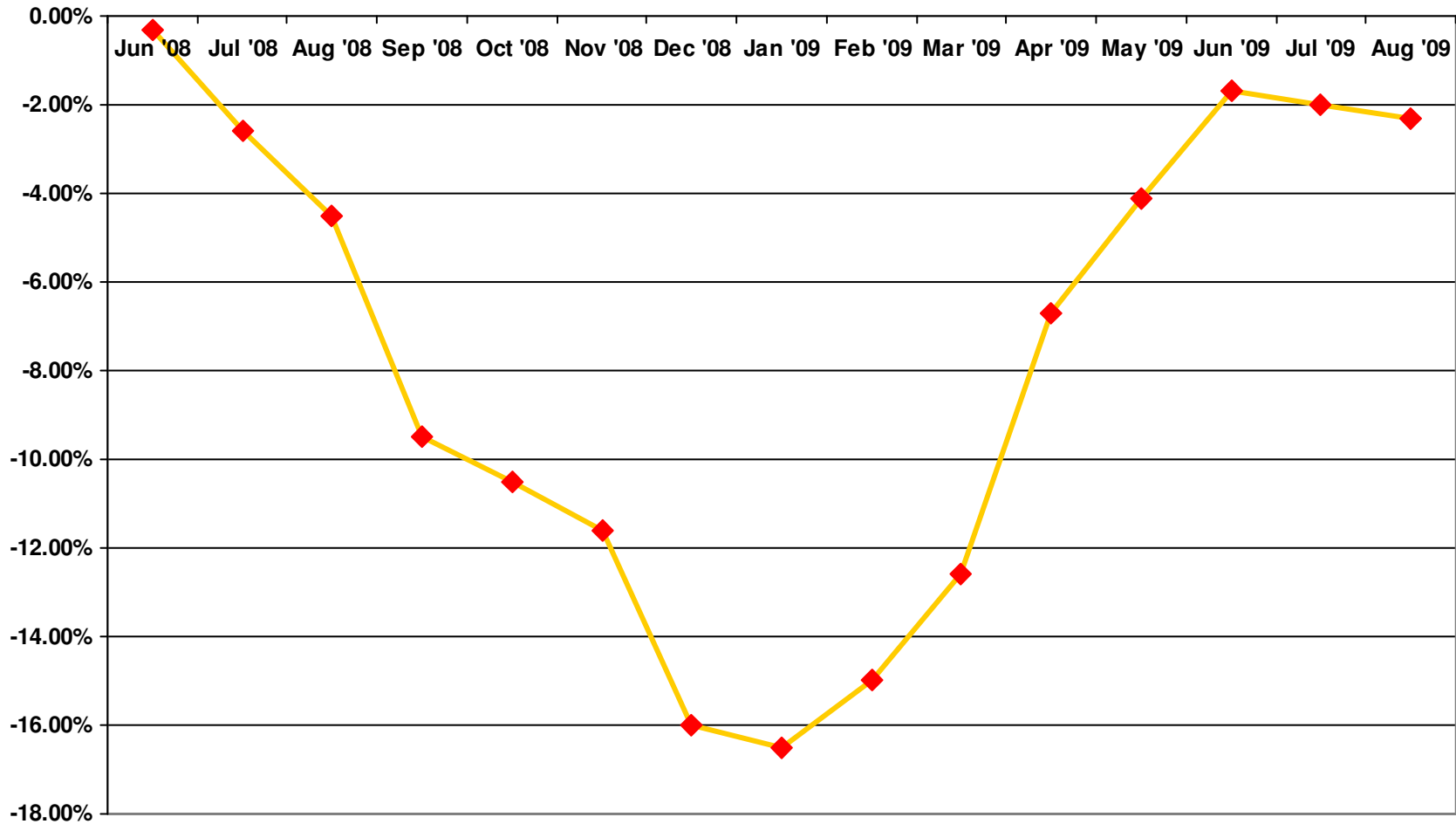
Source: JD Power

In July , 2009 full year forecast was stable and the car sales decline were estimated at the level of - 2.0% (y-on-y) and in August -2.3% (y-on-y).

