Automotive Components Europe S.A.

Quarterly Consolidated Report

for the

Quarter ended September 30th , 2011

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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 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. 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 September 30, 2011

Management Committee:

Jose Manuel Corrales	*Chief Executive Officer*
Raul Serrano	*Senior Officer, Chief Financial Officer*
Carlos Caba	*Senior Officer, Business Development Manager*

Board of Directors:

Jose Manuel Corrales	*Class CB Director, President*
Raul Serrano	*Class CB Director*
Jerzy Franczak	*Independent Director*
Rafał Lorek	*Independent Director*
Piotr Nadolski	*Independent Director*
Oliver Schmeer	*Independent Director*

The condensed consolidated quarterly report for the third quarter of 2011 was prepared according to International Accounting Standards.

2. Financial Highlights

in '000 Euro

Selected consolidated financial items	***For the 3rd quarter of 2011 From Jul 1st to September 30th, 2011***	***From Jan 1st to Sept 30th , 2011 Cumulative***	***For the 3rd quarter of 2010 From July 1st to September 30th , 2010***	***From Jan 1st to Sept 30th , 2010 Cumulative***
Revenues from sales	22 760	75 434	20 110	64 034
Operating Profit	1 051	3 802	768	3 083
Profit before tax	281	2 682	1 059	2 869
Net profit	- 125	1 627	848	2 236
Net profit attributable to equity holders of the parent company	- 125	1 627	848	2 236
Cash flow from operating activities	3 425	2 132	1 241	6 630
Cash flow from investment activities	-1 267	-1 944	- 324	-1 808
Cash flow from financial activities	-2 086	-2 489	-1 606	-4 388
Net cash flow	- 633	-3 145	- 898	211
Current assets	41 055	41 055	34 896	34 896
Fixed assets	39 137	39 137	40 877	40 877
Total Assets	80 192	80 192	75 773	75 773
Liabilities	42 059	42 059	37 122	37 122
Long-term Liabilities	21 523	21 523	14 528	14 528
Short term Liabilities	20 536	20 536	22 594	22 594
Shareholders' Equity	38 133	38 133	38 650	38 650
Shareholders' equity attributable to shareholders of the parent company	38 133	38 133	38 650	38 650
Share capital	3 185	3 185	3 185	3 185
No of shares outstanding	21 230 515	21 230 515	21 230 515	21 230 515
Net profit (loss) per share	-0,01	0,08	0,04	0,11
Book value per share	1,80	1,80	1,82	1,82

3. Financial performance

Consolidated Profit & Loss Statement

in '000 Euro

	For the 3rd quarter of 2011 From Jul 1st to September 30th, 2011	***From Jan 1st to Sept 30th , 2011 Cumulative***	***For the 3rd quarter of 2010 From July 1st to September 30th , 2010***	***From Jan 1st to Sept 30th , 2010 Cumulative***
Revenues from sales	22 760	75 434	20 110	64 034
Cost of goods sold	-18 721	-61 074	-16 302	-51 109
Gross profit	4 039	14 360	3 808	12 926
GP margin	*17,7%*	*19,0%*	*18,9%*	*20,2%*
G&A expenses	-2 988	-10 558	-3 040	-9 843
Operating profit	1 051	3 802	768	3 083
OP margin	*4,6%*	*5,0%*	*3,8%*	*4,8%*
Depreciation & amortisation	-1 430	-4 378	-1 315	-4 360
EBITDA	2 481	8 179	2 083	7 443
EBITDA margin	*10,9%*	*10,8%*	*10,4%*	*11,6%*
Financial income	725	1 383	98	919
Financial costs	-1 495	-2 502	193	-1 133
Profit before tax	281	2 682	1 059	2 869
Tax	- 406	-1 055	- 211	- 632
Net profit	- 125	1 627	848	2 236
NP margin	*-0,5%*	*2,2%*	*4,2%*	*3,5%*

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.

