

To the shareholders:

Automodular Corporation (“Automodular”) earned \$5.2 million or \$0.24 per share for the 9 months ended September 30, 2007, up from \$1.4 million or \$0.06 per share for the same period in 2006. Sales grew to \$77 million from \$45 million. Automodular management expects the Company to meet or exceed its publicly disclosed 2007 targets of \$100 million sales and \$6 million net income.

Construction in Oakville is well under way on the Company’s second facility in support of the Ford Oakville Assembly plant’s production of the new Ford Flex scheduled to begin commercial production in April 2008. While startup and training costs for the new facility will, as expected, negatively impact first half 2008 results, management expects the new plant will make a positive contribution to results during the second half of 2008 and a significant contribution in 2009, its first full year of production.

In parallel, Automodular’s Oshawa-area management is engaged in preparations for the launch in early 2009 of the Chevrolet Camaro vehicle and future vehicles to be built on the same platform. Rearrangement of the Oshawa assembly facilities will dampen first half 2008 operations, but the new program is expected to add materially to results in 2009.

The Company recently completed a successful equity issue of 3,900,000 common shares for gross proceeds of \$7,800,000. This financing, together with new bank financing arranged concurrently, provides Automodular with sufficient liquidity to carry out its current expansion and to quote on additional programs.

On behalf of the board of directors.

Michael F. Blair
President and Chief Executive Officer