

To the shareholders

First quarter 2009 operations reflected the weak automotive industry conditions. Sales were down 36% from 2008, and excluding the \$1.4 million pre-tax charge relating to severance costs for Durham based employees, the Company incurred a small loss from operations.

The outlook for the balance of the year remains weak. General Motors appears to be headed towards reorganization within or outside of bankruptcy protection. Ford continues without government assistance but remains vulnerable to a prolonged downturn in consumer demand for vehicles.

Automodular will shut down its Montecorte Street facility in Whitby, Ontario as General Motors curtails its Oshawa Truck Assembly Plant operations in mid-May.

Automodular has two new vehicle programs underway: in Oshawa, production of the new Chevrolet Camaro is accelerating to commercial rates; and, in Oakville, production of the new Lincoln MKT is expected to launch later this year. These exciting new vehicles are expected to be well received by consumers and add to future sales and profits not only for the OEMs but also for Automodular.

On behalf of the directors.

Michael F. Blair
President and Chief Executive Officer

This Report to Shareholders contains forward-looking statements that involve a number of risks and uncertainties. Specific forward-looking statements in the document include those relating to the outlook for the balance of the year, the likelihood of a potential GM reorganization, the potential impact of longer-term low demand for vehicles from Ford, the market reception of the Chevrolet Camaro and Lincoln MKT vehicles and the impact on future sales and profits of those vehicle launches. Among the important factors that could cause actual results to differ materially from those indicated above are market and general economic conditions and the risk factors detailed from time to time in the Company's periodic reports filed with the Canadian securities regulatory authorities and on SEDAR at www.sedar.com. Readers are cautioned not to rely on forward-looking statements. Except as required under continuous disclosure obligations, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Effective the fourth quarter of 2008, Automodular no longer provides a financial outlook.