Sales revenues in '000 Euro	***Three quarters of 2011***	***%***	***Three quarters of 2010***	***%***
Sales of products	72 886	96,6%	61 334	95,8%
Sales of goods and materials	2 548	3,4%	2 700	4,2%
Total sales revenue	**75 434**	**100%**	**64 034**	**100%**

Sales revenue in '000 Euro	***Three quarters of 2011***	***%***	***Three quarters of 2010***	***%***
Nodular iron products	36 370	49,9%	28 518	46,5%
Grey iron products	11 019	15,1%	9 083	14,8%
Aluminum products	19 978	27,4%	20 217	33,0%
New family products	5 519	7,6%	3 516	5,7%
Total sales	**72 886**	**100%**	**61 334**	**100%**

Sales volumes in million pieces	***Three quarters of 2011***	***Three quarters of 2010***
Nodular iron products	17,3	15,5
Grey iron products	1,4	1,5
Aluminum products	4,0	4,2
New family products	1,3	0,8
Total pieces sold	**24,0**	**22,0**

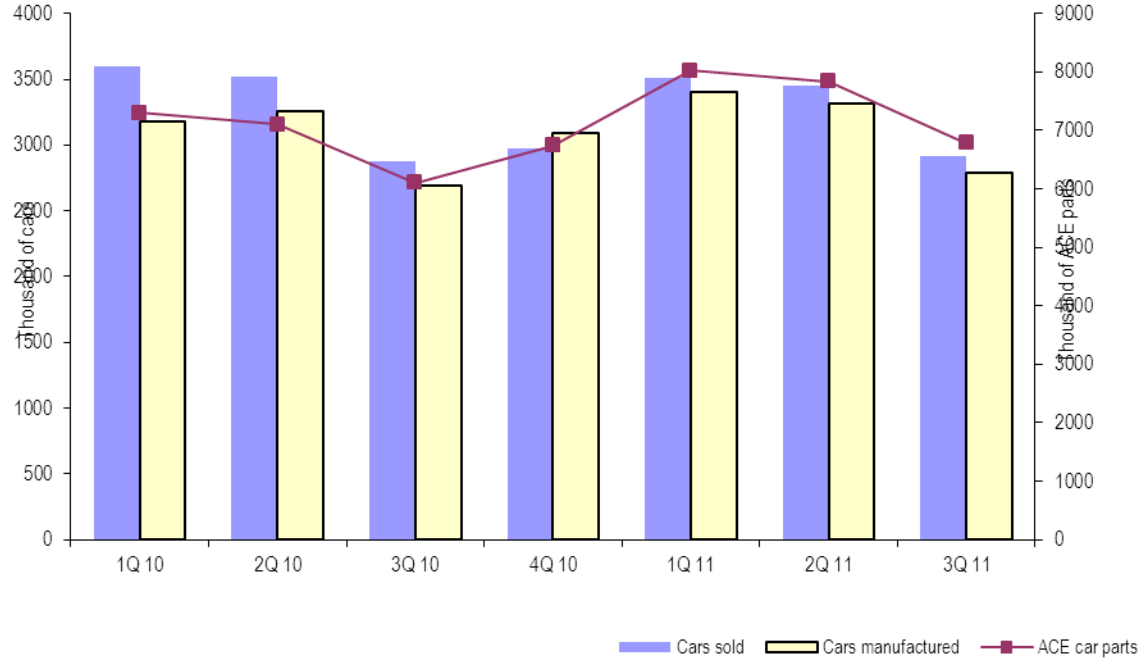
The geographical profile of sales directly reflects the location of major customer' factories producing complete braking systems.

Revenues by country	***Three quarters of 2011***	***Three quarters of 2010***
Germany	23,5%	28,1%
Czech Republic	23,4%	24,4%
France	12,7%	11,8%
Spain	8,0%	8,3%
Italy	3,7%	4,8%
Other	28,7%	22,6%
Total	**100,0%**	**100,0%**

Automotive Market Performance

(thousand Units)	3Q 2010	3Q 2011	Difference	%
Cars sold	2.875	2.916	42	1,4%
Cars manufactured	2.693	2.793	100	3,7%
Difference sales-prod	182	123		

Source: JD Power Forecasting



In the third quarter of 2011 sales of cars in Western Europe increased by about 40,000 units, or 1.4%, from the third quarter of 2010, according to JD Power. Indeed, market conditions remain tough, being Germany the only real success story with sales up by 8.1% — the year-to-date market was up by 10.8%.

However, car production in the same region and the same period was still higher than in the third quarter of 2010, by around 100,000 units, or 3.7%. This level of production is making up the gap with sales compared to last year and also shows a much more stable structure between both market drivers after a turbulent period of negative and positive corrections of inventories produced by the global crisis.

