



Automotive Components Europe S.A.

Quarterly Consolidated Report

for the

Quarter ended March 31st, 2010

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A. Director's report

1. Introduction

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

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

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

During the IPO, which took place in May 2007, the Company increased its shareholding capital from 20 050 100 to 22 115 260 shares. Under the same prospectus three existing shareholders of ACE – Casting Brake, EB Holding and Halberg Holding– sold together 10 423 316 Company's shares (less the shares bought with the over-allotment option (319 389) meant 10 103 927 shares sold). The first listing of ACE on Warsaw Stock Exchange took place on June 1st, 2007.

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

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

Composition of the Management bodies of ACE as of March 31, 2010

Management Committee:

<i>Jose Manuel Corrales</i>	<i>Chief Executive Officer</i>
<i>Raul Serrano</i>	<i>Senior Officer, Chief Financial Officer</i>
<i>Carlos Caba</i>	<i>Senior Officer, Business Development Manager</i>

Board of Directors:

<i>Marek Adamiak</i>	<i>Class A Director</i>
<i>Jose Manuel Corrales</i>	<i>Class B Director</i>
<i>Raul Serrano</i>	<i>Class B Director</i>
<i>Carlos Caba</i>	<i>Director</i>
<i>Oliver Schmeer</i>	<i>Director</i>
<i>Jerzy Szymczak</i>	<i>Independent Director</i>
<i>Paweł Szymański</i>	<i>Independent Director</i>

The condensed consolidated quarterly report for the first quarter of 2010 was prepared according to International Accounting Standards.

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2. Financial Highlights

in '000 Euro

<i>Selected consolidated financial items</i>	<i>For the 1st quarter of 2010 From January 1st to March 31st, 2010</i>	<i>For the 1st quarter of 2009 From January 1st to March 31st, 2009</i>
Revenues from sales	22 124	16 376
Operating Profit	1 712	- 617
Profit before tax	2 207	-4 244
Net profit	1 665	-4 049
Net profit attributable to equity holders of the parent company	1 665	-4 049
Cash flow from operating activities	1 051	-1 137
Cash flow from investment activities	- 555	- 181
Cash flow from financial activities	-1 308	-2 860
Net cash flow	- 826	-4 178
Current assets	36 683	27 330
Fixed assets	42 000	46 552
Total Assets	78 683	73 882
Liabilities	39 889	43 291
Long-term Liabilities	16 489	20 957
Short term Liabilities	23 400	22 335
Shareholders Equity	38 795	30 591
Shareholders equity attributable to shareholders of the parent company	38 795	30 591
Share capital	3 185	3 317
No of shares outstanding	21 230 515	22 115 260
Net profit (loss) per share	0.08	-0.18
Book value per share	1.83	1.38

3. Financial performance

Consolidated Profit & Loss Statement

in '000 Euro

	<i>For the 1st quarter of 2010 From January 1st to March 31st, 2010</i>	<i>For the 1st quarter of 2009 From January 1st to March 31st, 2009</i>
Revenues from sales	22 124	16 376
Cost of goods sold	-17 161	-14 218
Gross profit	4 962	2 159
	<i>GP margin</i>	<i>13.2%</i>
G&A expenses	-3 251	-2 776
Operating profit	1 712	- 617
	<i>OP margin</i>	<i>-3.8%</i>
Depreciation & amortisation	-1 596	-1 443
EBITDA	3 307	825
	<i>EBITDA margin</i>	<i>5.0%</i>
Financial income	778	105
Financial costs	- 282	-3 732
Profit before tax	2 207	-4 244
Tax	- 542	195
Net profit	1 665	-4 049
	<i>NP margin</i>	<i>-24.7%</i>

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Sources of sales revenues

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

<i>Sales revenues in '000 Euro</i>	<i>First quarter of 2010</i>	<i>%</i>	<i>First quarter of 2009</i>	<i>%</i>
<i>Sales of products</i>	21 166	96%	15 739	96%
<i>Sales of goods and materials</i>	958	4%	637	4%
<i>Total sales revenue</i>	22 124	100%	16 376	100%

<i>Sales revenue in '000 Euro</i>	<i>First quarter of 2010</i>	<i>%</i>	<i>First quarter of 2009</i>	<i>%</i>
<i>Nodular iron products</i>	10 171	46%	6 617	40%
<i>Grey iron products</i>	2 743	13%	3 051	19%
<i>Aluminum products</i>	8 252	37%	6 071	37%
<i>Other</i>	958	4%	637	4%
<i>Total sales</i>	22 124	100%	16 376	100%