Automotive Market Performance - 2009 Forecast Evolution-



Source: JD Power



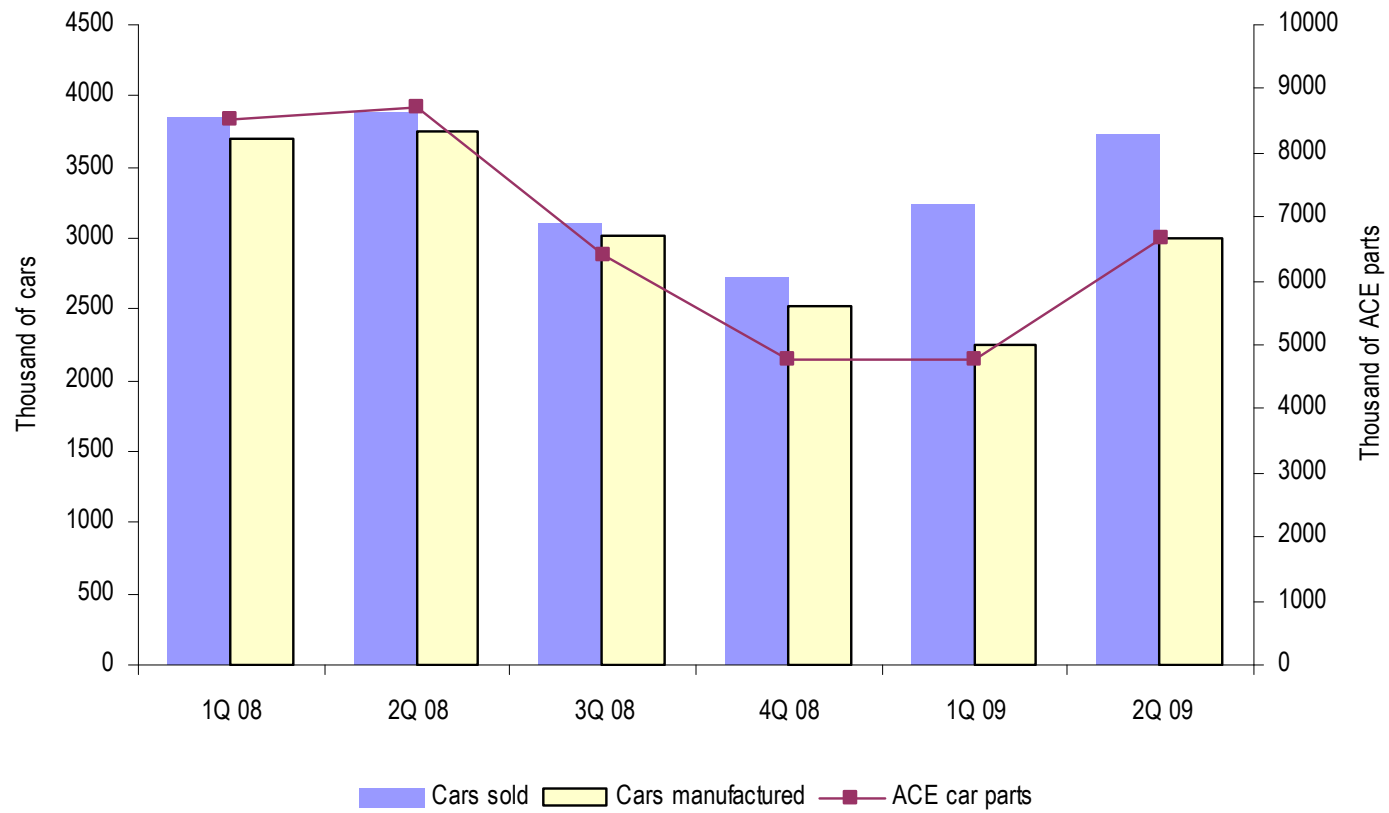
Company Volume Sales (1)



<i>Sales volumes in million pieces</i>	<i>First half of 2009</i>	<i>First half of 2008</i>
<i>Iron anchors</i>	8.7	13.9
<i>Grey iron castings</i>	0.9	0.5
<i>Aluminium callipers</i>	2.7	3.4
<i>Total products sold</i>	12.3	17.8

- Decrease of around 34.1% in number of units produced by Group automotive companies following 30% fall of new cars production in Europe.
- Over 37% volume decrease allocated in nodular iron (Spain) and only 20.6% decrease in aluminium (Poland) due to a launch of new projects and more stable production in the beginning of 2009. But sales mix in aluminium is less profitable due to decrease of machined parts.
- Slight over-sensitivity to market movements due to:
 - Still considerable inventories in the supply chain but decreasing
 - Temporary shift to lower profile cars utilising also drum brakes on rear axle