We can still see a clear gap appearing in year to date, where difference between sales and production is higher, being sales lower by 1.1% and production higher by 4.1%.

ACE sales in the market context

It is only in this context of increasing production, which is the main driver of Group sales, that we can understand the increase in 3Q 2011 turnover versus 3Q 2010, up EUR 2,650,000, or 13%. Besides, focusing only on automotive companies, growth of turnover was higher by 16% with much flatter non-automotive sales.

In volume terms, growth was 9% in the number of units. Once again, the difference between value and volume in the Group was driven by the increasing prices of raw materials and partly energy prices in 2011, versus 2010, as they are partially passed along to customers as an adjustment in the selling price.

The allocation of this volume growth is still unbalanced in the different business segments. While the iron segment rose by 10.6%, aluminium rose by only 3.5% (including the new family of products). The main reason for this uneven growth was the more rapid business development of aluminium in recent years, with the introduction of new projects, nearly doubling, versus a low base effect in nodular iron. Within the iron segment, nodular iron grew by 13.5% whereas grey iron fell by 17%, this drop being less than 10% if we refer to weight, which is much more reliable indicator in this business.

These are also the reasons the Company is performing better than the market in general. Some recovery of premium and mid-sized cars in the market may also support this outperformance.

Direct production costs and gross profit

Higher turnover in third quarter of 2011 comparing with same quarter of 2010 definitively determined company performance in the period, even though lower profile of sales mix, and especially lower percentage of machining parts, did not allow a better outcome.

In the same direction, Maintenance expenses increased comparing year-on-year, connected with some especial actuations occurred during holiday’s shut downs.

Finally, results of other business contributed positively during third quarter of 2011, when comparing with the same period of 2010.

As a result of the above, the quarterly gross margin was EUR 4.0 million (17.7% on sales), which is EUR 0.2 million or 6% higher than in 2010.

General & administrative expenses

General and administrative expenses were lower by EUR 52.000 or -1.7% y-o-y, despite the increase in overheads expenses, growing by EUR 150,000, partly containing pay rises and incorporation of some key company roles not yet covered, especially in Feramo, to create a solid basis in order to expand this company in the near future,

Comparing y-o-y, some non recurent launching costs of new projects born in 2010 and better performance in selling and distributing contributed positively to the results of this quarter.

EBITDA and operating profit

Driven by a higher operating leverage with stable G&A expenses, EBITDA in the period was EUR 2,481,000 (10.9% on sales), EUR 398,000 up compared with the same period of 2010 (19% higher) for the reasons already mentioned.

Depreciation was slightly growing in the period, resulting in an operating profit of EUR 1,051,000 (EUR 283,000 higher than 2010).

Also the impact of better operating leverage driven by 18% higher sales, rose year-to-date EBITDA in 2011 to EUR 8.2 million (10.8% on sales and EUR 0.7 million higher than in 2010) and EBIT to EUR 3.8 million (EUR 0.7 million higher than in 2010).

Financial items

The financial result for the third quarter of 2011 was negative by EUR 770 thousand, being lower by EUR 1.061 thousand in comparison with the same quarter of 2010. The main impact is allocated in FX and mainly related to changes in the outstanding balances at the end of the quarter due to weakening of PLN. The most of the above recorded losses are not realized and having accounting nature only. The reverse situation would occur in strengthening scenario of PLN.

Adversely, during the same quarter of 2010, strengthening of PLN versus Euro had the opposite effect than in 2011, positively amplified by the valuation of derivative financial instruments, which at that time were not considered as hedge accounting.

After the period, the fair value of hedging instruments and the interest rate swap in the balance sheet is negative by EUR 1.062,000. According to accounting standards changes in valuation of current hedging instruments have no impact on P&L account and are fully cleared through the equity in the balance sheet.

Profit before tax and tax

With net negative financial result cutting the positive differences of operating margins, profit before tax in third quarter was positive by EUR 281 thousand (EUR 0.8 million lower than 2010).

Taxes recorded as a consequence of non-taxable FX expenses were EUR 406,000.

Net profit

Reflecting these financial results offsetting a better operating performance, Net Profit of the company for the third quarter was EUR -125,000, or EUR -973,000 compared with 2010.