<i>Sales volumes in thousand pieces</i>	<i>First quarter of 2010</i>	<i>First quarter of 2009</i>
<i>Nodular iron products</i>	5 618	3 602
<i>Grey iron products</i>	492	484
<i>Aluminum products</i>	1 678	1 158
<i>Other</i>	0	0
<i>Total pieces sold</i>	7 788	5 244

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

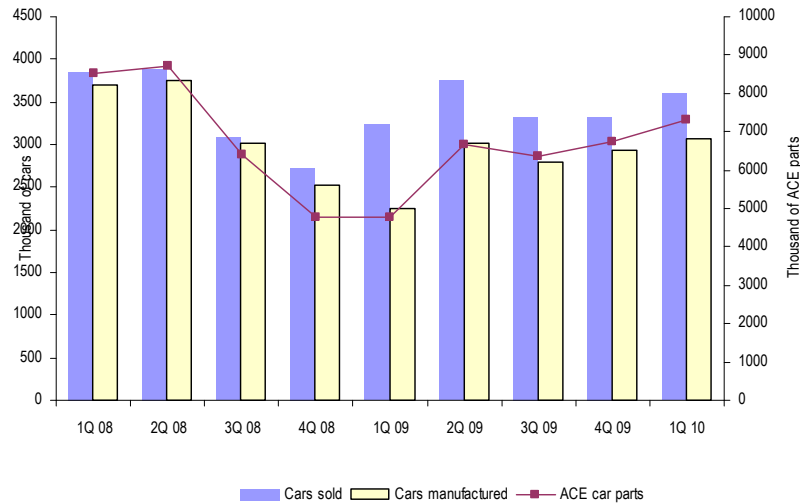
<i>Revenues by country</i>	<i>First quarter of 2010</i>	<i>First quarter of 2009</i>
<i>Germany</i>	27,7%	23,6%
<i>Czech Republic</i>	23,8%	32,4%
<i>France</i>	13,2%	12,8%
<i>Spain</i>	8,8%	7,1%
<i>Italy</i>	5,3%	7,1%
<i>Other</i>	21,2%	17,0%
<i>Total</i>	100 0%	100 0%

In first quarter of 2010 **sales of cars in Western Europe grew by around 365 thousand cars or 11%** in comparison with the same quarter of precedent year, according to JD Power. By itself, this would not be very significant bearing in mind that first quarter of 2009 was still sharply influenced by the global crisis which affected particularly the automotive sector also in Europe. But the fact is that around 3.6 Mio cars sold during last quarter follows and even improves the trend of the last two quarters of 2009.

On top of the above, the **car production** in the same region and in the same period in comparison with first quarter of 2009 was even **much higher by around 740 thousand cars or 32%**. The main reason behind this gap between sales and production year on year is the very sudden correction of inventories produced in first quarter of 2009 driven by the very low production volume to adapt stocks to new demand and improve capital needs. Even so, inventories in first quarter of 2010 as the difference between sales and production were still declining by around half million cars.

The following table based on JD Power and company information illustrates very well this trend.

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Only in this context of increasing production, which is the main driver of Group sales, we can understand the huge increase of **first quarter turnover versus same period of 2009, higher by Euro 5 748 thousand, or 35%**. This growth is even higher, +45%, if we only focus in automotive turnover.

In volume terms the growth represented 49% in number of units and it was 53% if we only look at automotive segment. The difference between value and volume is driven by the decrease of raw material and energy prices in first quarter of 2010 against same period of 2009, as they are passed through to the customers as an adjustment of selling price.

The incidence of new projects in our customer portfolio is one of the reasons why our Company is performing better than the market in general. Some recovery of premium and medium size cars in the market could be also supporting this over-performance.

Direct production costs and gross profit

Sharp impact of better operating leverage driven by 35% higher sales with higher contribution of machining business largely improved our margins, despite a worse mix.

Otherwise, savings in energy as a result of better energy prices and higher electricity efficiency as well as in maintenance, as a result of the Action Plan, had a very positive effect on the gross profit margin.

Adversely, strengthening of Polish zloty in the first quarter caused a negative result of EUR 0.4 million comparing with same period of 2010.

The quarterly gross margin was EUR 5.0 million (22% on sales), which is EUR 2.8 million higher than in 2009 (+130%).