Company Volume Sales (2)

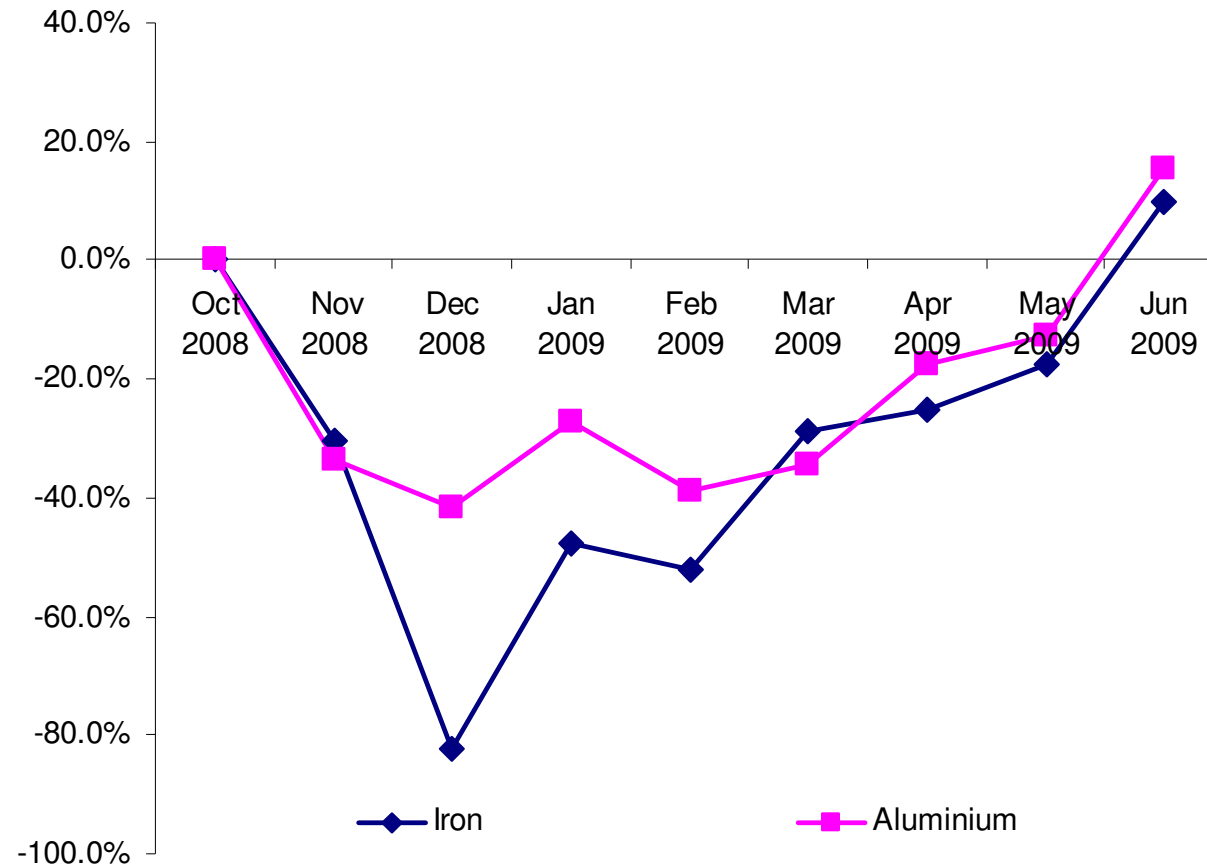


Source: ACE data

Production output



Iron & Aluminium production evolution



Source: ACE data

Company Consolidated Sales (1)



	<i>H1 of 2009</i>	<i>%</i>	<i>H1 of 2008</i>	<i>%</i>	<i>H2 of 2008</i>	<i>%</i>
Sales of products	35 051	97%	48 210	95%	40 840	93%
<i>Sales of goods and materials</i>	1 230	3%	2 310	5%	3 035	7%
<i>Total sales revenues</i>	36 281	100%	50 520	100%	43 875	100%

27% decrease of sales in value for the corresponding periods:

- Consolidation of Feramo (5 845k €)

For the same Group structure as in H1 2008 sales decreased by 36%.

In compare with H2 2008 sales decreased by 14% as a result of deep market decline in the first two months of 2009. In practice considerable market recovery was visible since March.