However, total year-to-date Net Profit in 2011 rose to EUR 1.6 million (EUR 0.6 million lower than in 2010).

Financial Position

The operating generation of cash from January to September of 2011 was positive by EUR 2.1 million, still very low comparing against 2010, but largely improved in the last quarter. It was not better mostly as a result of the working capital increase driven by 18% sales growth in 2011 in comparison with the last year of 2010. Some regulatory changes in Spain involving reduction of payment terms to suppliers contributed to the decline in operating cash.

Otherwise, investing activities (much higher than during first half of the year), at EUR 1.949,000 during the period, partially affected by CEE project capital expenditure, which will be also visible during the last quarter of the year. In financing activities, repayment of a new loan was partly offset by some new incentivized loans for R&D activities.

Finally, dividend payment by EUR 1.486.000 was also recorded in the period.

Despite a net cash reduction by EUR 3.145.000, the final cash position of the Company as of the end of September 2011 remains strong at EUR 14.2 million with Net debt as of same date at only EUR 6.1 million.

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 2011 predicts a slight decline of new car sales in Western Europe by about 1,4%, though production forecasts are more positive, showing a trend of stability and even positive growth in the range of around 4.9% (source: PricewaterhouseCoopers Autofacts' most recent report issued in October 2011).

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, was mostly outsourced to CEE suppliers, such as ACE's plant in Poland or LeBelier in Hungary though after crisis period and consequent creation of overcapacity, Tier 1 are retaining an important part of machining business for themselves.

All new cars produced in Europe are equipped with disc brakes, as far as the front axle is concerned. 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.

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 using of brake systems aluminium callipers is 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 and in fact the company became awarded with some of the few applications in the market, which are in the production pipeline since the last quarter of 2009.

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 fixing the brake module to the chassis. ACE's anchors are made of nodular iron. Iron anchors are currently applied in most of 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 mostly 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. Since January 2010, a new production line for front aluminium callipers has been in operation. A new manufacturing system to produce front callipers in aluminium is an innovative solution recently introduced by ACE, and this system has already been patented. ACE is the only supplier of this component in Europe.

ACE continuously cooperates with its customers on redesign and development of products 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.

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 above 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. Evolution of new family of products in 2010 four times than those in 2009, which illustrates and supports very well that strategy.

<u>Main customers</u>

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). During 2011, the Group is also delivering parts to some of the American plants of its customers to palliate some discontinuation of supply driven by the scenario of under-capacity in this region.

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 in Feramo, a few new customers have been actively approached, and the company has already reached commercial agreements with some of them to produce new parts since beginning 2013.

The Company did 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 stop of facilities.

<u>Suppliers</u>

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.

<u>Research & Development</u>

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 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 of the Group's research capabilities development and the 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.

The R&D expenditures in third quarter of 2011 are as follows:

In '000 Euro

	Three quarters of 2011	*Three quarters of 2010*
Investments in R&D	769	583
Costs regarding R&D	822	1 920
Total R&D expenses	**1 592**	**2 503**

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. 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 the other direction, implementation of nodular iron technology, promoted by the Group to manufacture new parts for the automotive segment is also on-going, and after the CEE investment Project implementation, which launch is expected in January 2013, ACE will also change its profile in nodular iron segment (location, products and customers among other).

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 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 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 Company is focused in expansion Europe, ACE is actively exploring opportunities in other important automotive areas in fast development like Asia, and America.

Combined engineering and other synergies
Integration of automotive plants as well as 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.

5. Outlook for the following months

Automotive Market: third quarter of 2011 versus third quarter of 2010

The latest JD Power forecast for sales in the Western European automotive market, issued at the beginning of October for full-year 2011, anticipates a decline by -1.4% from 2010. Given that so far the difference is a negative 1.1%, this means that in the last quarter of the year we can expect a reduction of about -2.4%, or around 70,000 cars.

However, production forecasts are somewhat more optimistic. PwC Autofacts, in its last quarterly forecast update (including light commercial vehicles, LCV) issued in October 2011, shows an increase of 4.9% in full year 2011 in the European Union (7.6% including Eastern Europe), which with the current level of production at +4.1% means again a four-quarter increase in the range of 5 to 10% compared to the same period of 2010.