General & administrative expenses

Other than selling and distribution costs related to sales volume and other non recurrent operating income including in EUR 3.3 million of G&A expenses in the period, overheads were only growing by 3% comparing last year (partly containing the negative effect of operating FX).

We can see how the impact of the Action Plan on some G&A expenses is still visible in the company results.

EBITDA and operating profit

EBITDA in the period was EUR 3.3 million (15% on sales), up by EUR 2.5 million compared with same quarter of 2009 (four times higher).

This positive difference is once again driven by higher volumes partly reduced because last year the Company recorded one off subsidies by an amount of EUR 200 thousand

Depreciation increased in the period by EUR 153 thousand thus resulting in an operating profit for the period at about EUR 1.7 million (EUR 2.3 million higher than 2009) and shows a very positive and sustainable trend quarter by quarter.

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However, in comparison with previous quarter, the main reason why margins were not even better is because despite higher sales by 7.5% in 1Q10 versus 4Q09, production volume was very similar.

Financial items

Driven by the strengthening Polish zloty during the period, valuation of hedging instruments in our Polish company produced a positive financial result of around EUR 0.7 million, positively impacting the first quarter positive financial result of EUR 0.5 million. After the period, the fair value of these instruments in the balance sheet is EUR 0.8 million.

Oppositely, during first quarter of 2009, the weakening of polish zloty produced a negative valuation of hedging instruments in our polish company that the company recorded, resulting in a negative financial result of Euro 2.7 Million.

Thus in first quarter the Company reduced in a very significant manner the important losses recorded in same period of 2009. The difference in financial items is finally positive in 2010 by EUR 4.1 million compared with 2009

Profit before tax and tax

Mostly as a result of better operating leverage and all the other improvements in the operating performance, profit before tax in first quarter was much higher than the previous year. Total profit before tax in 2010 rose to EUR 2.2 million (EUR 6.5 million higher than 2009).

Taxes recorded as a consequence of these profits were EUR 542 thousand.

Net profit

Reflecting all the above, the company was also very positive in the quarter at the net profit level by EUR 1.7 million, or +EUR 5.7 million compared with 2009.

Definitely the last quarters were very positive in terms of net profit, thanks to improvement of operating profitability as well as the end of the negative influence of exchange rate fluctuation on our financial results.

Financial Position

The operating generation of cash during the period was very positive above EUR 1.0 million, but due to the increasing activity and the need to stock for the Easter break period, part of this cash was absorbed by the increasing working capital.

Otherwise, comparison below investing and financing activities is even more positive for 2010 because of the cancellation costs for the hedging contracts of EUR 3.2 million (reduced by EUR 2 million by a new loan granted by the bank) in February of 2009.

The final cash position of the Company as of the end of March 2010 was EUR 11.1 million. Net debt as of same date was EUR 7 million, and was also sharply reduced compared with previous quarters.

4. Business overview

European Automotive Industry

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

The latest JD Power forecast for 2010 calls for a general decline in new car sales of about -8.1%, though production forecasts are more positive, showing a trend of stability and even positive growth in the range of around 1% to 7% (sources: CSM Worldwide, PricewaterhouseCoopers Autofacts and Goldman Sachs' most recent reports).

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

European Brake Industry Structure

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

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

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

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

Main Products

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

Anchors are safety parts expected to meet high technological requirements such as very high standards for strength resistance, elongation, machining, torsion, resilience, thermal stability and vibration reduction. Anchors are responsible for

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fixing the brake module to the chassis. ACE's anchors are made of nodular iron. Iron anchors are currently applied in most of the newly produced cars.

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

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

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

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

The second project covered by the same division is development of aluminium front callipers, which are used in high-end cars. The subsidiary was nominated by its customer as a supplier of front callipers, and the start of serial production began in the last quarter of 2009.

ACE was also nominated by one of its current customers to provide machining of iron, which began in 2009. This is the first project in iron machining and, given the important presence of ACE in iron casting, represents a very interesting opportunity for growing this business.

Main customers

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). The supplies to Bosch are made at its plants in Buelna (Spain), Bari (Italy), Angers (France) and Wrocław (Poland).

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.

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

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

Suppliers

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

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

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

Research & Development

The Group has 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 some 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 necessary for the Feramo investment project in terms of knowledge transfer and development.

ACE 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.

