

To the shareholders

Automodular Corporation (“Automodular”) incurred a loss of \$1.1 million for the three months ended September 30, 2009 versus a profit of \$2.0 million in 2008. Sales of \$15.1 million were down from \$20.7 million last year.

The loss includes a charge of approximately \$1.4 million relating to a settlement of various commercial items in dispute with General Motors relating primarily to the closure of Automodular’s Montecorte Street facility in Whitby, Ontario. Excluding the one-time charge, Automodular was marginally profitable for the quarter.

The automotive industry has stabilized somewhat from the turmoil of early 2009, but remains weak with North American production at depressed levels in relation to recent years.

Sincerely,

Michael F. Blair, President

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 industry as a whole. 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.