According to the same source, and on the basis of this difference between sales and production, which is not new and even milder in 2011 than in the previous year, "Europe is facing increasingly strong headwinds in the form of escalating sovereign debt crises, austerity measures, and slowing economic growth. Accordingly, expectations for new car demand in the EU and EFTA have decreased from 13.7m units to 13.5m units. While demand is undoubtedly weak – with 2011 likely to be the fourth consecutive year of decline and the lowest level of demand since 1996 – the market is showing surprising resilience given the developing economic and financial crises. This trend is largely because businesses and fleets (that massively reduced purchases during the 2009 downturn), are now providing much needed sales support."

Automotive market in 2012

German car registrations were once again up in September and keep the market on course for a solid full year improvement. However, the chance of strong growth next year is slim. Indeed, with the economic outlook remaining challenging, next year is expected to see volumes even lower. PwC Autofacts anticipates that the deteriorating economic and financial situation will affect demand next year, with business demand growth slowing and private demand deteriorating further. As a result, the 2012 demand forecast was lowered this quarter to 13.4m units, a decline of ~1% from 2011. The production forecast for LCVs from the same source is some flatter, showing a slight increase by 0.3% for European Union (2.4% including Eastern Europe).

On the other hand, JD Power is pointing out to a decline of -1.3% in sales for Western Europe in 2012.

Group Sales

In terms of Group sales in YTD, the volume of sales accelerated even beyond expectations, probably anticipating part of the yearly turnover. For the upcoming months, according to the order book and further expectations, the Group can anticipate a growth of turnover in full year 2011, probably more than 15% above 2010, within the expected prices of raw materials and energy (affecting selling prices). In terms of sales volume, the growth should be close to 10%, clearly above the market forecasts (which also include LCVs). Again, most of the growth should be allocated to the nodular iron segment, following the trend of the YTD.

The yearly sales growth of the non-automotive business is performing similar than the automotive segment, but due to its generalised scope it is less predictable and the order book has lower visibility.

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

Meanwhile, one of the main tasks today is 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, which applies especially to machining activity and 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.

Economy drivers

In terms of potential further impact produced by the temporary gap in surcharge of raw material prices to customers, the Group stresses that this is a non-recurrent effect, and depending on the trend in raw material prices onwards, some or even all of the difference may be recovered. However, in 2012, the Group expects stability in raw material prices compared to the previous year. Energy prices are another subject that in a trend of permanent growth must be re-opened in the negotiations with customers to overcome the current 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 Company's important competitive advantage, mostly provided by the high degree of specialization and thorough knowledge of the product, should help the Company to a significant extent to face this situation in better standing, but the Company 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.

Capital expenditure

In terms of capital expenditures for 2011, in the current business the Company does not anticipate expenditures other than some maintenance and renewal investments in the automotive segment and some others, more important, to boost the efficiency in the grey iron business, but in total not exceeding the amount of capex in 2010. However, in this context of constant growth in the automotive market, 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, and will also mean some additional and higher amounts of capex in 2011, but especially in 2012.

CEE investment programme

Indeed, organic growth in automotive production mainly relies on the CEE investment programme. For this reason, at its meeting on 31 March 2011 the Board of Directors approved an important investment programme to expand the Company's automotive business in Eastern Europe. The programme calls for capital expenditure of up to EUR 7.5 million within the next two years on capacity development of ACE's existing production facilities in the CEE region.

An additional purpose of the programme is to expand the portfolio of manufactured products and further diversify future revenues. According to a preliminary schedule, the first parts will be produced from January 2013. This programme will be entirely financed from internal resources and through recently restructured debt. The management of the Company is currently involved in start-up 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.

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 Company and the shareholders and should not worsen the financial situation of the existing plants in any way.