The R&D expenditures in the first quarter of 2010 are as follows:

In '000 Euro

	<i>First quarter of 2010</i>	<i>First quarter of 2009</i>
Investments in R&D	258	243
Costs regarding R&D	654	508
Total R&D expenses	912	751

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 recent years, the Spanish plant will focus on maintaining its strong market position in iron castings, while the plant in Poland, currently the number two aluminium calliper provider, will strive to gain additional market share in the aluminium castings market by capturing additional volumes for production of callipers, due to its high degree of innovation and competitiveness. Planned development of new capacities at Feramo will position the Czech plant among important suppliers of automotive castings in future.

Broadening the technological and product range

The Group has already expanded the current product portfolio, especially through introduction of new aluminium products in Poland and the acquisition of Feramo. In 2008 ACE successfully started production of TMC, which should generate a considerable portion of revenues in future. There 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.

Increasing presence in Europe

The location of the Polish plant is very favourable because of the lower labour costs and the proximity to customers based in Central & Eastern Europe. Feramo is also located in the heart of the automotive industry, a very short distance from current customers and potential new customers. This advantage will be utilised in future after expansion of Feramo's production capacity.

The increased CEE exposure enables optimisation of the ACE Group's cost position and further business growth through expansion of the current offer and meeting customers' expectations for more flexible deliveries. With hi-tech know-how and experience in deliveries to the automotive industry, top product quality and customer service are guaranteed.

Combined engineering and other synergies

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

5. Outlook for the following months

As far as 2010 is concerned, available forecasts for European automotive market show some stability and even slight growth for the current year in terms of production, but still a relevant decline in terms of sales mainly due to the end of government scrapping incentive schemes. Thus, the JD Power forecast issued in April estimated a decline of sales by 8.1% compared with 2009 in Western Europe.

However, in terms of production forecasts show more stability, as expected. The most recent forecast by Pricewaterhouse Coopers Autofacts is for increased production by only 1% in the same region or around 5% for the full European Union and Eastern Europe. Some other production forecasts, like CSM, are more conservative estimating a growth by only around +1% for full Europe.

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

Nevertheless, it is also worth to remark that most of this market growth has been already recorded in the first quarter of the year. In this sense, sales were higher by 11% until March and thus, to meet market expectations, the period from April to December 2010 should decline an average of 15.3% versus the same period of 2009. In the same way, production grew already by 32% in the first quarter and hence to be stable on annual basis it should decline by around 10% in the period from April to December 2010 versus the same period of 2009. Obviously there is some component of seasonability in this unbalanced yearly volumes breakdown, but probably there is also some decline of sales discounted on sales outlook for 2010 which remains highly uncertain as scrapping incentives roll over.

In terms of Group sales in first quarter of 2010 we accelerated the volume of sales, probably anticipating part of the yearly turnover. For incoming months, according to our orders book and further expectations we can also see some decline when comparing the period April to December 2010 versus 2009. Within this framework and in the current environment of market under capacity where the pressure on prices in exchange of volumes is very present, our initial forecast of annual sales volume growth in the range of 5-10% compared to 2009 might be reviewed accordingly in the future towards the lower level of the range, especially driven by the aluminium segment.

Non automotive business is generally performing worse than automotive segment and due to its generalistic scope it is less predictable and its orders book has lower visibility.

Meantime one of our main tasks today is focused on actively pushing on the pipeline of new products and projects to fulfill as much as possible the spare capacity created in the Group as a consequence of the slowdown. 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. It is clear for the Company that the current financial structure allows the Group to face this situation in better standing, and that companies which manage to deal better with the new environment will be stronger after the slowdown.

6. Additional information

Major shareholders (over 5% of shareholder's equity) as of March 31st, 2010

As of the end of December 2008 the Company's share capital comprised 22 115 260 shares and the same number of corresponding votes. On 17 June 2009 the Extraordinary Shareholders Meeting approved cancellation of 884 745 buy-back shares. As of March 31, 2010 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 quarter of 2009, the following shareholders are entitled to exercise over 5% of voting rights at the General Meeting of Shareholders in the Company:

	<i>As of March 31, 2010</i> <i>(% of share capital)</i>	<i>As of December 31, 2009</i> <i>(% of share capital)</i>
Casting Brake (Spain)	2 430 607 (11.45%)	2 980 607 (14.04%)
PZU „Złota Jesien” OFE	3 696 233 (17.41%)	3 696 233 (17.41%)
ING Nationale Nederlanden Polska OFE	3 621 926 (17.06%)	3 621 926 (17.06%)
Pioneer Pekao Investments	2 137 704 (10.07%)	1 739 612 (8.19%)
AVIVA Investors Poland	1 098 605 (5.17%)	Below 5%

On 6 April 2010 the Company received an official notification from Powszechnie Towarzystwo Emerytalne PZU S.A., on behalf of Otwarty Fundusz Emerytalny PZU „Złota Jesień”, that the fund had increased its holding in the Company to 3,792,171 shares/votes (17.86% of the share capital and votes).