Company Consolidated Sales (2)



	<i>H1 of 2009</i>	<i>%</i>	<i>H1 of 2008</i>	<i>%</i>
<i>Sales of nodular iron castings</i>	15 296	43%	25 401	53%
<i>Sales of grey iron castings</i>	5 845	17%	2 978	6%
<i>Sales of aluminium castings</i>	13 910	40%	19 831	41%
<i>Total sales of products</i>	35 051	100.0%	48 210	100.0%

Despite lower sales its structure remains unchanged – both automotive plants generate the same portion of revenues 56%/44% in 2008 and 52%/48% in 2009 with same consolidation scope without Feramo.

Low Feramo sales in the period but due to general decrease of activity its importance for total revenues generation is much higher.

Profit Drivers for automotive companies



- Lower **volumes** comparing with first half of 2008 and resulting into a decrease of margins. However in Q2 the level of orders were constantly increasing due to effectiveness of the scrapping incentive programs for sales of new cars.
- Action Plan in progress – the saving plan introduced in the end of 2008 is clearly effective and improves operational profitability even for lower sales volume and value. Operating cost has decreased by 2m Euro in compare with H1 2008.
- Less profitable **sales mix in aluminium** due to lower % of machining delivered to end customers (from 70-80% in H1 2008 to below 40% in H1 2009) partially offset by volumes of castings.
- Weaker zloty than in H1 2008 generated additional 1.2m Euro FX profits on operational level.
- Appreciation of Polish zloty since March from 4.70 to 4.46 PLN/Euro helps in lower negative valuation of outstanding hedging contracts. Negative value of all hedging contracts in the Balance Sheet as of the end of June was 2.4m Euro

Impact of a non automotive company



- Over one year of performance within the ACE Group since acquisition
- Operating result: with almost 6m Euro of sales becomes a significant revenues generator in the Group during the crisis. Stabilization of the raw material prices results in no further losses from this item. Low sales since beginning of the year are compensated in a great deal by the Action Plan.
- Production of Feramo both in volume and in value was at a very low level (0.9m units in H1 2009 v. 0.5m units in two months of H1 2008 and 5.9m Euro v. 3.0m Euro) but it follows a general performance of the European economies and their expected improvement will have an impact on Feramo's orders level.

ACE Consolidated Performance (1)



	H1 of 2009	H1 of 2008	Change in %
Revenues from Sales	36 281	50 520	-28.2%
Gross Profit	6 659	12 265	-45.7%
Operating Profit	927	5 061	-81.7%
EBITDA	3 827	7 444	-48.6%
Net Profit	-2 171	6 479	-133.5%