6. Additional information

Major shareholders (over 5% of shareholder's equity) as of September 30th, 2011

As of September 30, 2011 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 third quarter of 2011, the following shareholders are entitled to exercise over 5% of voting rights at the General Meeting of Shareholders in the Company:

	As of September 30, 2011 (% of share capital)	***As of December 31, 2010 (% of share capital)***
Casting Brake (Spain)	2 430 607 (11,45%)	2 430 607 (11,45%)
PZU „Zlota Jesien" OFE	4 150 000 (19,55%)	4 188 913 (19,73%)
ING Nationale Nederlanden Polska OFE	3 500 000 (16,49%)	3 674 050 (17,31%)
Pioneer Pekao Investments	1 061 525 (5,00%)	2 153 072 (10,14%)
AVIVA Investors Poland	1 098 605 (5,17%)	1 098 605 (5,17%)
ING Towarzystwo Funduszy Inwestycyjnych	2 211 551 (10,42%)	1 087 615 (5,12%)

On 04 November 2011 the Company received an official notification from ING Towarzystwo Funduszy Inwestycyjnych SA, acting on behalf the portfolio of investment funds (hereinafter referred to as "the Funds") that due to the sales transaction of Automotive Components Europe S.A. (hereinafter referred to as "the Company") shares by ING Parasol Fundusz Inwestycyjny Otwarty and ING Specjalistyczny Fundusz Inwestycyjny Otwarty Akcji 2 that took place on 27 October 2011 the total number of the Company's shares owned by the all managed Funds decreased below 10% of total number of votes in the Company.

Before the abovementioned transaction the Funds held 2 175 603 Company's shares consisting of 10,25% of the Company's share capital and entitling to 2 175 603 votes which correspond to 10,25% of the total votes in the Company.

At the date of the release of the notification, 03 November 2011, the Funds managed by ING Towarzystwo Funduszy Inwestycyjnych S.A. held 2 025 603 Company's shares consisting of 9,54% of the Company's share capital and entitling to 2 025 603 votes representing 9,54% of the total votes in the Company.

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 third quarter of 2011.

Information on paid or planned dividend

The General Meeting of Shareholders held on 21 June 2011 approved the distribution of a dividend in the total amount of EUR 1 486 136,05, amounting to EUR 0,07 per share, to be paid from the share premium account .

On 27 July 2011, the Board of Directors of the Company adopted a resolution setting forth details of the dividend payment. The dividend was paid on 16 September 2011 to shareholders holding shares of the Company on 1 September 2011 (the record date). The dividend was paid 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.

Changes of the Company's managing or supervisory persons in the third quarter of 2011

There were no changes in the Company's managing or supervisory persons in the third quarter of 2011.

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, there are no longer beneficiaries of the ESOP continuing its contractual relationship with the Group, which on the other hand expired upon the fourth anniversary of final allotment of Shares offered in the IPO (i.e. May 24, 2011), so the programme is deemed as terminated.

On 27 December 2010 Board of Directors approved a Management Remuneration scheme for current Senior Officers of ACE. According to the scheme managers will be entitled to receive a customary cash bonus related to Company growth year on year as well as value in shares of 5% of the Company market capitalisation (MCAP) growth in the period of 2010 – 2014.

The MCAP growth as the difference between initial share value and final share value will be adjusted for any share capital changes. The initial share value is PLN 9,1 . The final share value is the value of the Company shares resulting from the arithmetic average during the six (6) months after the publication of 2014 results. Allocated new shares will be subject to one year of lock-up period. Additional condition, which must be fulfilled to activate the scheme, is that cumulative value of EBITDA in the period 2010 – 2014 must reach certain level of EBITDA.

Investor Relations Contact Person:

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

Information on the revenues and net results of individual business segments and geographical segments

Geographical segments in '000 Euro

	Three quarters of 2011	*Three quarters of 2010*
Western Europe	43 420	40 462
Eastern Europe	31 221	23 196
Other	793	376
Total	**75 434**	**64 034**

Business segments in '000 Euro

	Iron castings	*Aluminium castings*	*Other*	*Consolidated*
Total revenues	47 389	25 497	2 548	75 434
Operating Profit for the segment	**4 102**	**1 580**	**-1 880**	**3 802**
Net Profit for the segment	**3 350**	**802**	**-2 525**	**1 627**

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 September 2011

	Compared to the end of 2010
ACE S.A.	-43,3%
WIG Index	-19,4%
SWIG80 Index	-27,9%

Stock Market Data

	Third quarter of 2011	*2010*	*2009*
Market capitalisation as of the end of the period	PLN 108,3 m	PLN 191,1 m	PLN 163,3m
(in millions of PLN and EUR)	€ 24,6 m	€ 48,3m	€ 39,7m
Share price (in PLN)			
- Highest	8,50	10,10	7,69
- Lowest	5,10	7,80	1,10
- Average	6,60	9,00	4,16
- At the end of the period	5,10	9,00	7,69
Shareholders equity per share in EUR (in PLN)	1,80 (7,94)	1,83 (7,25)	1,74 (7,15)

Per Share Data

	Three quarters of 2011	*2010*	*2009*
Earnings per share (in EUR)	0,08	0,12	0,09
Cash Flow per share (in EUR)	-0,15	0,26	0,09
Dividend per share (in EUR)	0,07	0,05	-

B. Condensed Consolidated Financial Statements for the quarter ended September 30th, 2011

The condensed consolidated quarterly report for the third quarter of 2011 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.