On 15 April 2010 the Company received an official notification from Pioneer Pekao Investment Management S.A. on behalf of Pioneer Pekao Open-end Fund that the total number of voting rights possessed by the Fund at the Automotive Components Europe S.A. general shareholder's meeting was increased to 9.19%. The increase was a result solely of transformation of a number of existing open-end investment funds into subfunds of Pioneer Open-end Investment Fund.

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

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

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

The Company did not conclude any transactions with its subsidiaries or related parties in the first quarter of 2010.

Information on paid or planned dividend

The dividend policy of ACE remains unchanged as regards the policy stated in the Prospectus.

Changes of the Company's managing or supervisory persons in the first quarter of 2010

On 18 February 2010 the Board of Directors appointed Carlos Caba, Senior Officer of ACE S.A., as Director of the Company to fill the vacancy caused by the resignation of Arkadiusz Podziewski until the next General Meeting, in accordance with Art. 7 of the Articles of Association of the Company and Art. 6 of the Bylaws of the Board.

On the same date, in accordance with Art. 8.1 of the Articles of Association of the Company and Art. 38 of the Bylaws of the Board, the Board appointed Marek Adamiak, Class A Director, as Chairman of the Board. In accordance with Art. 13 of the Articles of Association of the Company and Art. 38 of the Bylaws of the Board, the Board also appointed Marek Adamiak as a member of the Audit Committee, which appointment will expire at the next General Meeting.

On 8 March 2010 the Board of Directors received a formal notification from Laurence Vine-Chatterton of his immediate resignation as a Director of the Board of the Company due to personal reasons.

On 16 March 2010, pursuant to Art. 7.6 of the Articles of Association of the Company and §6 of the Bylaws of the Board, Oliver Robert Günter Schmeer was appointed as a Director of the Company to fill the vacancy caused by the resignation of Mr Vine-Chatterton until the next General Meeting.

Information on the supervision of employee stock option plans

An employee share option plan (the "ESOP") was approved by the Board at their meeting held on 22 February 2007. Currently, a manager of EBCC can benefit from the ESOP. The ESOP gives specified persons (the "ESOP Beneficiaries") the opportunity to acquire a stake in the capital of the Company. The extraordinary General Meeting held on 14 March 2007 approved the introduction of authorised share capital of 1,002,505 shares for the purposes, inter alia, of the ESOP. The options granted shall vest pro-rata on a quarterly basis over four years from the Allotment Date, and shall be exercisable on an annual basis from the second anniversary of the completion of the Offer. Options that have not yet vested upon the voluntary resignation or dismissal for cause of the beneficiary will automatically lapse upon the termination of the relationship between the beneficiary and the ACE Group. Where the relationship ends in the voluntary resignation or dismissal for gross negligence, fraud or wilful misconduct, all rights to shares vested over the last 12-month period are cancelled. The total number of shares subject to the ESOP shall not exceed 1,002,505. The strike price will be equal to the Offer Price, which was PLN 20.50.

Investor Relations Contact Person:

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

Quarterly Consolidated Report for the quarter ended March 31st, 2010**Information on the revenues and net results of individual business segments and geographical segments**

Geographical segments in '000 Euro			
	<i>First quarter of 2010</i>		<i>First quarter of 2009</i>
Western Europe	14 327		10 186
Eastern Europe	7 607		6 151
Other	190		40
Total	22 124		16 376

Business segments in '000 Euro				
	<i>Iron castings</i>	<i>Aluminium castings</i>	<i>Other</i>	<i>Consolidated</i>
Total revenues	12 587	8 579	958	22 124
Operating Profit for the segment	1 136	740	- 164	1 712
Net Profit for the segment	653	1 175	- 163	1 665

7. Stock Market Information

Basic Information

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

Share Price Evolution

% of change as of the end of March 2010

	<i>Compared to the end of 2009</i>
ACE S.A.	41.7%
WIG Index	6.2%
SWIG80 Index	12.1%

