

President's Message ...

2007 marks our first full year as an independent company and an exciting year it was!

The global automotive market, not surprisingly, continues to be challenging. The focus for 2007 was on restructuring the business to improve both financial performance and to better position the company competitively for the future.

Key activities included:

- The closure of our injection molding facility in Manton, Michigan, with relocation of the production to Cadillac, Michigan, and Orizaba, Mexico.
- Significant new business wins at key customers including GM, Ford, Toyota, Renault, and VW-Audi.
- Major new growth in the North American off-road vehicle and small engine markets, now comprising nearly 20% of our global revenue.
- The financial restructuring of the business following the production cutbacks from the "Detroit 3" in the second half of 2006.
- The successful growth and development of our facility in Gebze, Turkey.
- The successful sale and long-term leaseback of our Spanish property near Barcelona.
- Strong, world-class operational performance in the areas of quality, delivery and productivity across the business.

With the restructuring now behind us, 2008 will bring a clear focus on business performance and the execution of our long-term strategic plan. This plan will lead to a continued diversification of the Avon Automotive business model, growth with several key customers, and an increased presence in key Asian markets.

Please accept my gratitude to our customers, suppliers, and team members who supported Avon Automotive through this challenging, but necessary year of restructuring.

Happy Holidays to you and your families, and best wishes for a healthy and prosperous 2008!



Leland J. Richards
President/CEO
Avon Automotive