PLN per 1 Euro	*Average*	*Highest*	*Lowest*	*Period end*
1 Jul – 30 Sep 2010	4,0081	4,1529	3,9279	3,9870
1 Jan – 30 Sep 2010	4,0023	4,1770	3,8356	3,9870
1 Jul – 30 Sep 2011	4,1508	4,4900	3,9345	4,4112
1 Jan– 30 Sep 2011	4,0211	4,4900	3,8403	4,4112

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.

CZK per 1 Euro	*Average*	*Highest*	*Lowest*	*Period end*
1 Jul – 30 Sep 2010	24,9134	25,7600	24,5500	24,6100
1 Jan – 30 Sep 2010	25,4575	26,3700	24,5500	24,6100
1 Jul – 30 Sep 2011	24,3880	24,9300	24,0850	24,7550
1 Jan– 30 Sep 2011	24,3609	25,0850	24,0100	24,7550

Consolidated Balance Sheet as of September 30th 2011 in thousands of Euros

Assets	*As of Sep 30, 2011*	*As of Dec 31, 2010*	*As of Sep 30, 2010*
Non-current Assets			
Intangible assets	160	217	238
Property, plant and equipment	37 960	39 659	39 631
Investment in associates	0	0	20
Derivative financial instruments (NCA)	0	37	56
Deferred tax assets	1 017	918	931
	39 137	**40 831**	**40 877**
Current assets			
Inventories	9 672	8 262	8 707
Trade and other receivables	17 134	13 981	13 893
Derivative financial instruments (CA)	0	82	54
Other current assets	0	29	110
Cash and cash equivalents	14 249	17 433	12 131
	41 055	**39 787**	**34 896**
Total assets	**80 192**	**80 618**	**75 773**

Equity & Liabilities	*As of Sep 30, 2011*	*As of Dec 31, 2010*	*As of Sep 30, 2010*
Equity			
Share capital	3 185	3 185	3 185
Share premium	5 445	6 931	6 931
Retained earnings	28 576	26 028	26 027
Cash flow hedges	- 835	72	110
Exchange gain or loss against equity	135	35	161
Profit for the year	1 627	2 548	2 236
	38 133	**38 799**	**38 650**
Liabilities			
Non-current liabilities			
Borrowings (NCL)	17 705	18 124	10 783
Deferred income	147	174	185
Deferred tax liabilities	2 954	3 199	3 426
Provisions for other liabilities and charges (NCL)	85	92	134
Derivative financial instruments (NCL)	633	48	0
	21 523	**21 637**	**14 528**
Current liabilities			
Trade and other payables	15 966	16 866	14 743
Borrowings (CL)	2 715	2 028	5 255
Derivative financial instruments (CL)	429	338	678
Current income tax liabilities	880	544	451
Other current liabilities	45	55	1 110
Provisions for other liabilities and charges (CL)	501	351	357
	20 536	**20 182**	**22 594**
Total Liabilities	**42 059**	**41 819**	**37 122**
Total equity and liabilities	**80 192**	**80 618**	**75 773**

Consolidated Income Statement for the period from January 1st to September 30th, 2011
in thousands of Euros

	For the 3rd quarter of 2011 From Jul 1st to September 30th, 2011	*From Jan 1st to Sept 30th , 2011 Cumulative*	*For the 3rd quarter of 2010 From July 1st to September 30th , 2010*	*From Jan 1st to Sept 30th , 2010 Cumulative*
Revenues	22 760	75 434	20 110	64 034
Costs of goods sold	-18 721	-61 074	-16 302	-51 109
Gross profit	4 039	14 360	3 808	12 926
Selling and distribution costs	- 497	-1 793	- 556	-1 766
General and administration costs	-2 488	-8 950	-2 338	-7 957
Other income	32	258	29	139
Other expenses	- 36	- 73	- 174	- 259
Operating profit	1 051	3 802	768	3 083
Financial income	725	1 383	98	919
Financial expenses	-1 495	-2 502	(*) 193	-1 133
Financial result	- 770	-1 120	291	- 214
Profit before income tax	**281**	**2 682**	**1 059**	**2 869**
Income tax expense	- 406	-1 055	- 211	- 632
Profit for the period	**- 125**	**1 627**	**848**	**2 236**

