

Press release

Warsaw, 18 December 2008

ACE terminates its buy-back agreement with an appointed brokerage house

- The program has not been cancelled but its further continuation will depend on an automotive market performance in the first half of next year;
- Since commencement of the buy-back programme the Company purchased around 885k shares spending 556k out of 2mln euro dedicated for the programme;
- ACE wants to preserve its strong financial position to be utilised for further business development and expansion of the Group.

Today the Company released a current report with information about termination of a buy-back agreement with an appointed brokerage house. The decision does not mean cancelation of the programme, but its further continuation will depend on the automotive market performance in the first half of next year. *We want to have a more extensive knowledge about the automotive market behavior next year, and then eventually come back to complete the program, rather than be surprised by its probable volatility – says Raul Serrano, CFO.*

At current market conditions it is important for ACE to preserve its good financial standing and to have a strict cash management tools in its hands. *Despite that as on the end of November we had around 7.5 mln euro in cash – says Raul Serrano –, but due to the current slowdown of the automotive market we have to be very prudent and control all cash outflows. It is very important not only from the current business perspective but especially for medium and long term development of the Group. Current turmoil will definitely result in some serious consolidations among the supply chain companies. We want to take advantage of this potential market opportunities to reinforce and expand our group. And I am sure that our shareholders support our view.*

Since the commencement of the buy-back programme on September 1, 2008 the Company managed to buy around 885k of its own shares spending 0.56 mln euro. *If we consider ACE average share price and PLN/EURO exchange rate in the period from approval of the buy-back by GSM to the first transaction – says Raul Serrano - it is about the amount of shares investors and ourselves were assuming to be purchased until the end of the programme. So in this sense we have already*



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achieved planned buy-back impact. It is important for us because it was a commitment with investors at the time of the GSM approval.

ACE Group is a leading supplier in Europe of automotive components for braking systems. The group specialises in production of two core components of disc brakes: iron anchors (the largest supplier in Europe, with about 44% of the relevant market) and aluminium callipers (holding over one-quarter of the European market).

The production of the ACE Group is concentrated in three operating companies wholly controlled by ACE: **Fuchosa** (with a plant in Spain for the casting of iron components), **EBCC** (with a plant in Poland for the casting and machining of aluminium components) and **Feramo** (New acquisition in Czech Republic for the casting of iron components).

ACE Group's customers include the largest European suppliers of brake modules such as Continental Teves, TRW Automotive and Robert Bosch. Products of ACE Group are **installed in the majority of automobiles produced in Europe** (Fuchosa anchors are installed in about **125 models of cars** and EBCC callipers in 16 different brake system platforms, which are used in **about 50 car models**).

Investment programme for **Feramo** is planned for the next 3-4 years, with a value of more than EUR 9 million. It will allow the annual production capacity of the Czech plant to increase from current 15 to about 42 thousand tones of iron and most of the new capacity will be a high value added nodular iron technology used for demanding automotive castings.

EBCC and Fuchosa, present on the automotive market for years, established ACE Group in 2006, thus creating a strong and specialised European supplier with diversified production technology (using three key technologies for the auto industry: iron casting, aluminium casting and machining). ACE Group enjoys many benefits from the merger such as more efficient customer service (thanks to a presence in both Western Europe and Central Europe) and a stronger position in the development of new products.

For additional information, please visit the website www.acegroup.lu or contact:

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