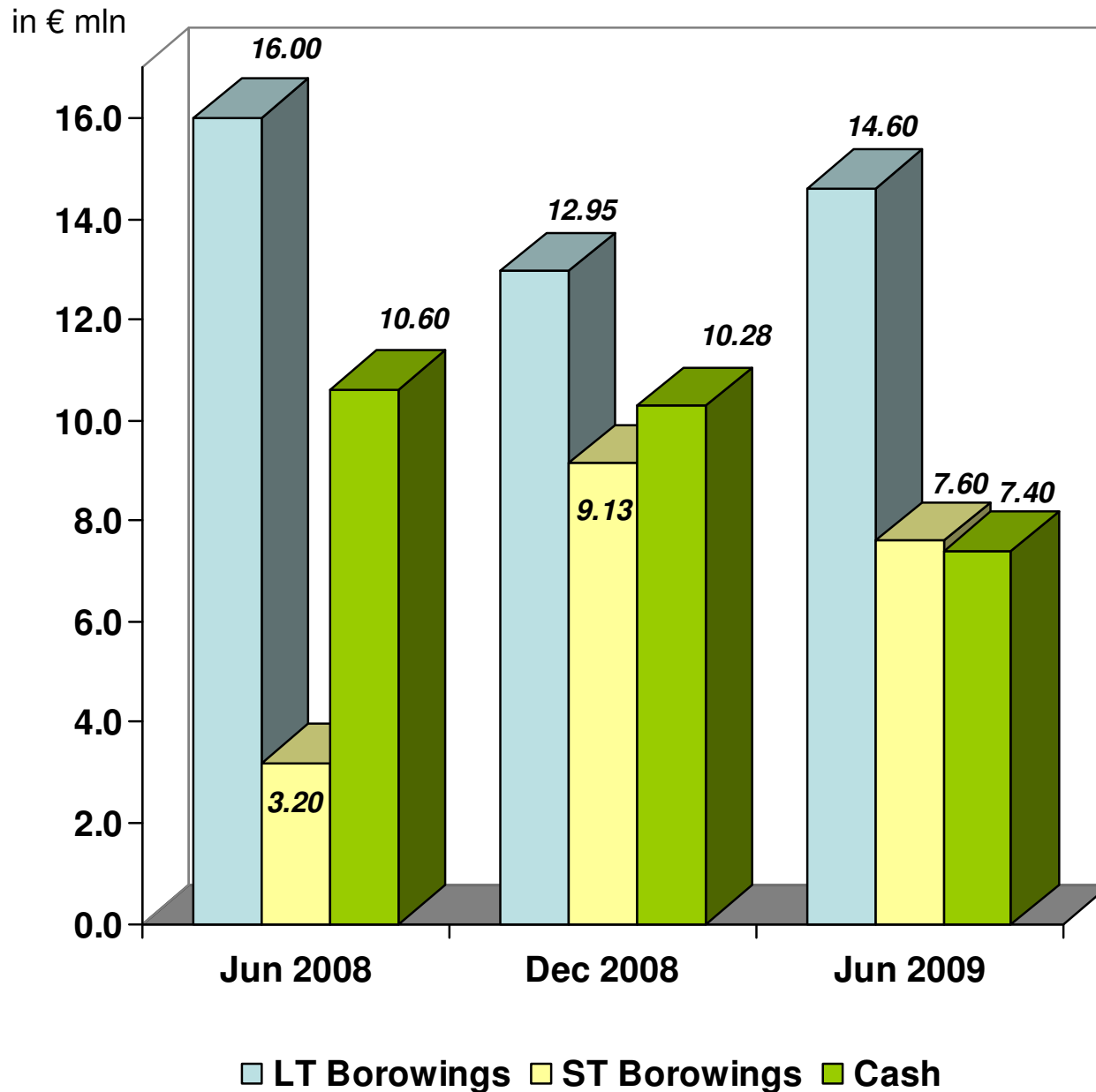
	Q2 of 2009	Q2 of 2008	Change in % Q2 '09/Q2 '08
Revenues from Sales	19 904	27 627	-28.0%
Gross Profit	4 500 22.6%	6 692 24.2%	-32.7%
Operating Profit	1 554 7.8%	2 659 9.6%	-41.6%
EBITDA	3 002 15.1%	3 927 14.2%	-23.6%
Net Profit	1 877 9.4%	4 672 16.9%	-59.8%

ACE Consolidated Performance (2)