(*) 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 September 30th, 2011
in thousands of Euros

Attributable to equity holders of the Parent

	Share capital	*Share premium*	*Legal Reserve*	*Retained earnings*	*Cash flow hedges*	*Exchange differences*	*Profit for the period*	*Net Equity*
Balance as of Jan 1, 2011	**3 185**	**6 931**	**307**	**25 721**	**72**	**35**	**2 548**	**38 799**
Allocation of previous year profit				2 548			-2 548	**0**
Profit / Loss for the period							1 627	**1 627**
Total recognised income and expenses for the period							**1 627**	**1 627**
Exchange differences						100		**100**
Dividend distribution		-1 486						**-1 486**
Changes in fair value of currency hedging instruments					-907			**-907**
Balance as of Mar 31, 2011	**3 185**	**5 445**	**307**	**28 269**	**- 835**	**135**	**1 627**	**38 133**

Consolidated Cash Flow Statement for the period from January 1st to September 30th, 2011
in thousands of Euros

	From Jan 1st to Sep 30th, 2011	*From Jan 1st to Sep 30th, 2010*
Profit before income tax	2 682	2 869
Adjustments for:	5 345	4 548
- Depreciation and amortizations of non-current assets	4 378	4 360
- Losses on sale of property, plant and equipment	0	- 8
- Net financial result	1 371	929
-Gain and losses on charges in fair values of derivate financial instruments	- 369	- 715
- Net movements in provisions	- 34	- 19
Changes in working capital(excluding effects of acquisition and exchange differences on consolidation)	-5 895	- 786
- Inventories	-1 945	120
- Trade and other receivables	-3 376	- 135
- Trade and other payables	- 574	- 772
Cash from operating activities	**2 132**	**6 630**
Income tax paid	-844	- 223
Net cash from ordinary activities	**1 288**	**6 407**
Cash flows from investing activities		
Purchases of property, plant and equipment (PPE)	-1 949	-1 720
Proceeds from sale of non-current assets	18	9
Purchases of intangible assets	- 13	- 97
Net cash used in investing activities	**-1 944**	**-1 808**
Cash flows from financing activities		
Repayments of bank borrowings	-1 162	-3 908
Repayment of other loans	- 84	- 289
Proceeds from bank borrowings	742	242
Proceeds from other loans	490	547
Dividends paid to Company´s shareholders	-1 486	0
Net of financial result paid and received	- 990	- 981
Net cash used in financing activities	**-2 489**	**-4 388**
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	**-3 145**	**211**
Cash, cash equivalents and bank overdrafts at beginning of the period	17 433	11 906
Effects of exchange rate changes on the balance of cast held, in foreign currencies	- 38	14
Cash, cash equivalents and bank overdrafts at the end of the period	**14 249**	**12 131**

Notes to condensed financial statements

Accounting polices

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

Company name	*Status*	*Ownership*	*Consolidation method*
ACE S.A.	Holding Company	-	Full
ACE Boroa S.L.	Holding Company	100%	Full
ACE 4C, A.I.E	R&D	100%	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.

	Before IPO		*After IPO*		*Current*	
	No of shares	*%*	*No of shares*	*%*	*No of shares*	*%*
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 third quarter

There were no significant non-recurring items affecting assets, liabilities, equity, net income or cash flows for the third 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 third quarter of 2011

The dividend of EURO 0,07 was paid on 16 September 2011 to shareholders holding shares of the Company on 1 September 2011 (the record date) 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.

Issuances, repurchases and repayments of debt and equity securities

The company repaid EURO 47 thousands of debt in the third quarter of 2011.

Material events after the end of the third quarter of 2011 that have not been reflected in the financial statements

There were no material events after the third quarter of 2011.

Changes in the composition of the Company during third quarter of 2011

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