Stock Market Data

	<i>First quarter of 2010</i>	<i>2009</i>	<i>2008</i>
Market capitalisation as of the end of the period (in millions of PLN and €)	PLN 231.4m € 59.9m	PLN 163.3m € 39.7m	PLN 38.9m € 9.3m
Share price (in PLN)			
- Highest	10.90	7.69	12.23
- Lowest	6.60	1.10	1.66
- Average	8.28	4.16	7.51
- At the end of the period	10.90	7.69	1.76
Shareholders equity per share (in EUR)	1.83	1.74	1.57

Per Share Data

	<i>First quarter of 2010</i>	<i>First quarter of 2009</i>	<i>2009</i>	<i>2008</i>
Earnings per share (in EUR)	0.08	-0.18	0.09	0.01
Cash Flow per share (in EUR)	-0.04	-0.19	0.09	0.00
Dividend per share (in EUR)	-	-	-	-

B. Condensed Consolidated Financial Statements for the quarter ended March 31st, 2010

The condensed consolidated quarterly report for the first quarter of 2010 was prepared according to International Accounting Standards.

Applied Exchange rates

As ACE is incorporated in Luxembourg, its statutory reporting currency is Euro. However, Polish plant uses *zloty* and Feramo uses Czech korona for both statutory and internal reporting. For the consolidation within ACE, the financial monthly statements of polish plant are converted into euro by being its functional currency.

The following table shows certain information regarding the exchange rate between *zloty* and euro for the respective periods of analysis. This information is based on the official exchange rates quoted by the National Bank of Poland on its website www.nbp.gov.pl.

Investors should also note that the average rates are simple arithmetic averages for each given period.

<i>PLN per 1 Euro</i>	<i>Average</i>	<i>High</i>	<i>Low</i>	<i>Period end</i>
Jan 1 – Mar 31, 2009	4.4976	4.8999	3.9170	4.7013
Jan 1 – Mar 31, 2010	3.9869	4.1109	3.8622	3.8622

The following table shows certain information regarding the exchange rate between *korona* and euro for the respective periods of analysis. This information is based on the official exchange rates quoted by the Czech National Bank on its website www.cnb.cz.

Investors should also note that the average rates are simple arithmetic averages for each given period.

<i>CZK per 1 Euro</i>	<i>Average</i>	<i>High</i>	<i>Low</i>	<i>Period end</i>
Jan 1 – Mar 31, 2009	27.5993	29.4700	26.1200	27.3800
Jan 1 – Mar 31, 2010	25.8677	26.3700	25.2850	25.4450

Consolidated Balance Sheet as of March 31st, 2010 in thousands of Euros

<i>Assets</i>	<i>As of Mar 31, 2010</i>	<i>As of Dec 31, 2009</i>	<i>As of Mar 31, 2009</i>
Non-current Assets			
Intangible assets	228	139	232
Property, plant and equipment	40 876	41 988	44 837
Investment in associates	20	20	20
Deferred tax assets	876	1 151	1 463
Trade and other long term receivables	0	0	1
Total Non-current Assets	42 000	43 298	46 552
Current assets			
Inventories	9 632	7 623	7 921
Trade and other receivables	15 845	13 989	13 568
Other current assets	122	106	0
Cash and cash equivalents	11 084	11 906	5 840
Total Current Assets	36 683	33 624	27 330
Total assets	78 683	76 922	73 882

Quarterly Consolidated Report for the quarter ended March 31st, 2010

<i>Equity & Liabilities</i>	<i>As of Mar 31, 2010</i>	<i>As of Dec 31, 2009</i>	<i>As of Mar 31, 2009</i>
Equity			
Share capital	3 185	3 185	3 317
Share premium	6 931	6 931	6 931
Retained earnings	27 088	25 108	24 976
Exchange gain or loss against equity	- 74	- 357	- 584
Profit for the year	1 665	1 980	-4 049
Total Equity	38 795	36 847	30 591
Liabilities			
Non-current liabilities			
Borrowings (NCL)	12 518	14 271	15 127
Deferred income	202	213	241
Deferred tax liabilities	3 473	3 410	3 466
Provisions for other liabilities and charges (NCL)	123	109	96
Derivative financial instruments (NCL)	173	444	2 026
Total Non-current Liabilities	16 489	18 447	20 957
Current liabilities			
Trade and other payables	16 325	14 866	11 634
Borrowings (CL)	5 612	5 018	8 444
Derivative financial instruments (CL)	636	953	1 299
Other current liabilities	11	14	103
Provisions for other liabilities and charges (CL)	816	777	855
Total Current Liabilities	23 400	21 628	22 335
Total Liabilities	39 889	40 075	43 291
Total equity and liabilities	78 683	76 922	73 882