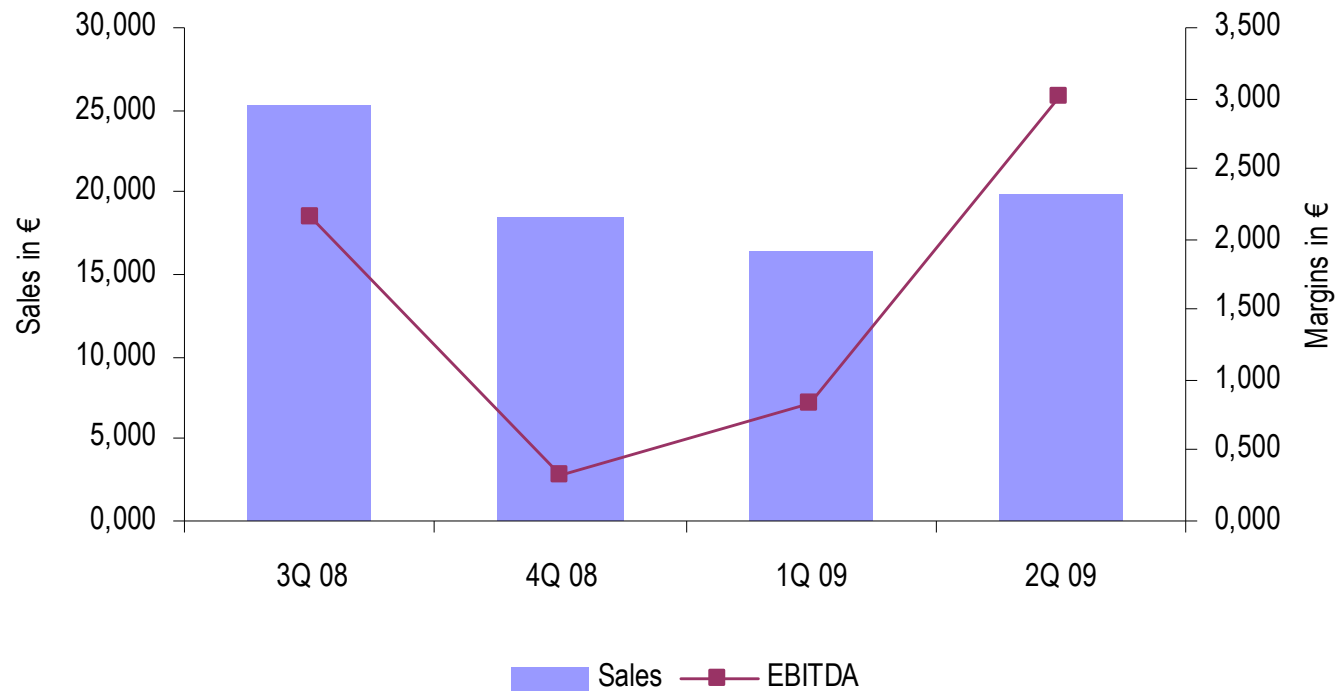
- The first half of 2009 was much weaker in terms of sales but market conditions were constantly improving during the period:
 - Main reasons were:
 - very weak market in Jan and Feb with recovery since Mar
 - impact of government support programs visible in the Q2 2009
 - less profitable mix in aluminium
- Constant sharp increase of profitability on EBITDA and OP levels, due to visible effects of the Action Plan initiated in Dec 2008. EBITDA margin in Q2 2009 was even higher than in Q2 2008.
- Since partial cancellation of hedging contracts in Feb 2009 there are no significant changes on fair valuation of the contracts but appreciation of PLN since the end of March decreases slightly their negative impact on financial level.
- At the end of the period and after repayment of 2m of ordinary debt, cash position was significantly improved since the end of Q1 from 5.8 m Euro to 7.4m Euro. Net debt at the end of the period was 14.8m Euro.

ACE Consolidated Performance (3)



Source: ACE data

ACE Consolidated Performance (4)



Source: ACE data

Outlook 2009



Main driver of the current year results is volume, highly depending on European automotive market performance:

- **SALES:** Due to a general decrease of the automotive market, which is not company specific, our prospects show lower volume of customer orders in 2009 with some potential impact on ACE's operations:
 - Potential delay of SOP in some new projects (-)
 - Potential reduction of sales volume in units in compare with 2008 (-)
 - Lower volume in machining with profitable machining margin (-)
 - Search for new non-automotive projects (+)
 - Potential for volume and market share growth in future (+)
 - Decrease of inventory levels in the supply chain should stabilize sales in a mid term (+)

Expectations toward 2009 sales prospects are becoming very close to 2008 levels – the latest forecast for sales of new cars is -2.0% for 2009 (changed from -16.5% in January). This forecast includes potential government support to stimulate car sales in major European countries like France or Germany, Great Britain, Italy or Spain.

- **COSTS:** Management does not anticipate important main costs movements beyond the experienced in 2008. The Action Plan focused on company specific costs is working very well. We expect some additional savings in the following months from this program with an impact depending on final volumes.
- **FINANCIAL ITEMS** Hedging contracts and their impact is now under control and should not have any negative influence in future. Oppositely we expect some positive corrections of their fair valuation due to appreciation of Polish zloty.
- **CASH POSITION** One of the main goals is to preserve cash and save it for financing operations and future growth of the Company. Growth of cash level is possible if sales are on similar level.

Near Future Plans



- **FERAMO GROWTH:** 2-3 years Investment programme to be adjusted to current market conditions. Capex of around 9 Mio€ allowing to increase volume from 15k to 42k tones and triple revenues from sales in 4-5 years will be launched on more prudent basis.
- **Iron:** To utilise free capacity there are several new automotive projects under negotiations. Their SOP might be expected in 2010.
- **Aluminium GROWTH:** Front calipers and iron machining projects to be started in 2009 after TMC already in progress.
- **New iron products** – to utilise a new capacity at Feramo a number of new iron projects is currently under negotiations with customers. Fuchosa will transfer nodular iron technology to Feramo and will support the company at R&D level
- **Group reorganization** – The Action Plan is in progress and is well advanced with visible effects on EBITDA level. In the near future the Company will be focused on further working capital improvements to release some additional cash.