



AUTOMODULAR CORPORATION

To the shareholders

Automodular Corporation (“Automodular”) earned \$3.7 million or \$0.17 per share for the 6 months ended June 30, 2007, an increase from \$1.2 million or \$0.05 per share in the first half of 2006. Sales were \$55 million, up sharply from \$35 million in the prior year.

Effective June 30, 2007, the Company ceased operations in Lansing, Michigan at the end of its contracts in that location. Exit costs were \$583,000 and are reflected in the first half results.

Automodular is currently expanding its operations in Oakville and Oshawa to support previously announced contract awards in these locations. Over the next 12 to 18 months, the Company anticipates adding approximately 200,000 square feet of plant space and hiring approximately 375 persons to carry out this additional work.

The outlook for the balance of 2007 is positive barring any major slowdown in auto markets.

On behalf of the directors.

Michael F. Blair
President and Chief Executive Officer