Quarterly Consolidated Report for the quarter ended March 31st, 2010**Consolidated Income Statement for the period from January 1st to March 31st, 2010
in thousands of Euros**

	<i>For the 1st quarter of 2010 From January 1st to March 31st, 2010</i>	<i>For the 1st quarter of 2009 From January 1st to March 31st, 2009</i>
Sales	22 124	16 376
Cost of goods sold	-17 161	-14 218
Gross profit	4 962	2 159
Selling and distribution costs	- 576	- 399
General and administration costs	-2 674	-2 589
Other income	73	350
Other expenses	- 73	- 138
Operating profit	1 712	- 617
Financial Revenues (*)	778	105
Financial Costs (*)	- 282	-3 732
Profit before income tax	2 207	-4 244
Income tax expense	- 542	195
Profit for the period	1 665	-4 049
Depreciation	-1 596	-1 443
EBITDA	3 307	825

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

**Consolidated Statement of changes in Shareholders' Equity for the period from January 1st to March 31st, 2010 in
thousands of Euros**

Attributable to equity holders of the Parent

	<i>Share capital</i>	<i>Share premium</i>	<i>Legal Reserve</i>	<i>Retained earnings</i>	<i>Exchange differences</i>	<i>Profit for the period</i>	<i>Net Equity</i>
Balance as of Jan 1, 2010	3 185	6 931	307	24 801	- 357	1 980	36 847
Allocation of 2009 profit				1 980		-1 980	0
Profit / Loss for the period						1 665	1 665
Total recognised income and expenses for the period						1 665	1 665
Exchange differences					283		283
Balance as of Mar 31, 2010	3 185	6 931	307	26 781	- 74	1 665	38 795

Quarterly Consolidated Report for the quarter ended March 31st, 2010**Consolidated Cash Flow Statement for the period from January 1st to March 31st 2010
in thousands of Euros**

	<i>From Jan 1st to Mar 31st, 2010</i>	<i>From Jan 1st to Mar 31st, 2009</i>
Profit before income tax	2 207	-4 244
Adjustments for:		
- Depreciation and amortizations of non-current assets	1 596	1 443
- Net financial result	91	4 610
-Gain and losses on charges in fair values of derivate financial instruments	- 588	- 973
- Net movements in provisions	- 11	- 105
Changes in working capital(excluding effects of acquisition and exchange differences on consolidation)		
- Inventories	- 965	2 840
- Trade and other receivables	-2 075	- 500
- Trade and other payables	796	-4 209
Cash from operations activities	1 051	-1 137
Income tax paid	- 14	0
Net cash from ordinary activities	1 037	-1 137
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	0	0
Purchases of property, plant and equipment (PPE)	- 551	- 236
Proceeds from sale of non current assets	0	55
Purchases of intangible assets	- 4	0
Net cash used in investing activities	- 555	- 181
Cash flows from financing activities		
Repayments of bank borrowings	-1 322	-1 269
Proceeds from bank borrowings	157	3 026
Proceeds from other loans	25	0
Net of financial result paid and received	- 168	-4 618
Net cash used in financing activities	-1 308	-2 860
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	- 826	-4 178
Cash, cash equivalents and bank overdrafts at beginning of the period	11 906	10 098
Effects of exchange rate changes on the balance of cast held, in foreign currencies	4	- 80
Cash, cash equivalents and bank overdrafts at the end of the period	11 084	5 840

Notes to condensed financial statementsAccounting policies

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

Consolidated entities

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

Share capital changes

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

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

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

There were no significant non-recurring items affecting assets, liabilities, equity, net income or cash flows for the first quarter.

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

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

Dividends Paid in the period of the first quarter of 2010

There was no dividend paid in the first quarter of 2010.

Issuances, repurchases and repayments of debt and equity securities

The company repaid EURO 1.3 million of debt in the first quarter of 2010.

Material events after the end of the first quarter of 2010 that have not been reflected in the financial statements

There were no material events after the end of the period to be reflected in the financial statements

Changes in the composition of the Company during first quarter of 2010

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