

To the shareholders

Automodular Corporation (“Automodular”) earned \$1.6 million for the 6 months ended June 30, 2009, effectively matching prior year results. Sales of \$37 million declined from \$46 million in 2008.

During the first half, Automodular closed its Whitby, Ontario plant serving the Oshawa Truck assembly plant of General Motors, which ceased operations in May. Automodular plans to close its Lordstown, Ohio facility in December of this year, ending its U.S. operations.

The Chapter 11 filings of General Motors and Chrysler had only a nominal impact on Automodular, and both companies have now emerged from bankruptcy protection. The supplier base in the automotive industry has many weak companies suffering from low volumes and limited access to credit. Accordingly, there is a risk of disruption that could affect vehicles served by Automodular operations.

Industry volumes are at very low levels of production in relation to recent years and the outlook for the industry remains weak. Notwithstanding the industry weakness, Automodular sees demand improving for the platforms for which we provide sub-assembly services.

On behalf of the directors.

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 expected closure of Automodular’s Ohio facility in December, the impact of Chapter 11 Filings on Automodular and the automotive supplier base, including any risk of disruption to the supply chain, the outlook for the industry as a whole and demand for platforms for which we provide sub-assembly services. 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](http://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.*